FRANCHISE DISCLOSURE DOCUMENT
FOR USE IN CALIFORNIA ONLY

Miami Grill Franchising Corporation
a Florida Corporation
901-A Clint Moore Road
Boca Raton, Florida 33487
(954) 973-0000
Website: *www.mymiamigrill.com*
Email: franchising@miamigrillcorp.com

The franchise offered is for a fast-casual restaurant operating under the name "Miami Grill®", which offers quality food that is prepared fresh and cooked to order. These restaurants will operate using the franchisor's proprietary recipes, formulae, techniques, trade dress, trademarks and logos.

The estimated total investment necessary to begin operation of a "traditional" Miami Grill® restaurant is $365,000 to $985,000. This includes a $45,000 domestic or a $55,000 international Franchise Fee that must be paid to Franchisor or its affiliates.

We also offer a Multi-Unit Development Agreement where an individual or entity commits to develop and operate at least three (3) Restaurants. If you enter into a Multi-Unit Development Agreement for three (3) or more restaurants, you will pay an initial franchise fee equal to $45,000 for the first restaurant and a reduced franchise fee equal to $40,000 for each additional Restaurant to be developed, payable in advance. The total investment under a Multi-Unit Development Agreement will vary depending on the number of Restaurants to be developed. If you commit to develop three (3) Restaurants as a Multi-Unit Developer, the Development Fee shall total $125,000 and the estimated initial investment will range from $447,000 to $1,067,500.

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 this Disclosure Document in different formats, please contact Mr. Evan Friedman at 901-A Clint Moore Road, Boca Raton, Florida 33487, via telephone at (954) 973-0408 or via email at efriedman@miamigrillcorp.com.

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

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

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

The issuance date of this Franchise Disclosure Document is May 15, 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 unit 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 and Exhibit C.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction; Item 7 lists the initial investment to open, and 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 H 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 Miami Grill® Restaurant 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 Miami Grill® Restaurant franchisee?	Item 20 or Exhibit C lists current or 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 your franchise is 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 “A”.

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

Special Risks to Consider About *This* Franchise

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

> **Out-of-State Dispute Resolution**. The franchise agreement and multi-unit development agreement require you to resolve disputes with us 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 us in Florida than in your own state.

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

(THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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

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

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

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

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than five (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 six (6) months' advance notice of franchisor's intent not to renew the franchise.

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

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

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
P.O. Box 30755
Lansing, Michigan 48909
Telephone Number: (517) 335-7632

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

To simplify the language in this franchise disclosure document (the "**Disclosure Document**"), "**we**" and "**MGFC**" means Miami Grill Franchising Corporation, the franchisor. In this Disclosure Document, we use the term "**you**" to refer to individuals, partnerships, corporations, limited liability companies and partnerships, and the direct and indirect owners of partnerships, corporations, limited liability companies and partnerships.

We are a Florida corporation incorporated on October 10, 2007. On March 28, 2018, we changed our name from Miami Subs Franchising Corporation to Miami Grill Franchising Corporation. We maintain our principal place of business at 901-A Clint Moore Road, Boca Raton, Florida 33487. We do not maintain sales offices at any location other than our principal place of business. We previously have conducted business under the names "Miami Subs," "Miami Subs Grill," "The New Miami Subs Grill," "Miami Grill & Bar," and "Miami Grill Express." We are now doing business under the name "Miami Grill®". We have not conducted business in any other line of business and have not offered franchises in any other line of business.

Our agents for service of process in various states are listed in **Exhibit "A"**.

This Disclosure Document is for single unit and multi-unit development opportunities. You should read this Disclosure Document, the Franchise Agreement, the Multi-Unit Development Agreement, and the exhibits and riders carefully if you are interested in purchasing a franchise from us.

We also are in the business of franchising to others the right to purchase a defined geographic area to become an Area Representative in order to: (i) recruit third parties to become unit franchisees; and (ii) provide support services to the unit franchisees, using the Proprietary Marks (defined on the next page) and according to the terms, conditions, methods, and system standards in the Area Representative Agreement.

Our Parents, Predecessors and Affiliates

Our parent company is Miami Subs Corporation, a Florida corporation formed on August 29, 1990 ("**MSC**"). MSC's principal place of business is 901-A Clint Moore Road, Boca Raton, Florida 33487. MSC will not provide products or services directly to you. MSC has not offered franchises for Miami Grill Restaurants in this or any other line of business.

In 2018 we began changing all company names from Miami Subs to Miami Grill, and we are now known as Miami Grill.

MSC's parent company, and our ultimate parent company, is Miami Subs Capital Partners I, Inc., a Florida corporation formed in May 2007 ("**MSCPI**"). MSCP1's principal place of business is 901-A Clint Moore Road, Boca Raton, Florida 33487. MSCPI will not provide products or services directly to you. MSCPI has not offered franchises for Miami Grill® Restaurants in this or any other line of business.

On May 26, 2016, MSCPI, through its subsidiary Salad & Organic Food Services, LLC ("**SOFS**"), acquired substantially all of the assets, and all of the franchise and related agreements, from Salad Creations, LLC ("**SC LLC**"). SC LLC offered Salad Creations® franchises from 2009 through May 25, 2016. SOFS shares the same principal address as we do. As of the date of this Disclosure Document, there are currently thirteen (13) Salad Creations® restaurants in operation. SOFS began offering Salad Creations® franchises in August 2016. SOFS has not offered franchises in any other line of business.

Our affiliate, and a wholly owned subsidiary of MSC, is Miami Subs USA, Inc. (“**MSUSA**”), a Florida corporation that was incorporated on August 29, 1990 under the name Miami Subs Acquisition Corp., and which changed its name to Miami Subs USA, Inc. on August 30, 1990. MSUSA’s principal place of business is also the same as ours. In the past, MSUSA both operated and franchised Miami Subs Restaurants. MSUSA no longer owns, operates, or offers franchises for any Miami Grill® Restaurants.

Our affiliate, and a wholly owned subsidiary of MSC, is Miami Grill Express, LLC (“**MGE**”), a Florida limited liability company organized on July 6, 2020. MGE’s principal place of business is also the same as ours. MGE was formed to provide products or services directly to you. MGE has not offered franchises for Miami Grill Restaurants in this or any other line of business.

Miami Subs of Delaware, Inc., and Miami Subs Real Estate Corporation are also MSC’s wholly owned subsidiaries and have the same address as we do.

Our affiliate, MGCS 40, LLC, a Florida limited liability company, with a principal place of business at 600 NE 167th Street, North Miami Beach, FL 33162, owns and operates one Miami Grill affiliated restaurant in North Miami Beach, Florida. MGCS 40, LLC has not offered franchises for Miami Grill Restaurants in this or any other line of

Through common ownership, our subsidiary is Salad & Organic Food Services, LLC, a Florida limited liability company (“**SOFS**”). SOFS, which shares our principal address, and franchises quick service restaurants, under the name Salad Creations®, offering an extensive line of fresh salads, wraps, and other organic food as a healthy alternative to traditional quick service food. It has offered franchises since August 2016 and has thirteen (13) franchises in operation as of the date of this Disclosure Document. SOFS does not offer products or services to our franchisees.

Except for MGE, none of our affiliates provide products or services directly to you. Except as described above, none of our affiliates have operated Miami Grill® Restaurants or offered franchises for Miami Grill® Restaurants or in any other line of business.

Konstantinos "Gus" Boulis ("**Boulis**") who directly or indirectly owned and operated restaurants in various locations in Southern Florida under the name "Mr. Submarine" from August 1983 to September 1991, and under the name "Miami Subs" since December 1989, was one of our predecessors. Mr. Submarine restaurants offered a menu of food items similar to Miami Subs Restaurants and utilized a business format that is similar to Miami Subs Restaurants. Boulis individually owned one Miami Subs Restaurant in Key Largo, Florida, which as of the date of this disclosure document has been sold. Boulis and Kavala, Inc., a company wholly-owned by Boulis before his death on February 6, 2001, held rights to franchise Miami Subs Restaurants in Florida, which were transferred to us in September 1990. Boulis had owned and operated other restaurants in Southern Florida, including Captain Bob's Seafood restaurants, Martha's restaurant, Perry's restaurants, Quay restaurants, Stan's on the Water restaurant and Stavros Pizza restaurant. The principal business address for Kavala, Inc. is 645 Dania Beach Boulevard, Dania, Florida 33004.

Description of Franchise

We franchise restaurants operated under the name Miami Grill® (the "**Miami Grill® Restaurants**"), which principally offer quality food prepared fresh and cooked mostly to order, including submarine sandwiches, pita sandwiches, gyros, cheese steaks, wings, hot dogs, fish, burgers, chicken, desserts, ice cream, beverages and other food products (“**Products**”) served on-site, carry-out and drive-thru, delivery, curbside, mobile and kiosk ordering and through off-site catering ("**Catering**"). Miami Grill® Restaurants sell beer, wine and liquor. Miami Grill Restaurants offer the convenience and value of fast food with the menu variety and quality of casual dining. Miami Grill® Restaurants operate under the trade name and mark “Miami Grill” and the additional principal service marks, trademarks, trade names, logos, emblems and indicia of origin identified in Item 13. These principal marks and all other marks which may be designated by us in the future in writing for use with the System (defined below) are referred to in this Disclosure Document as the “**Marks**” or “**Proprietary Marks**”. The Proprietary Marks are owned by our Affiliate, which has licensed them to us so that we may sublicense them to our franchisees, as described in Item 13.

Traditional Miami Grill® Restaurants are typically located in free-standing buildings with a drive-thru window. A typical traditional Miami Grill® Restaurant requires a building approximately 2,500-3,000 square feet in size, with up to 78 seats and parking for up to 45 cars. A traditional Miami Grill® Restaurant, whether newly constructed or located in second generation space, offers drive-thru, dine-in, carry-out, delivery, curbside, mobile and kiosk ordering, and Catering.

In 2020, we added the Miami Grill Express to our franchise offerings. This model has the look and feel of our traditional Miami Grill restaurant, except there is no dining room for dine-in services. A Miami Grill Express will also be located in a free-standing building containing approximately 1,100 square feet. It has similar revenue streams as the traditional Miami Grill model such as third-party delivery, order ahead curb side pickup, and a drive-thru. The express model may include a double lane drive-thru if permitted by the applicable municipal building department, as opposed to the single lane found in our traditional model. The express model will also offer a more streamlined menu offering to enhance speed of service.

The Miami Grill® Restaurants are established and operated under a comprehensive and unique system (the “**System**”). The System includes distinctive signage, interior and exterior design, décor and color scheme; special recipes and menu items, including proprietary products and ingredients; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; inventory, management and financial control procedures (including point of sale and tracking systems); training and assistance; and advertising and promotional programs; all of which we may change, improve, and further develop, in our discretion. Certain aspects of the System are more fully described in this Disclosure Document and the Operating Manual, which you should expect to evolve over time, that is loaned to you as a franchisee during the term of your franchise agreement (see **Item 11**).

We also offer franchise agreements and multi-unit development agreements for the establishment of franchised restaurants outside the United States. The terms of those arrangements are different from the standard Franchise Agreement described in this Disclosure Document.

<u>The Franchise Agreement</u>

This Disclosure Document describes a license to develop and operate a single franchised Miami Grill® Restaurant (the **“Restaurant”** or "**Franchised Restaurant**"). The license grants you the right to operate a Franchised Restaurant at the street address identified in the Franchise Agreement. This offering contemplates that before signing the Franchise Agreement, you will first inform us of the site at which you would like to develop the Restaurant. Following our consent to the development of the site, you will pay us an initial franchise fee and sign a "**Franchise Agreement**" for the Restaurant. See **Item 5** for more information. The Franchise Agreement is attached as **Exhibit "E"** to this Disclosure Document.

You must designate a general manager who will be the main individual responsible for your business (the "**General Manager**"). We recommend, but do not require, that you be the General Manager. Your General Manager does not have to own an equity interest in you or the franchise. The General Manager must sign covenants to maintain the confidentiality of information he/she learns while employed as your General Manager, and your General Manager must sign non-competition covenants.

Multi-Unit Development Agreement

In certain circumstances, we will offer the right to enter into a Multi-Unit Development Agreement in the form attached as **Exhibit "F"** to this Disclosure Document (the "**Multi-Unit Development Agreement**") to develop multiple franchised Restaurants to be located within a specifically described geographic territory (the "**Exclusive Area**"). We will determine the Exclusive Area before you sign the Multi-Unit Development Agreement, and it will be included in the Multi-Unit Development Agreement. You must establish a minimum of three Restaurants within the Exclusive Area according to a minimum performance schedule, and you must sign a separate Franchise Agreement for each Restaurant established under the Multi-Unit Development Agreement. The Franchise Agreement for the first Restaurant developed under the Multi-Unit Development Agreement will be in the form attached as **Exhibit "E"** to this Disclosure Document, and we expect that you will sign the first Franchise Agreement at the same time you sign the Multi-Unit Development Agreement. For each additional Restaurant developed under the Multi-Unit Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees, which may be different from the form of franchise agreement included in this offering, but the royalty, brand development and other continuing fees payable to us will be the same as for your first Restaurant. The size of the Exclusive Area will vary depending upon local market conditions and the number of Restaurants to be developed (see **Item 12**).

Branded Products

In the future, we may license third parties to manufacture "Miami Grill" branded products and distribute those products in packages or over-the-counter distribution using our "Miami Grill" proprietary marks, at groceries, supermarkets, and similar retail outlets (the "**Branded Products Program**"). We and our affiliates retain the right to conduct these and other business activities in the future and we are not required to pay any compensation to you.

Market and Competition

You can expect to compete in your market with locally owned restaurants, as well as with national and regional restaurant chains. The market for quick service restaurant service is well established and very highly competitive. Quick service restaurants compete on the basis of factors such as price, service, restaurant location, and food quality. These businesses are often affected by other factors as well, such as changes in consumer taste, economic conditions, population, and travel patterns. If your Franchised Restaurant is located in a non-traditional setting as described above, or that your Franchised Restaurant is located near another Miami Grill Restaurant or a retailer participating in our Branded Products Program, you may appear to or actually compete with other Miami Grill Restaurants. If customers may be able to buy "Miami Grill" products from other sources (for example, from other restaurants, the Internet, or supermarkets), you may appear to, or actually, compete with other sellers of these products.

Industry-Specific Regulations

The restaurant industry is heavily regulated. A wide variety of Federal, state and local laws, rules and regulations have been enacted that may impact the operation of your Restaurant, and may include those which: (a) establish general standards, zoning, permitting restrictions and requirements and other specifications and requirements for the location, construction, design, maintenance and operation of the Restaurant's premises; (b) set standards pertaining to employee health and safety; (c) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants and laws and regulations relating to access by persons with disabilities; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; available of and requirements for public accommodations and requirements for fire safety and general emergency preparedness; (d) establish requirements for food identification and labeling; and (e) regulate advertisements. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Restaurant and you should consider both their effect and costs of compliance.

Many of the laws, rules and regulations that apply to business generally, such as the Americans with Disabilities Act of 1990, Federal Wage and Hour Laws and the Occupational Safety and Health Act, also apply to restaurants. The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and restaurant sanitary conditions. State and local requirements typically apply to sanitation and food handling. For example, certain licenses that you may need include, but are not limited to, zoning or land use approvals, sales and use tax permits, fire department permits, food handler permits, food establishment permits, health permits, alarm permits, occupational permits and wastewater discharge permits. The federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

The Nutrition Labeling and Education Act ("**NLEA**") sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in restaurants. While NLEA specifies a number of exemptions for restaurants, there are many instances where a nutritional label is required. The Food and Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA.

The Payment Card Industry Data Security Standard ("**PCI**") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accepts, transmits or stores any cardholder data.

You must identify, investigate, satisfy and comply with all laws, ordinances and/or regulations applicable to your Franchised Restaurant, including employment, workers' compensation, insurance, corporate, tax, public health and similar laws and regulations, because they vary from place to place, can change over time and may affect the operation of your Restaurant. You should independently research and review the legal requirements of the food services industry with your own attorney before you sign any binding documents or make any investments.

You are required to offer wine, beer, liquor and other alcoholic beverages for sale at your Restaurant. You must comply with any federal, state, county, municipal, or other local laws and regulations relating to alcohol and liquor that may apply to your Franchised Restaurant. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your

Franchised Restaurant. You must obtain any applicable real estate permits (*e.g.*, zoning), real estate licenses, liquor licenses and operational licenses.

The difficulty and cost of obtaining a liquor license and the procedures for securing the license vary greatly from area to area. There is also wide variation in state and local laws and regulations that govern the sale of alcoholic beverages. In addition, state "dram shop" laws give rise to potential liability for injuries that are directly or indirectly related to the sale and consumption of alcohol.

Each of your managers and other supervisorial or managerial employees must be ServSafe (or similar) certified. Certain managers and other supervisorial or managerial employees (including bartenders) must also complete alcohol awareness or TIPS training.

ITEM 2
BUSINESS EXPERIENCE

President and Chairman of the Board of Directors: Bernard H. (Bob) Vogel

Mr. Vogel has served as our President and Chairman of the Board of Directors in Boca Raton, Florida since June 2010. Mr. Vogel has also served as a Member of the Board of Directors for MSCPI and MSUSA since May 2007. Mr. Vogel is also the Director and Co-Chief Executive Officer of SOFS. He also was since January 1967, self-employed as an attorney in New York State.

Chief Operating Officer and Member of the Board of Directors: Jonathan H. Vogel

Mr. Vogel has been our Chief Operating Officer in Boca Raton, Florida since July 2016. He is also Co-President of SOFS.

Executive Vice President and Member of the Board of Directors: Evan B. Friedman

Mr. Friedman has served as our Executive Vice President in Boca Raton, Florida since March 2013 and is currently involved with business development and sales, as well as assisting in growth of the expansion of Miami Grill. He is also Co-President of SOFS.

Vice President of Franchise Development: Eric Sacks

Mr. Sacks has been our Vice President of Franchise Development in Boca Raton, Florida since September 2023. Prior to his position with us, he was a consultant for ADS Concepts in Boca Raton, Florida from October 2022 to August 2023. From April 2011 to September 2022, Mr. Sacks was a Development Agent for Subway South Florida in Boca Raton, Florida.

Equity Owner and Area Developer: Armando Christian Perez a/k/a PITBULL

Mr. Perez is an equity owner since July 2012 with development rights in Latin America. He is known worldwide as a global superstar, as a recording artist and performing artist. He or his assignee has a seat on the Board of Directors.

Vice President of Operations: Ambrose Whyms

Mr. Whyms has served as our Vice President of Operations in Boca Raton, Florida since June 2017. Before that he was Director of Training since our inception in October 2007. He also performs the same function for SOFS.

Vice President: Robert O'Neill

Mr. O'Neill as served as our Vice President of IT in Boca Raton, Florida since December 2017 and served as a support for both IT and Operations since September 2014. He continues to support both the IT and Operations departments and serves the same role for SOFS.

Director of Construction: Dave McGinty

Mr. McGinty has served as our Director of Construction in Boca Raton, Florida since December 2020. Prior to joining us, from May 2015 to June 2019, Mr. McGinty was Corporate Regional Director of Construction for Acts Retirement-Life Communities headquartered in Fort Washington, Pennsylvania. Before that, from January 2011 to April 2015, he served as Corporate Director of Facilities/Construction for the Avante Group headquartered in Hollywood, Florida.

Director of Procurement: Jerry Ernst

Mr. Ernst joined as our Director of Purchasing in 2018 in Boca Raton, Florida. He previously worked in the hospitality business for over 35 years. He is also the Director of Procurement of SOFS.

Director of Marketing: Lyle Cayce

Lyle Cayce began working for Miami Grill as the Director of Marketing in May of 2022 in Boca Raton, Florida. Prior to joining Miami Grill, he was the Digital Marketing Director at Marketing Performance Group in Boca Raton, Florida, an advertising agency that specializes in casino, hotel, restaurant, and event marketing. During this time, he worked on the Miami Grill account when Miami Grill was an agency client. His additional experience includes responsibilities as the Director of Advertising and Promotions for the Seminole Hard Rock Hotel & Casino and Hard Rock Live in Hollywood, Florida.

Corporate Trainer Balbina Juarez

Mrs. Juarez has been with Miami Grill for 25 years and serves on the Operations Team as our Corporate Trainer in Boca Raton, Florida. Prior to being the corporate trainer, she served as the manager of several Miami Grill locations.

ITEM 3
LITIGATION

In The Matter of Miami Subs Franchising Corp. Case No.: SEU-2015-32. On May 9, 2016 a Consent Order was entered. The Commissioner of Securities, State of Hawaii, authorized by the Director of the Department of Commerce and Consumer Affairs, State of Hawaii, by and through the Securities Enforcement Branch, Department of Commerce and Consumer Affairs ("**Commissioner**") alleged that MFSC sold two franchises without filing an offering circular under HRS § 482E-3(c) of the Franchise Investment Law ("Act"). MSFC agreed that it violated HRS § 482E-3(c) when it sold the two franchises. Prior to agreeing to the Consent Order, MSFC had made a written offer of rescission to the one remaining franchisee; that franchisee rejected the rescission offer. Upon signing the Consent Order, MSFC paid to the Division $5,000 in costs and other expenses incurred in the investigation, and agreed that it would comply with all filing and disclosure requirements of under HRS § 482E-3(c), and that it would not sell any additional franchises in the State of Hawaii until MSFC files its offering circular under HRS § 482E-3(c) of the Act.

Except as provided above, no other litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

ITEM 5
INITIAL FEES

Franchise Agreement: The "**Initial Franchise Fee**" is $45,000 for a “traditional” domestic and $55,000 for a “traditional’” international Miami Grill Restaurant. The Initial Franchise Fee is paid when you sign the Franchise Agreement. The Initial Franchise Fee is not refundable for any reason.

You are required to enter into a deposit agreement with us (a “**Deposit Agreement**”) under which you and we will explore the prospect of entering into a franchise agreement for the establishment of a Miami Grill Restaurant within a particular area. We will credit any deposit you pay us for the Deposit Agreement against the Initial Franchise Fee if we and you sign a Franchise Agreement. Under the terms of the Deposit Agreement, you will pay us a non-refundable, non-interest-bearing deposit of $22,500 (the “**Deposit**”), after which you will have 90 days to locate and secure a location for your franchised business. Our approval is required for both your proposed location and the lease before it is signed. If you and we are unable to agree upon a location within 90 days after the effective date of the Deposit Agreement, the Deposit Agreement will terminate, and the Deposit will be non-refundable. If you and we agree upon a location for the franchised business before termination of the Deposit Agreement, you will sign a Franchise Agreement and pay us the balance of the Initial Franchise Fee. No part of the Initial Franchise Fee (including the Deposit) is refundable. Your Deposit is a sign of your good faith and will be used to cover some of our costs if you do not sign a Franchise Agreement. The Deposit Agreement does not confer upon you any franchise or territorial rights. The Deposit Agreement is attached to this Disclosure Document as **Exhibit "D"**.

All franchisees who receive this Disclosure Document pay the same Initial Franchise Fee, with the exception of institutional and chain food service providers or other entities that control captive market locations not ordinarily available, with whom we may negotiate the Initial Franchise Fee.

Multi-Unit Development Agreement: If you qualify to develop and operate multiple Miami Grill Restaurants, (three (3) or more) then you will pay to us a reduced Initial Franchise Fee equal to $45,000 for the first restaurant and $40,000 for each additional Restaurant you commit to develop under the Multi-Unit Development Agreement. For example, if you commit to develop the minimum three (3) Restaurants, you must pay to us a non-refundable fee of $125,000 in advance when you sign the Multi-Unit Development Agreement.

Each time you sign the Franchise Agreement for a Restaurant to be developed under the Multi-Unit Development Agreement, beyond the first three (3), you must pay a reduced non-refundable Initial Franchise Fee of $40,000 in a lump sum when you sign each Franchise Agreement. We expect that you will sign the Franchise Agreement for your first Restaurant at the same time you sign the Multi-Unit Development Agreement.

The franchise fees are imposed uniformly on all multi-unit developers and is not refundable under any circumstances. Only multi-unit developers who have signed a Multi-Unit Development Agreement with us are eligible for the reduced Initial Franchise Fee.

There are no other purchases from or payments to us or any affiliate of ours that you must make before your Franchised Restaurant opens for business.

ITEM 6
OTHER FEES

TYPE OF FEE	**AMOUNT**	**DUE DATE**	**REMARKS** (Note 1)
Royalty	Equal to 6% of Gross Revenues of your Franchised Restaurant (Note 2)	Within 19 days after the end of each "**Accounting Period**" (which means a one-week period starting on a Monday and ending on the following Sunday (or another period of time that we may designate).	See Note 2 regarding the definition of "**Gross Revenues**."
Advertising Contribution	3% of Gross Revenues (Note 3)	Payable at the same time and in the same manner as the Royalty	You must pay your advertising contribution ("**Advertising Contribution**") to us for deposit into the National Advertising Fund or Regional Advertising Fund.
Local Advertising	1% of annual Gross Revenues (Note 4)	Must be spent annually	This amount is not paid to us. You must spend this amount on local advertising and promotion of your Franchised Restaurant. See Note 4.
Transfer Fee	50% of the then-current Initial Franchise Fee for new franchisees, which is currently \$22,500 OR \$50,000 or 10% of the sale price, whichever is greater, but only if the seller's franchise agreement is transferred/assigned prior to the fifth (5th) anniversary date of the seller's franchise agreement	Before Transfer	Payable if you transfer/assign your Franchise Agreement. This fee reimburses us for expenses incurred in providing required training and integrating the proposed transferee into the System. The Initial Franchise Fee is currently \$45,000

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (Note 1)
Relocation Fee	$10,000, plus our out-of-pocket expenses, including transportation, food and lodging.	When we approve your request to relocate your Franchised Restaurant and no new Franchise Agreement or training is required.	You must obtain our consent to the relocation of your Franchised Restaurant.
Transfer Fee for Permitted Transfer	50% of the then-current Initial Franchise Fee for new franchisees or $22,500, whichever is greater	Before transfer	
ServSafe / TIPS (or similar) Certification	$150 per person or the then-current market rate	As needed	Each of your managers and other supervisorial or managerial employees you designate must be ServSafe or similarly certified. Payable to an approved supplier
Computer System Maintenance	Up to $1,500 or the then-current market rate	Annually	Payable to approved supplier. Your computer system must be kept up to date

CONTINGENT BUT POSSIBLE FEES UPON CERTAIN OCCURRENCES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (Note 1)
Late Payment Fee	Interest at a rate that is the greater of the maximum rate permitted for indebtedness of this nature in the state in which the Franchised Restaurant is located or 18% per year (pro-rated).	When any payment is overdue	Payable if any check, draft, electronic or other payment is unpaid because of insufficient funds or if any sums due to us are not paid promptly when due. Interest continues to accrue until paid.

TYPE OF FEE	**AMOUNT**	**DUE DATE**	**REMARKS** (Note 1)
Audit	Deficiencies in royalty fee and advertising fees, plus interest. See remarks.	Within 10 days after receipt of the inspection or audit report	The interest rate is the same as the interest rate for late payments. If an audit is made necessary because you failed to timely furnish us required information or if there is an understatement of more than 1% of Gross Revenues for the audit period, you also must pay our reasonable costs and expenses in connection with the audit. If you fail to provide us with any records, reports, or other information required by the Franchise Agreement, we (or our designee) may prepare these records, and you must reimburse for any costs we incur in this preparation.
Collection Costs and Expenses	Our costs and expenses	On demand	These costs and expenses include costs and commissions due to a collection agency, reasonable attorneys' fees (including attorneys' fees incurred in representing us in bankruptcy proceedings), court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges.
Reimbursement of Insurance Costs	Cost of obtaining coverage plus an administration fee of 10% of the cost of the insurance coverage	On demand	Payable if you fail to obtain or maintain required insurance and if we elect to obtain coverage for you plus an administration fee of 10% of the cost of the insurance coverage. We collect the cost of the insurance coverage for the insurance company with whom we place the coverage.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (Note 1)
Additional Training Following Inspection	$1,500 per day of training	At the time of training when services rendered	If you fail two consecutive inspections, or three within a twelve-month period, we may require your Operating Principal or Director of Operations (as defined in Item 15 below) and at least two other supervisorial or managerial employees to attend and complete additional training. See Item 11 for more information.
Additional on-site opening assistance or training	Our per-diem charges, which is currently $500 per day, plus our out-of-pocket costs	Upon demand	If you ask that we send trainers or if we require trainers to be sent to your Franchised Restaurant for additional opening assistance or training, and we do so, then you will have to pay our trainers' expenses and our then-current per diem charge for extra training. Our current per diem charge is $500 per day (we reserve the right to change our per diem rate in the future).
Reimbursement for Settlement of Customer Complaints	Our reasonable expenses	Immediately upon receipt of invoice	If, in our judgment, you fail to adequately address or resolve any customer complaint, we have the right to resolve the complaint and charge you our reasonable expenses.
New Product and Supplier Testing Fee	Actual cost of testing	Immediately upon receipt of invoice	If you propose to purchase any items from a manufacturer, distributor, vendor or other supplier not previously approved, you must submit samples to us or an independent testing laboratory designated by us and pay for the actual cost of the testing.

TYPE OF FEE	**AMOUNT**	**DUE DATE**	**REMARKS** (Note 1)
Restroom facility and/or Cleaning Expenses	Actual cost of cleaning restrooms	Immediately upon receipt of invoice	If we determine that your restrooms do not meet our sanitation and hygiene standards, we have the right to arrange for a cleaning service that we designate to come to your Franchised Restaurant to clean the restrooms, and you must pay for this cleaning service.
Customer Service Penalty	$1,000.	On demand	If we receive three or more equivalent customer service complaints within a 90 day period, and for each additional equivalent complaint. See Note 5.
Indemnity	Any losses and expenses that we incur	On demand	You must indemnify and hold us harmless in all actions due to the development or operation of your Franchised Restaurant, for all actions due to your failure to comply with applicable law, and also regarding any securities that you may offer. See Item 9.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS (Note 1)
Liquidated Damages	Will vary under the circumstances but calculated as follows: the average of your monthly royalty fees and Advertising Contribution payments due for the last 36 months before our delivery of notice of default (or, if the Restaurant has been open less than 36 months, the average of your monthly royalty fees and Advertising Contribution payments due for the number of months the Restaurant has been open), multiplied by the lesser of 36 or the number of months remaining in the term of the Franchise Agreement	If incurred	See Note 6

NOTES TO ITEM 6 TABLE

1. All fees are uniformly applied to new system franchisees and are non-refundable. However, in some instances in which it was appropriate to do so, we have waived some or all of these fees for a particular franchisee. All fees are payable to us unless otherwise noted.

2. Gross Revenues include the entire amount of the actual sales price, whether for cash, credit, check or other consideration, of all sales made at or from the Franchised Restaurant, including sales of food, beverages, merchandise, premiums, promotional items and services, revenues from mail, telephone or electronic orders received or filled from your Franchised Restaurant; commissions on telephone, video game machine and vending machine revenues; gift certificates (when redeemed but not when purchased); all deposits not refunded to the purchasers; all revenues from dine-in, carry-out, drive-thru, delivery, self-ordering kiosks, online mobile ordering, curbside pickup, Catering, banquets, or otherwise; all payments to you from any manufacturer, vendor, distributor or concessionaire; any promotional allowances provided in exchange for goods or services; and any other revenues derived in, upon or from the franchised location except as specifically excluded below. Gross Revenues do not include the cost of food provided to your employees as an incident of employment during an employee's shift; sales of merchandise for which cash has been refunded or allowances made on merchandise claimed to be defective or unsatisfactory or on exchanged merchandise; discounts on the stated sales price that are not actually charged to the guest; any tips collected by your employees; and any sales tax or other taxes collected from guests and turned over to the governmental authority imposing the tax.

3. The Advertising Contribution will be paid to the National Advertising Fund or to any Regional Advertising Fund, in the proportions that we will have the right to periodically designate. See **Item 11** for descriptions of the National Advertising Fund and Regional Advertising Fund. Miami Grill® Restaurants operating within airports and on turnpikes shall not be required to make Advertising Contributions.

We may also propose increases in the Advertising Contribution to all franchisees who would be affected. If two-thirds of the responses (on the basis of one vote for each Miami Grill® Restaurant) or more of the Miami Grill® Restaurants (including Miami Grill Restaurants that we and our affiliates operate) agree with the proposed change, then the change will take effect as to all Miami Grill® Restaurants in the System and you will be bound to pay the changed amount.

4. You must spend at least 1% of your Gross Revenues on local advertising and promotion of your Franchised Restaurant. Local advertising monies are not paid to us unless, as described below, you fail to make these expenditures. Expenditures credited towards local advertising and promotion include: amounts expended for advertising media such as television, radio, newspaper, billboards, magazines, posters, direct mail, sports program booklet advertising; collateral promotional and novelty items (*e.g.*, matchbooks, pens, pencils, bumper stickers); advertising on public vehicles, such as cabs and buses; and, if not provided by us, the cost of producing approved materials necessary to participate in these media, including related advertising agency commissions. If we determine that you did not, in any given calendar year, make all required local advertising and promotion expenditures, you must pay us the difference between the amount that was spent on local advertising and promotion during that year and the amount you were supposed to spend during that year. We will then make sure these amounts are spent on local advertising and promotion of your Franchised Restaurant.

5. If, within any 90 day period, we receive, or are alerted to, customer complaints (whether by phone or e-mail, in writing, through the Internet, or otherwise) from three separate customers involving the same or similar (in our opinion) customer service problems or issues involving your Franchised Restaurant (a "**Consumer Complaint**"), we have the right, in addition to any other remedies available to us under the Franchise Agreement, to require you to pay us a fee in the amount of $1,000 for the third complaint to defray our direct costs of investigating the complaints.. If we receive or are alerted to a fourth (or more) additional Consumer Complaint from a separate customer within 12 months of the previous Consumer Complaint, we have the right to require you to pay an additional fee of $1,000 for each additional Consumer Complaint; all of which you must pay to us.

6. If we terminate your Franchise Agreement based on your default, you must pay us liquidated damages, calculated as follows: (a) the average of your monthly royalty fees and Advertising Contribution payments due for the last 36 months before our delivery of notice of default (or, if the Restaurant has been open less than 36 months, the average of your monthly royalty fees and Advertising Contribution payments due for the number of months the Restaurant has been open), (b) multiplied by the lesser of 36 or the number of months remaining in the term of the Franchise Agreement. You acknowledge and agree that the actual damages to be suffered by Company in this circumstance are difficult, if not impossible, to determine, and that, under all the facts and circumstances, this calculation of Company's potential damages is a reasonable, good-faith estimate of those damages.

ITEM 7
ESTIMATED INITIAL INVESTMENT

Please review these charts together with the notes that follow.

YOUR ESTIMATED INITIAL INVESTMENT FOR A TRADITIONAL OR EXPRESS RESTAURANT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT (Note 1)	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee (Note 2)	$45,000	Lump sum	When you sign your Franchise Agreement	Us
Real Estate (Note 3)	$8,000 to $20,000	Lump Sum	Prior to Lease	Landlord
Leasehold Improvements and Construction (Note 4)	$110,000 to $500,000	As incurred	As incurred	Miami Grill Approved General Contractors
Furnishings, Fixtures and Equipment (Note 5)	$80,000 to $185,000	As incurred	As ordered	Miami Grill Approved Suppliers
Signage and Menu Boards	$60,000 to $85,000	As incurred	As ordered	Miami Grill Approved Suppliers
Training and Travel Expenses (Note 6)	$3,000 to $5,000	As incurred	During training	Airlines, Hotels and Restaurants
Initial Inventory and Supplies (Note 7)	$10,000	As incurred	Before opening	Miami Grill Approved Suppliers
Miscellaneous Opening Costs (Note 8)	$3,000 to $20,000	As incurred	Before opening	Legal, Landlord, Miami Grill Approved Suppliers, Utilities, etc.
Grand Opening Expense (Note 9)	$5,000	As incurred	Before and during opening	Miami Grill Approved Suppliers, Media
Liquor License (Beer & Wine) (Note 10)	$1,000 to $10,000	Lump Sum	Before opening	Governmental Authority or Existing License Holder
Additional Funds – 3 Months (Note 11)	$40,000 to $100,000			Miami Grill Approved Suppliers & Employees

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT (Note 1)	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Total (excluding real estate purchase, full liquor license costs) (Note 12)	**$365,000 to $985,000**			

NOTES TO YOUR ESTIMATED INITIAL INVESTMENT FOR A TRADITIONAL RESTAURANT

All fees are imposed by and payable to us by electronic funds transfer or other automatic payment mechanism we designate and are non-refundable. You authorize us to debit from your designated primary business checking or savings operating account all funds due and payable to us for Royalty Fees and other sums that you owe to us or our affiliates. We currently do not offer financing for any purpose, but reserve the right to do so in the future. We do not guarantee your note, lease or other obligations.

1. Since none of these costs, except the Initial Franchise Fee (which is not refundable) are paid to us, whether any of these costs are refundable will vary based on the practice in the area where your Franchised Restaurant is located and upon the arrangements you make with vendors and suppliers.

2. The Initial Franchise Fee for either a traditional Miami Grill Restaurant or a Miami Grill Express is $45,000 domestic and $55,000 international and is paid when you sign the Franchise Agreement. If you have signed a Deposit Agreement, we will credit any Deposit you paid us under a Deposit Agreement against your Initial Franchise Fee. Otherwise, as described in **Item 5**, the Deposit is non-refundable.

3. The costs of acquiring or leasing a location for your Franchised Restaurant will vary significantly depending on the geographic location. The cost of purchasing the real estate is not included in this estimated investment range. If leased, the base rent, exclusive of percentage rent, common area maintenance charges, taxes and insurance likely will range from $8,000 to $20,000 a month, plus deposits as shown above. These estimates are based on (A) a traditional Miami Grill Restaurant of 2,500 to 3,000 square feet with 78 seats and parking for 45 cars, or (B) a Miami Grill Express containing 1,100 square feet with a double drive through.

4. Your election either to construct a new building or convert an existing building will significantly affect the cost of leasehold improvements, including construction. In addition, the geographic area, the location of the building, its size, its character (*i.e.,* free-standing versus in-line), the condition of the premises and the amount of parking area provided will all affect the required investment. Therefore, we offer no estimation on new building construction. These costs may vary significantly based on cost of goods and inflation which, as of the date of this Disclosure Document, are at all-time highs. We recommend you hire a qualified contractor to provide you an estimate of leasehold improvements required for your site.

5. The amount of furnishings, fixtures and equipment will depend, to some extent, on the size of the building. The total cost of furnishings, fixtures and equipment will depend on the suppliers, your location, distance from the suppliers, transportation costs and similar variables. This estimate may vary based on inflation, supply chain restrictions, and increases in cost of goods at the time you purchase furnishings, fixtures and equipment. At the time of this Disclosure Document, inflation is at an all-time high.

6. For our initial training program, you must pay the costs associated with transportation, lodging, food, uniforms, and salaries for you, your managers or other supervisorial or managerial employees that attend our initial training program. The cost will depend upon the distance you and your personnel must travel and the type of accommodations you choose.

7. The total cost of the initial inventory and supplies will depend on individual suppliers, your location, transportation costs, season, available supplies and similar variables.

8. These costs include professional fees (such as legal, accounting and architectural fees), security deposits, utility deposits, governmental license fees and insurance premiums for one year for the insurance required by the Franchise Agreement.

9. You must spend at least $5,000 on a grand opening marketing program for the Franchised Business during the first 60 days of operation. The grand opening program will use the marketing, advertising and public relations programs, media and materials we have developed or approved and is separate from your other marketing and advertising requirements. We may require you to submit expenditure report(s) to us, accurately reflecting your grand opening marketing expenditures. See **Items 8 and 11** for more information about grand opening advertising.

10. You must offer beer and wine at your Franchised Restaurant, and you must have the appropriate license related to offering beer and wine, unless the cost of acquiring the license is prohibitive in our judgment. These are general estimates for “beer & wine” licenses, not full liquor licenses, which can vary widely and can exceed $500,000 in certain metro areas including where our headquarters is located. You should determine the cost and availability of a beer & wine license and/or a liquor license before you sign the Franchise Agreement.

11. This estimates your initial opening expenses for the first 90 days. These expenses include payroll costs for management and other employees. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. You will need capital to support ongoing expenses, such as payroll, utilities, royalty fees and advertising contributions if these fees are not covered by sales revenues from your first three months of operation. Your costs will depend on factors such as: how closely you follow our methods and procedures; your management skill, experience and business acumen; financing costs; local economic conditions; the local market for restaurants; the prevailing wage rate; competition; and the sales level reached during the initial period.

12. We relied on our experience (and that of our predecessors) in the restaurant business to compile these estimates. We also relied on opening costs in comparable restaurant franchise costs in the United States when preparing these figures. Your actual costs may vary greatly and will depend on factors such as the size and condition of the space and cost to convert to a Franchised Restaurant, your management skill, experience and business acumen; local economic conditions; the local market for the Franchised Restaurant’s products; the prevailing wage rate; competition; and the sales level reached during the start-up phase. These amounts do not include any estimates for debt service. These are only estimates, and your costs may vary based on actual rental prices in your area and other site-specific requirements or regulations. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee. You should review these figures carefully with a business advisor before making any decision to purchase a franchise.

YOUR ESTIMATED INITIAL INVESTMENT
MULTI-UNIT DEVELOPER – DEVELOPMENT OF THREE RESTAURANTS

(1) Type of Expenditure	(2) Amount	(3) Method of Payment	(4) When Due	(5) To Whom Payment is to be Made
Development Fee (1)	$125,000	Lump Sum	On signing Multi-Unit Development Agreement	Us
Vehicle – 3 Months (2)	$2,000 to $2,500	As Arranged	As Incurred	Suppliers
Other Expenditures for First Restaurant Excluding the $45,000 Initial Franchise Fee(3)	$320,000 to $940,000	See First Table	See First Table	See First Table
Total	**$447,000 to $1,067,500**			

None of the expenses listed in the above chart are refundable. We do not finance any portion of your initial investment.

Notes:

1. These fees are discussed in Item 5. Our estimate assumes you will develop the minimum of three Restaurants. If you qualify and choose to develop more than three (3) Restaurants, you will pay a reduced Initial Franchise Fee of $40,000 for each additional Restaurant to be developed, payable in advance.

2. We anticipate that you will need a vehicle to view potential sites and to oversee the build-out of the Restaurant. Our estimate includes three months of expenses for gas, maintenance and vehicle payments.

3. These are the estimates to build-out your first Restaurant excluding the Initial Franchise Fee. Costs associated with building out additional Restaurants are subject to factors that we cannot estimate or control, such as inflation, increased labor costs or increased materials costs.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We have the right to approve suppliers and distributors of Products, food items, ingredients, supplies, materials, and other products that meet our standards and requirements including those relating to manner of preparation, quality, freshness, prices, consistency, reliability, financial capability, compliance with governmental standards and regulations, labor and customer relations. We may develop certain proprietary food products that will be prepared by or for us according to our proprietary special recipes and formulas ("**Proprietary Products**"). We also have developed standards and specifications for other Products, ingredients, seasonings, mixes, beverages, materials and supplies incorporated or used in the preparation, cooking, serving, packaging and delivery of prepared food products authorized for sale at Miami Grill® Restaurants.

You must purchase all Products, food items, ingredients, supplies, materials, and other products used or offered for sale at your Franchised Restaurant solely from suppliers (including manufacturers, distributors, and other sources) who demonstrate, to our continuing reasonable satisfaction, the ability to meet our then-current standards and specifications for these items; who possess adequate quality controls and capacity to supply your needs promptly and reliably; whose approval would enable the System, in our opinion, to take advantage of marketplace efficiencies; and of whom we have approved in writing before you make any purchases from the supplier ("**Approved Suppliers**").

You must purchase Proprietary Products only from us or from supplier(s) we designate. Our approval of a distributor or other supplier may be conditioned on requirements that we will determine, including those relating to the frequency of delivery, standards of service (including prompt attention to complaints), other criteria, and the payment to us of rebates and other amounts from suppliers on account of their dealings with you and other franchisees in the System, and to use all these amounts that we receive without restriction and for services that we may render to suppliers.

You must not offer or sell any unapproved Products in the operation of the Franchised Restaurant. We have the right to approve a single distributor or other supplier as an Approved Supplier for any Product or special equipment and may designate an Approved Supplier as to certain products. We have the right to concentrate purchases with one or more distributors or suppliers to obtain lower prices and/or the best advertising support and/or services for any group of Miami Grill® Restaurants franchised or operated by us. We may periodically modify the list of Approved Suppliers, and you must not, after receiving written notice of any modification, order or sell any Products or other items from any supplier who is no longer an Approved Supplier.

If you wish to buy any non-proprietary food products from an unapproved supplier, you must first submit to us a written request for approval of that proposed supplier. You must not purchase from any supplier until, and unless, we have approved that supplier in writing. We have the right to require that our representatives be permitted to inspect the proposed supplier's facilities, and that samples from the supplier be delivered either to us or to an independent laboratory designated by us for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test will be paid by you or the proposed supplier to us. We will notify you within 60 days as to whether you are authorized to purchase these products from that proposed supplier. We also have the right to require that the proposed supplier comply with other requirements that we may require, including payment of reasonable continuing inspection fees and administrative costs, or other payment to us by the supplier on account of their dealings with you and other franchisees, for our use, without restriction (unless instructed otherwise by the supplier) and for services that we may render to those suppliers. We reserve the right, at our option, to periodically re-inspect the facilities and products of any Approved Supplier and to revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. We are not required to approve any particular supplier. We may establish commissaries and distribution facilities that we or our affiliate own and operate that we may designate as an Approved Supplier.

You must at all times maintain an inventory of approved Products (as well as Proprietary Products), beverages, ingredients and other products sufficient in quantity, quality and variety to realize the full potential of your Franchised Restaurant.

We may receive fees, commissions, field-of-use license royalties, or other consideration from approved suppliers based on their sales to you, and we may charge non-approved suppliers reasonable testing or inspection fees. For our efforts in establishing, coordinating and overseeing the supply and distribution of the Products, we receive rebates based on your purchases from several suppliers. Under an agreement with certain preferred soft drink and food suppliers, those suppliers pay us rebates based upon purchases by franchised and company-owned Restaurants. Some, but not all, of these rebates will be directed to the Advertising Fund; we will take the remainder as income. These rebates include both up-front payments and payments based on usage/purchases by Restaurants in the System. We anticipate that, with up-front payments prorated over the life of our supply agreements, the total rebates we receive will equal approximately 3% to 4% of purchases by both company-owned and franchised Restaurants in the System. However, if purchases by Restaurants in the System are less than we currently project over the life of the agreement, the percentage of rebates against total purchases will be higher.

We negotiate national contracts with a number of suppliers under which Miami Grill Restaurants may purchase products at a negotiated price. You are entitled to purchase products at the price negotiated by us. Except for MGE, neither we nor any of our affiliates is currently an approved supplier for any products. None of our officers has a direct ownership interest in any approved supplier.

There are no specifications or approved suppliers for real estate. You must, however, obtain our written consent to the development of a proposed site. The cost of goods, services, supplies, fixtures, equipment, inventory and computer hardware and software that must be purchased from approved suppliers or in accordance with our specifications represents approximately 85% of your total purchases for the establishment of your Franchised Restaurant, and approximately 85% to 90% of your total purchases for the operation of your Franchised Restaurant.

You must purchase certain equipment in connection with your obligation to participate in our Gift Card Program (as defined and further described in Item 11 below).

We and our affiliates may in the future derive income from your direct purchases of required goods and services, including Proprietary Products, but during our previous fiscal year neither we nor any of our affiliates derived any income from franchisee purchases of required goods or products.

As mentioned above, we and our affiliates may receive rebates as a result of your purchases from certain Approved Suppliers. During the fiscal year ended December 31, 2023, we received $485,922 in revenue as result of franchisee required purchases from Approved Suppliers which was 11.9% of our total revenue.

There are no purchasing or distribution cooperatives in existence. We do not provide any material benefits to franchisees based upon their use of designated or approved sources.

POS System

You must buy (or lease) and maintain a point of sale ("**POS**") system that has been approved by the Company. More detailed information concerning the POS system can be found in Item 11 of this disclosure document under the heading "Computer System and POS System." In general terms, you must obtain a POS system that will consist of certain hardware and software items and peripheral devices (such as printers). Among other things, you must meet our requirements concerning: (a) back office and point of sale systems; (b) security systems; (c) printers and other peripheral devices; (d) archive and back-up systems; and (e) internet access mode (for example, broadband) and speed.

Insurance

You must obtain and maintain throughout the term of your Franchise Agreement the following insurance: (a) commercial general liability insurance (including liquor liability insurance) with minimum limits of $1,000,000 combined single limit per occurrence and $2,000,000 general aggregate per location; (b) comprehensive automobile liability insurance including owned, hired and non-owned coverage, of not less than $1,000,000; (c) workers' compensation insurance and employer's liability insurance for a minimum limit equal to at least the greater of $500,000/$500,000/$500,000 (Each Accident/Per employee for Disease/Disease Aggregate Limit) or the amounts required as underlying by Franchisee's umbrella carrier, as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Franchised Restaurant is located.; (d) commercial umbrella liability insurance with a total liability limit of not less than $2,000,000; (e) builder's risk insurance with all risks coverage (including soft costs and flood if in a mandated flood zone) equal to the greater of replacement cost of the structure and improvements based on current market value or the amount required by your lending institution; (f) property insurance providing coverage for direct physical loss or damage to real and personal property, improvement and betterments for all perils, including the perils of flood (if located in a mandated flood zone) and windstorm/hail; (g) business interruption insurance which includes a provision that you will reimburse us for all royalty, advertising, interest and other payments due under the Franchise Agreement , to cover 100% values; and (h) all other insurance required by law, by the lease or sublease for the Franchised Restaurant, or by us as stated in the Operating Manual.

We reserve the right to change our insurance requirements during the term of your Franchise Agreement, including the types of coverage and the amounts of coverage, and you must comply with those changes. If you do not obtain any insurance as required, we have the right (but not the obligation) to purchase insurance on your behalf and you must reimburse us for our costs related to the purchase of insurance plus an administration fee of 10% of the cost of the insurance coverage.

Each insurance policy required under the Franchise Agreement must be issued by an issuer we approve, must have a current Best's rating of at least "A", and must be licensed to do business in the state(s) in which your Franchised Restaurant is located. All public liability and property damage policies must name us as additional insureds and as additional loss payees and must provide that each policy is not cancelable without 60 days prior written notice to us. Any additional costs incurred by you in having us named as an additional insured shall be borne by you, except as otherwise required by state law. All insurance policies must include us as a third-party beneficiary. You must provide us with a copy of each policy, including all addendums, amendments, riders and deliver to us a certificate or certificates showing that all required insurance is in full force and effect.

Except as specified here, you are not required to purchase any other goods or services in accordance with our specifications or from approved suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise 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 FRANCHISE AGREEMENT (FA), MULTI-UNIT DEVELOPER AGREEMENT (MUDA), AND DEPOSIT AGREEMENT (DA)	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	FA: Sections 1 and 4; Exhibit B (Site Selection Addendum) MUDA: Section 3 DA: Sections 4, 5, 6, and 7	Items 5, 6, and 11
b. Pre-opening purchases/leases	FA: Sections 5, 6, and 11 MUDA: Not Applicable DA: Not Applicable	Item 8
c. Site development and other pre-opening requirements	FA: Sections 4, 5, and 6; Exhibit B (Site Selection Addendum) MUDA: Not Applicable DA: Not Applicable	Items 7 and 11
d. Initial and ongoing training	FA: Section 9 and 11 MUDA: Not applicable DA: Not Applicable	Item 11
e. Opening	FA: Sections 5, 6, and 9 MUDA: Not Applicable DA: Not Applicable	Item 11
f. Fees	FA: Sections 2, 8, 12, 17, and 20 MUDA: Sections 2 and 3 DA: Section 1	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	FA: Sections 6, 9, and 11 MUDA: Not applicable DA: Not Applicable	Items 8 and 11
h. Trademarks and proprietary information	FA: Sections 13 and 22 MUDA: Not Applicable DA: Not Applicable	Items 13 and 14
i. Restrictions on products/services offered	FA: Section 11 MUDA: Section 7 DA: Not Applicable	Item 16
j. Warranty and customer service requirements	FA: Section 11 and 33 MUDA: Not Applicable DA: Not Applicable	Item 11
k. Territorial development and sales quotas	FA: Section 1 MUDA: Section 3 DA: Not Applicable	Item 12
l. Ongoing products/service purchases	FA: Section 11 MUDA: Not Applicable DA: Not Applicable	Item 8
m. Maintenance, appearance and remodeling requirements	FA: Sections 4 and 11 MUDA: Not Applicable DA: Not Applicable	Item 11
n. Insurance	FA: Section 14 MUDA: Not Applicable DA: Not Applicable	Items 6 and 7

OBLIGATION	SECTION IN FRANCHISE AGREEMENT (FA), MULTI-UNIT DEVELOPER AGREEMENT (MUDA), AND DEPOSIT AGREEMENT (DA)	DISCLOSURE DOCUMENT ITEM
o. Advertising	FA: Section 8 MUDA: Not Applicable DA: Not Applicable	Items 6 and 11
p. Indemnification	FA: Section 26; Exhibit A (Guarantee, Indemnification, and Acknowledgment) MUDA: Section 14 DA: Not Applicable	Item 6
q. Owner's participation/management/ staffing	FA: Section 11 MUDA: Section 7 DA: Not Applicable	Items 11 and 15
r. Records/reports	FA: Section 7 MUDA: Not Applicable DA: Not Applicable	Item 6
s. Inspections/audits	FA: Sections 4 and 12 MUDA: Sections 12 DA: Not Applicable	Items 6, 8, and 11
t. Transfer	FA: Sections 16 and 17 MUDA: Section 11 DA: Not Applicable	Item 17
u. Renewal	FA: Sections 20 and 28 MUDA: Section 5 DA: Not Applicable	Item 17
v. Post-termination obligations	FA: Sections 21 and 22 MUDA: Section 10 DA: Not Applicable	Item 17
w. Non-competition covenants	FA: Section 19 MUDA: Section 12 DA: Not Applicable	Item 17
x. Dispute resolution	FA: Section 29 MUDA: Section 19 DA: Not Applicable	Item 17
y. Guaranty	FA: Exhibit A MUDA: Exhibit B DA: Not Applicable	Item 15
z. Liquidated damages	FA: Section 29 MUDA: Not applicable DA: Not applicable	Item 6

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your notes, leases, or other obligations.

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

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

Our Obligations Before Opening.

According to the Deposit Agreement, Franchise Agreement, and Multi-Unit Developer Agreement, we must provide certain assistance and service to you.

Deposit Agreement (if applicable).

1. Site selection counseling and assistance (Deposit Agreement, Section 6).

2. An indication of the basic terms necessary to obtain our approval of a lease (Deposit Agreement, Section 6).

3. On-site evaluation, as we deem advisable, for your request for site approval (Deposit Agreement, Section 6).

Franchise Agreement.

1. Loan you one copy of our confidential and proprietary Operating Manual and provide you all periodic updates, additions and deletions to it. (Franchise Agreement, Section 9.C.)

2. Provide an initial training program to your Operating Principal, Director of Operations, and at least three supervisorial or managerial trainees for your traditional Franchised Restaurant. (Franchise Agreement, Section 9.A.) These training programs are described later in this Item.

3. Provide you with written specifications and a list of suppliers for all equipment, signs, fixtures, opening inventory, and supplies. (Franchise Agreement, Sections 4.A., 4.C., 9.C., and 11.A.)

4. Review the proposed plans, specifications and drawings for your Franchised Restaurant and grant or withhold our consent to your use of those plans, specifications and drawings in building your Franchised Restaurant. We may inspect the franchised location during the course of construction to determine whether construction is proceeding according to those plans, specifications and drawings. (Franchise Agreement, Section 4.A.)

5. Following issuance of a certificate of occupancy for your Franchised Restaurant, we will use our best efforts to conduct a final inspection of the Franchised Restaurant and its premises to determine if you have complied with the Franchise Agreement. (Franchise Agreement, Section 4.H.)

6. Provide you with any opening assistance as we deem necessary to open your Franchised Restaurant. (Franchise Agreement, Section 9.D.)

Multi-Unit Developer Agreement

1. We will grant to you rights to an Exclusive Area within which you will establish and operate an agreed-upon number of Restaurants under separate Franchise Agreements. (Multi-Unit Development Agreement, Section 1.1).

2. We will review the information regarding potential sites that you provide to us to determine whether the sites meet our standards and criteria for a Miami Grill Restaurant and, if the site meets our criteria, accept the site for a Restaurant. (Multi-Unit Development Agreement, Section 8.1).

3. We will assist you in determining the layout and configuration of each Restaurant once the location has been approved. After you and we have determined the layout and configuration of each Restaurant, you must arrange for site plan and build-out plans and specifications to be prepared and submitted to us for our review. (Multi-Unit Development Agreement, Section 8.2).

4. We will review your proposed site plan and final build-out plans and specifications for conformity to our standards and specifications (Multi-Unit Development Agreement, Section 8.3).

5. We will provide other resources and assistance as may be developed and offered to our Multi-Unit Developers (Multi-Unit Development Agreement, Section 8.4).

We are not required by the Deposit Agreement, Franchise Agreement, or Multi-Unit Developer Agreement to provide any other service or assistance to you before you begin your operations.

Our Obligations After Opening.

During the operation of your Franchised Restaurant, we will:

1. Periodically, and upon your reasonable request, advise and consult with you regarding the operation of your Franchised Restaurant. We will provide you our knowledge and expertise regarding the System and pertinent new developments, techniques and improvements in the areas of restaurant design, management, food and beverage preparation, sales promotion, service concepts and other areas. We may provide these services through visits by our representatives to your Franchised Restaurant or your offices, the distribution of printed or filmed material, meetings or seminars, telephone communications or other communications. (Franchise Agreement, Section 9.B.)

2. Periodically inspect your Franchised Restaurant and its operations to assist you and to ensure compliance with the System. (Franchise Agreement, Section 12.A.)

3. Collect, administer and spend for advertising and promotion purposes monies paid by franchisees and company-operated restaurants into the National Advertising Fund. (Franchise Agreement, Section 8.B.)

4. If we establish a Regional Advertising Fund for an area that includes your Franchised Restaurant, we will collect, administer and spend for advertising and promotion purposes monies paid by franchisees and company-owned restaurants into that Regional Advertising Fund. (Franchise Agreement, Section 8.C)

5. Review and approve or disapprove (within 10 days after receipt) all advertising materials submitted to us and proposed for use by you for local advertising. (Franchise Agreement, Section 8.D.)

Advertising.

You must make an Advertising Contribution in an amount equal to 3% of the Gross Revenues of your Franchised Restaurant for each Accounting Period, payable as described in Item 6. The Advertising

Contribution will be deposited into the National Advertising Fund or Regional Advertising Fund in the proportions that we will designate. We may propose increases in the Advertising Contribution to all franchisees. If two-thirds of the responses (on the basis of one vote for each Miami Grill® Restaurant) or more agree with the proposed change, then the change will take effect as to all Miami Grill® Restaurants in the System and you will be bound to pay the changed amount. Additionally, if in our opinion the monies should be spent in one area at any time but not another area, we may do so.

We have established a national advertising fund ("**National Advertising Fund**"). Miami Grill® Restaurants that we and our affiliates operate will contribute to the National Advertising Fund on the same basis as comparable franchisees. We will direct all advertising, marketing, and public relations programs and activities financed by the National Advertising Fund and will have the right to direct the creative concepts, materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. The National Advertising Fund may be used for preparing and producing associated materials and programs as we may determine, including video, audio and written advertising materials; employing advertising agencies; sponsorship of sporting, charitable or similar events; administering regional and multi-regional advertising programs, including purchasing direct mail and other media advertising and employing advertising agencies to assist with these efforts; supporting public relations, market research and other advertising, promotional and marketing activities; paying for development of advertising ideas, concepts and general plans; formulation of marketing research and merchandising programs and strategies; development of promotional ideas, concepts and general plans; writing, design, illustration, filming, editing and other preparation of advertisements; technical and professional advice in connection with the National Advertising Fund; and other advertising, promotional, public relations, administrative and related purposes. You must participate in all advertising, marketing, promotions, research and public relations programs instituted by the National Advertising Fund. We may furnish you with marketing, advertising and promotional materials at our cost of producing them, plus any related shipping, handling and storage charges.

During our fiscal year ending December 31, 2023, the specific breakdown of expenditures for the National Advertising Fund is as follows:

PERCENTAGE	REASON
63%	Media Placement- including social media and agency retainer
11%	Production
26%	Administration
100%	TOTAL

No National Advertising Fund expenditures were used to solicit franchisees.

We may, in our sole discretion, establish a Regional Advertising Fund for Miami Grill® Restaurants in the geographic area in which your Franchised restaurant is located. You must participate in the Regional Advertising Fund, if one is established, according to its governing instruments, once created. As of the date of this Disclosure Document, no Regional Advertising Fund, or cooperative, has been established, and therefore there are no governing instruments available for your review. We will direct all advertising, marketing and public relations programs and activities financed by the Regional Advertising Fund, with sole discretion over the creative concepts, materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. We may use the Regional Advertising Fund in the same manner as the National Advertising Fund. All Miami Grill® Restaurants, including franchised Restaurants and those owned and operated by us or our affiliates, located in the geographic area covered by a Regional Advertising Fund will be obligated to contribute to the Fund, except that Miami Grill® Restaurants operating within airports and on turnpikes shall not be required to contribute to the Fund.

We will administer each of these funds and direct all activities financed by each fund. We will separately account for the National Advertising Fund and Regional Advertising Funds, but none of the funds shall be required to be segregated from our other funds. Except as otherwise noted above, Miami Grill® Restaurants operated by us or our affiliates contribute to the various funds on the same basis as comparable franchises, and all existing "Miami Grill" franchisees contribute the same percentage of their Gross Revenues to each fund. A portion of the funds will be used to defray our general operating expenses. Each fund may hire employees, either full-time or part-time, for its administration. We may be reimbursed by each fund for expenses directly related to the fund's marketing programs including, among other things, administration, conducting market research, preparing advertising and marketing materials, an administrative fee of 15%, for, among other things, collecting and accounting for contributions to each fund. We may spend in any fiscal year an amount greater or less than the aggregate contribution of all Miami Grill® Restaurants to each fund during that year or cause each fund to invest any surplus for future use by the fund. Any amounts not spent by a fund in a given fiscal year will be carried over to the next fiscal year. A statement of monies collected and costs incurred by each fund shall be prepared annually by us and shall be furnished to you upon written request. In spending advertising monies, we are not obligated to make expenditures for you that are equivalent or proportionate to your contribution or to ensure that you benefit directly or on a pro rata basis from expenditure of the funds.

We may terminate (and perhaps later restart) any fund. In addition, to maximize media effectiveness, we may transfer monies from the National Advertising Fund to any Regional Advertising Fund. See **Items 6 and 9** for more information on advertising contributions.

* * *

In addition to the Advertising Contribution, you must also spend annually at least 1% of your Franchised Restaurant's annual Gross Revenues on local advertising and promotion. Local advertising and promotion expenditures include: amounts expended for advertising media such as television, radio, newspaper, billboards, magazines, posters, direct mail, sports program booklet advertising; collateral promotional and novelty items (*e.g.*, matchbooks, pens, pencils, bumper stickers); advertising on public vehicles, such as cabs and buses; and, if not provided by us, the cost of producing approved materials necessary to participate in these media, including advertising agency commissions related to the production of advertising. Local advertising expenditures will not include payments for items that we, in our reasonable judgment, deem inappropriate to meet the minimum advertising requirements, including payments in connection with permanent on-premises menu boards, lighting, menus, yellow pages, entertainment discount books, the purchase or maintenance of vehicles, premiums, discounts, free offers, employee incentive programs, charitable contributions and other similar payments.

Local advertising and promotion expenditures must be made each calendar year on the Franchised Restaurant's Gross Revenues for that year. Upon request, you must provide us with receipts or other written proof that all required local advertising and promotion expenditures have been made. If we determine that you did not, in any given calendar year, make all required local advertising and promotion expenditures, you must pay us the difference between the amount that was spent on local advertising and promotion during that year and the amount you were supposed to spend during that year. We will then make sure these amounts are spent on local advertising and promotion of the Franchised Restaurant.

You must also spend at least $5,000 to conduct a grand opening advertising campaign. We reserve the right to approve all advertisements used in your grand opening advertising campaign, and your campaign must be conducted during the first 60 days of opening your Restaurant. Your grand opening advertising campaign should include giveaways of food samples and other promotions, as we may require, and we must approve the campaign before it is conducted.

Before you use any promotional materials or implement any promotional plans, you must obtain our prior written consent. You may not use any advertising or promotional materials that we have not approved or that we have disapproved.

Any Website (as defined below) will be deemed "advertising" under the Franchise Agreement and will be subject to (among other things) our approval. The term "**Website**" means one or more related documents, designs, or other communications that can be accessed through electronic means (including the Internet, World Wide Web, and social networking sites like Facebook, Twitter, LinkedIn, blogs, and other applications, etc.). For any Website, the Franchise Agreement provides the following:

- You may not separately register any domain name or any portion of a domain name containing the Marks or participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Marks unless you first obtain our written approval.

- You may not establish a Website related to the Marks or the System without obtaining our written consent (although we may provide you with one or more web pages on our Website).

- If we permit you, in writing, to have an independent Website, then each of the following requirements will apply to that Website:

- Before establishing any Website, you must submit to us, for our written approval, a sample of the proposed Website, domain name, format and visible and non-visible content in the form and manner that we may reasonably require. If you propose any material revision to the Website or any of the information contained in the Website, you must submit each of those proposed revisions to us for our prior written approval.

- You must establish hyperlinks to our Website and others as we may request.

- In addition to any other applicable requirements, you must comply with our standards and specifications for Websites (which we may issue periodically in the Operating Manual or otherwise in writing).

- You may not separately register any domain name or any portion of a domain name containing the Marks or participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Marks unless you first obtain our written approval.

- If we permit you, in writing, to use the Marks to market on social technology, social media and social networking platforms, you may not post, upload, tweet, and publish any content unless you first obtain our written approval.

Computer System and POS System.

We have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware is to be used by, between, or among Miami Grill Restaurants, including: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at your Franchised Restaurant, between or among Miami Grill Restaurants, and between and among your Franchised Restaurant and us and/or you; (b) Cash Register Systems (defined below); (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) Internet access mode (such as the form of telecommunications connection) and speed (together, the "**Computer System**").

We also have the right, but not the obligation, to develop or have developed for us, or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System ("**Required Software**"), which you must install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you must install; (c) the tangible media upon which you must record data; and (d) the database file structure of your Computer System.

You must install and use the Computer System and Required Software that we specify. You must implement and periodically make upgrades and other changes to the Computer System and Required Software that we may reasonably request in writing (collectively, "**Computer Upgrades**"). You must comply with all specifications we issue with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. There are no contractual limitations on the frequency and cost of Computer Upgrades. You must also afford us unimpeded access to your Computer System and Required Software as we may request, in the manner, form, and at the times we request. (Franchise Agreement, Section 11.H) We will have independent access to information that will be generated and stored on your Computer System and on our own computers concerning your Franchised Restaurant, including, customer, sales, inventory and scheduling information. There are no contractual limitations on our right to access this information and data.

The estimated annual cost of POS maintenance, support, and upgrades is approximately $1,500 if you participate in a maintenance plan. If you do not participate in a maintenance plan, we estimate that your cost to obtain maintenance and support for the POS system will be approximately $100/hour. You must ensure PCI compliance of your computer systems and offer customers free Wi-Fi that is segregated from the back office.

You must participate in our gift card/customer loyalty program under which you will be able to offer to consumers, and redeem at your Franchised Restaurant, rechargeable gift cards that are used for purchasing products at any participating Miami Grill Restaurant (the "**Gift Card Program**"). Under the Gift Card Program, your customers and customers of other Miami Grill Restaurants will be able to prepay in specific amounts for product purchases at participating Miami Grill restaurants through the use of an electronic gift card (the "**Gift Card**"). You must accept, for purchases of products at your Franchised Restaurant, Gift Cards purchased at any participating Miami Grill Restaurant. The following terms and conditions apply to the Gift Card Program:

(a) You must accept valid Gift Cards as payment for all goods sold from your Franchised Restaurant, and otherwise fulfill reasonable consumer requests relating to Gift Cards;

(b) You must engage and use the third party vendor that we designate for the purpose of processing credit card and Gift Card transactions at your Franchised Restaurant, and you must sign the forms or documents that we may specify or take the actions we deem necessary to implement your participation in the Gift Card Program, including entering into a separate agreement with these third party vendors, and paying the monthly and per-swipe transaction fees as may be required by these vendor(s);

(c) You must purchase or upgrade at your expense, as applicable, the equipment that may be necessary to participate in the Gift Card Program;

(d) You may promote and sell Gift Cards at your Franchised Restaurant using only marketing methods and materials we have approved;

(e) You must comply with the terms and conditions of the Gift Card Program, as we will periodically specify; and

(f) You must comply with all applicable laws, statutes and regulations in performing your obligations and otherwise in connection with your participation in the Gift Card Program.

Operating Manual.

The table of contents from our Operating Manual is appended to this disclosure document as **Exhibit "B"**. After you sign your Franchise Agreement, we will loan you one copy of our Operating Manual to use during the term of your Franchise Agreement. We may, from time to time, update or change the Manuals in our sole discretion. The Operating Manual is 471 pages in length. You must operate your Franchised Restaurant in compliance with the terms of your Franchise Agreement and the Operating Manual. You alone will exercise day-to-day control over all operations, activities and elements of your Franchised Restaurant, including over your employees. Under no circumstance will we do so or be deemed to do so. The various requirements of the System with which you must comply under the Franchise Agreement and the Operating Manual do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Restaurant, but only constitute standards to which you must adhere when exercising your control over the day-to-day operations of your Franchised Restaurant consistent with our policies.

Deposit Agreement.

After you sign the Deposit Agreement and pay us a deposit of $15,000, you will have 90 days to secure an approved location for your Franchised Restaurant.

Selecting the Location for your Franchised Restaurant.

We do not select the site for your Franchised Restaurant. You are solely responsible for the selection of the proposed site of your Franchised Restaurant, which will be subject to our review and acceptance. (Deposit Agreement, Section 6). We may assist you in identifying an acceptable site for your Franchised Restaurant, but we are not obligated to do so. Since individual sites are unique, no listing of relevant factors will be applicable to all sites. Also, the importance of each particular characteristic must be weighed in light of all other characteristics. Among the characteristics that we believe important are cost, site accessibility, visibility and configuration, nature of roadways, traffic volume, speed and patterns, nature of the surrounding area, economics, demographics, competition, extent of commercial development and compatibility of the area with the proposed use.

Lease/Purchase of Real Estate.

If you do not already have a location when you sign your Franchise Agreement, you must acquire purchase or lease (at your own expense) a location for the Franchised Restaurant. The location of your Franchised Restaurant will be subject to our review and acceptance You must submit a completed site approval form and other information or materials as we may reasonably require, together with an option contract, letter of intent, or other evidence that confirms your favorable prospects for obtaining the site. We will notify you in writing whether the proposed site is accepted or rejected within 30 days after we receive all of the information we require to evaluate the proposed site. (Deposit Agreement, Section 8).

Our acceptance to the development of a site may be subject to reasonable conditions imposed by us such as our review and approval of the proposed lease. Neither our consent to the development of a proposed site, nor our acceptance of a proposed lease will ensure or guarantee your profitable or successful operation of the Franchised Restaurant at a site you select and we expressly disclaim any responsibility for your profit or success.

You must not sign the lease without our prior written consent (Deposit Agreement, Section 6.1). The lease term must be coterminous with the term of the Franchise Agreement. Our acceptance of a proposed lease or sublease is conditioned upon the inclusion in the lease of the lease rider that is attached to the Franchise Agreement as Exhibit F. For more information, see the Deposit Agreement and the lease rider. Our acceptance of your lease is based solely on our own interests and does not represent any guarantee or endorsement by us of the location or confirmation that the lease complies with applicable law or that the terms of the lease are favorable to you.

You must sign a lease (if the premises are to be leased), or a binding agreement to purchase the site at least 60 days after obtaining our written consent to do so. (Deposit Agreement, Section 6). If we cannot agree upon a site for your Franchised Restaurant within 90 days after signing the Deposit Agreement, the Deposit Agreement will automatically terminate, we will not enter into a Franchise Agreement with you, and the Deposit will not be refunded (Deposit Agreement, Section 8).

Time Between Franchise Agreement Signing and Opening.

The typical length of time between the signing of the Franchise Agreement (and payment of the Initial Franchise Fee) and the opening of the Franchised Restaurant is six (6) to eighteen (18) months. The length of time depends on your ability to locate a site (if you and we have not already agreed on a site before signing the Franchise Agreement), to obtain necessary financing, whether the Franchised Restaurant is newly constructed or converted from an existing structure, the length of time required to obtain the necessary permits, licenses and approvals (including liquor licenses) from various government agencies and the length of time necessary to obtain and install all equipment, fixtures and signs.

You must obtain our written consent to the opening of your Franchised Restaurant. Our evaluation of whether the Franchised Restaurant is ready to begin operation may involve confirming that the construction has been substantially completed and conforms to our standards (including the materials used, quality of work, signage, decor, paint and equipment) and that you have sufficient staff that has been satisfactorily trained for operations of your Franchised Restaurant.

Training.

If you do not currently operate a Miami Grill® Restaurant, we may require a pre-qualification review in which you or your Operating Principal must demonstrate to our satisfaction the requisite ability to learn how to operate a Miami Grill® Restaurant pursuant to the System. If conducted, this review may last for five consecutive days. The pre-qualification review program will be conducted at a Miami Grill® Restaurant in Boca Raton, Florida, or at another location we may designate. We do not charge a fee for this program; however, you must pay for all compensation, insurance, travel and living expenses that your Operating Principal or you incur for this program. Each person participating in the program must sign a confidentiality agreement with us. A copy of the "Confidential Disclosure and General Waiver and Release" is attached to this Disclosure Document as **Exhibit "I"**.

The minimum length of the initial training program under the Franchise Agreement is six consecutive weeks, however, depending on the prior experience of the manager trainee, it could last as long as three months. You must designate at least three manager trainees to attend the training program. You (or your Operating Principal and Director of Operations) also must attend and successfully complete the full training program. We reserve the right to dismiss from the training program any person who we do not believe will perform acceptably in the position for which you have hired him. You must provide a suitable replacement promptly.

This training program is mandatory for all franchisees. You must successfully complete the training program to our satisfaction. We will not authorize your Franchised Restaurant to open without at least three of your manager trainees having attended and successfully completed our initial training program.

The training program is conducted after you sign the Franchise Agreement and before the opening of your Franchised Restaurant. In addition, before your Franchised Restaurant opens for business, your Operating Principal and Director of Operations or other supervisorial or managerial employees must successfully complete the ServSafe® Food Safety Certification Program (or a program similar in most material respects to ServSafe®), or show proof of prior certification. The training program will include classroom instruction and training at our training facility at our corporate headquarters facilities and at a Miami Grill® Restaurant.

All training will be supervised by a member of the Operations department. We do not charge a fee for the initial training program, but you must pay all compensation, insurance, travel, living and other expenses incurred by your supervisorial or managerial employees while attending the training. Training is conducted when required. We conduct the classroom training program on a quarterly basis and conduct in-store training as needed. Our instructional materials may include videos, manuals, and other handouts.

Replacement managers or directors of operations must successfully complete our training program. You may have to pay additional tuition, and you must pay for all your other supervisorial or managerial employees' travel, lodging, salary or other expenses associated with this training.

The following charts summarize the subjects taught during the initial training program:

INITIAL TRAINING PROGRAM FOR TRADITIONAL RESTAURANTS

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Stations Training	0	150	Our Headquarters and Miami Grill Restaurant
Shift Management	0	100	Our Headquarters and Miami Grill Restaurant
Classroom Development	40	20	Our Headquarters and Miami Grill Restaurant

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Transition (suggested but not mandatory)	0	100	Our Headquarters and Miami Grill Restaurant
UP TO A TOTAL OF	**40 hours**	**370 hours**	

The instructor primarily conducting our initial training program is Mr. Ambrose Whyms who has over twenty years of relevant experience to the subjects he is teaching.

We may require that your Operating Principal and Director of Operations or other supervisorial or managerial employees attend and successfully complete other training programs in addition to the initial training program. The location, duration and content of these training programs will vary depending on the type of additional training to be given. There will be no tuition charge, but you must pay all travel, living and other expenses incurred by your supervisorial or managerial employees while attending training.

If you fail to pass two consecutive inspections or any three inspections within a 12-month period, we may require that your Operating Principal or Director of Operations and at least two other supervisorial or managerial employees of your Franchised Restaurant attend and successfully complete an additional management training program (the length of which will not exceed 10 consecutive days) to be held at a location that we designate. You must pay us a reasonable tuition charge for this training program. You are solely responsible for paying all travel, living and other expenses incurred by your supervisorial or managerial employees while attending this additional training program. If, after the completion of this additional training program, you fail to achieve a passing score on the next inspection, or if you fail any three consecutive inspections after completion of the additional training program (regardless of the time periods between each inspection), we have the right to terminate your Franchise Agreement.

ITEM 12
TERRITORY

Franchise Agreement

You will not receive an exclusive territory under the Franchise Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we own. Under the Franchise Agreement for a traditional Miami Grill® Restaurant, you will be licensed to operate a Miami Grill® Restaurant at a designated location. The location will be described in Exhibit B to the Franchise Agreement.

Franchise Agreements are granted for specific locations only. Typically, we grant a Protected Area for a traditional Miami Grill® Restaurant. A Protected Area is typically 1.5 miles and is dependent on geography, natural barriers and population density areas. If you comply with the Franchise Agreement, we will not operate or license others to operate Miami Grill® Restaurants in an agreed-upon geographic area (the "**Protected Area**") during the term of the Franchise Agreement (subject to the other provisions of the franchise agreement that are described below in this Item 12). The Protected Area ordinarily will be stated as a mileage radius around the franchised location or as a metes and bounds description, and will vary depending on whether your Restaurant is located in a suburban area or an urban, densely populated area You may only offer and sell from your Franchised Restaurant to retail customers: (1) face-to-face, for consumption on the premises; (2) face-to-face, for personal carry-out or drive-thru consumption; and (3) for Catering. You are not restricted from soliciting or accepting orders from customers outside of your Protected Area, including via other channels of distribution such as the Internet, catalog sales, telemarketing, or other direct marketing.

You may not operate a Franchised Restaurant at any other location and may not relocate your Franchised Restaurant without our prior written consent. If we approve the relocation of the Franchised Restaurant, we have the right to charge you a fee equal to $10,000, plus our out-of-pocket expenses incurred by us for this relocation. You do not receive the right to acquire additional franchises within the Protected Area.

The Miami Grill® System has been developed, and is designed, to function effectively in a wide variety of retail environments, many of which are not practically available to you. As a result, nothing in the Franchise Agreement prohibits us or our affiliates from: (1) operating and/or franchising others to operate restaurants identified in whole or in part by the Marks and/or utilizing the System in the Protected Area that are located in enclosed shopping malls; gas stations or convenience stores; transportation facilities, including airports, train stations, subways and rail and bus stations; military bases and government offices; sports facilities, including stadiums and arenas; amusement parks; zoos and convention centers; car and truck rest stops and travel centers; educational facilities; recreational theme parks; hospitals; hotels; business or industrial foodservice venues; venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; Indian reservations; casinos; food trucks; or any similar captive market location not reasonably available to you (a "**Non-Traditional Site**"); (2) awarding national, regional or local licenses to third parties to sell products under the Proprietary Marks in foodservice facilities primarily identified by the third party's trademark; (3) merchandising and distributing products identified by the Proprietary Marks in the Protected Area through any method or channel of distribution other than through the operation of a restaurant or delivery services; (4) selling and distributing products identified by the Proprietary Marks in the Protected Area to restaurants other than restaurants identified by the Proprietary Marks, regardless of whether the restaurants are licensed to use the Proprietary Marks in connection with their retail sales or not; (5) selling products and services through other channels of distribution, including the Internet, wholesale, mail order and catalog; (6) developing and/or owning other franchise systems for the same or similar products and services using trade names and trademarks other than the Proprietary Marks; and (7) purchasing, being purchased by, merging or combining with businesses that we deem to offer direct competition to Miami Grill Restaurants. We and our affiliates also reserve the right to purchase, merge, acquire or affiliate with an existing restaurant chain, food-service chain or any other business regardless of the location of the chain's facilities, and to operate, franchise, or license those facilities as Miami Grill Restaurants operating under the Miami Grill System, our Proprietary Marks or any other marks following our purchase, merger, acquisition, or affiliation, regardless of the location of these facilities (which may be within the Protected Area and proximate to your Franchised Business. We are not required to pay you any consideration if we exercise any right specified above in the Protected Area. We and our affiliates also have the right, without compensation to you and any other franchisee to franchise, license and/or own and operate Miami Grill restaurants at any location and on any terms and conditions we or an affiliate deem appropriate. Further, we or an affiliate may acquire or actively seek to acquire businesses or franchise systems that are your competitors and those competitors may have locations near your Restaurant, including locations within the same shopping mall. In addition, we or an affiliate may enter into co-branding arrangements. These activities may compete with you.

If any Non-Traditional Site (as described above) is located within the physical boundaries of your Designated Territory, then the premises of this Non-Traditional Site will not be included in your Protected Area and you will have no rights to this Non-Traditional Site. If your Franchised Restaurant is located at a Non-Traditional Site, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We retain all rights not specifically granted to you, such as the right to: (1) operate or license others to operate, during the term of the Franchise Agreement, restaurants other than Miami Grill Restaurants in the Protected Area; (2) operate or license others to operate, during the term of the Franchise Agreement, Miami Grill Restaurants at any location outside the Protected Area; (3) operate or license others to operate, after the Franchise Agreement terminates or expires, Miami Grill Restaurants at any location; (4) merchandise, sell and distribute goods and services identified by the Marks through supermarkets, groceries or convenience stores at any location, or any other method or channel of distribution (such as catalog, mail order and current or future means of electronic commerce, including the Internet and any Websites we establish) other than Miami Grill Restaurants; and (5) sell or distribute goods identified by the Marks through any method or channel of distribution (such as catalog, mail order and current or future means of electronic commerce, including the Internet and any Websites we establish) to restaurants other than Miami Grill Restaurants if the restaurants are not licensed to use the Marks for their retail sales.

Continuation of your territorial protection under the Franchise Agreement is not dependent upon achieving a certain sales volume, market penetration or other contingency. You will not have the right of first refusal or any similar rights in the contiguous territories or areas surrounding or near your Protected Area. Except as described in the preceding paragraphs, you will not have the right to amend or modify your Territory unless we otherwise agree to in writing. We may terminate the Franchise Agreement (and/or any exclusivity under the Franchise Agreement) if you fail to meet your obligations under that agreement.

Multi-Unit Development Agreement

You will not receive an exclusive Territory under the Multi-Unit Development Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands we own. Under the Multi-Unit Development Agreement, we grant you the right to develop and operate the number of Miami Grill Restaurants in the Exclusive Area that is specified in the Minimum Performance Schedule, which is addendum to the Multi-Unit Development Agreement. The Exclusive Area is typically described in terms of municipal or county boundaries but may be defined as a specified trade area in a municipality. The actual size of the Exclusive Area will vary depending upon the availability of contiguous markets, our long-range development plans, your financial and operational resources, population and market conditions. Our designation of a particular Exclusive Area is not an assurance or warranty that there are a sufficient number of suitable sites for Restaurants in the Exclusive Area for you to meet your Minimum Performance Schedule. The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our criteria for you to meet the Minimum Performance Schedule.

Except as described below, during the term of the Multi-Unit Development Agreement, we and our affiliates will not operate or grant a franchise for the operation of Restaurants to be located within the Exclusive Area. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of the Multi-Unit Development Agreement and all of the Franchise Agreements signed under it. Your territorial rights to the Exclusive Area may or may not, in our discretion, include the right to develop Restaurants at any Non-Traditional Site.

Except as expressly limited by the Multi-Unit Development Agreement, we and our affiliates retain all rights with respect to Restaurants, the Marks, and any products and services anywhere in the world including the right: (1) to produce, offer and sell and to grant others the right to produce, offer and sell the Proprietary Products, other products offered at Restaurants and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described above, both within and outside your Exclusive Area, and under any terms and conditions we deem appropriate; (2) to operate and to grant others the right to operate Restaurants located outside the Exclusive Area under any terms and conditions we deem appropriate and regardless of proximity to your Restaurants; (3) to operate and to grant others the right to operate Restaurants at Non-Traditional Sites within and outside the Exclusive Area under any terms and conditions we deem appropriate. If a Non-Traditional Site becomes available within the Exclusive Area during the term of the Multi-Unit Development Agreement, we may, in our sole discretion, offer you the opportunity to develop a Restaurant at the Non-Traditional Site. You will have 30 days after we notify you that the site is available to accept this right of first refusal; and (4) the right to acquire and operate a business operating one or more restaurants or food service businesses located or operating in your Exclusive Area.

After the final Restaurant under your Minimum Performance Schedule has opened, if we believe that it is desirable to establish additional Restaurants within the Exclusive Area, and if you complied with the terms of your Multi-Unit Development Agreement and are in compliance with your Franchise Agreements, we will offer you the right to develop these additional Restaurants. You must exercise this option, in full, within 60 days after our notice to you. If you do not exercise or you decline this right of first refusal, we shall have the right to sell these development rights to another multi-unit developer or to develop the Restaurants ourselves.

To maintain your rights under the Multi-Unit Development Agreement you must have open and in operation the cumulative number of Restaurants stated on the Minimum Performance Schedule by the dates agreed upon in the Minimum Performance Schedule. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the Multi-Unit Development Agreement.

In addition, upon the expiration of the Multi-Unit Development Agreement, which is when the last Restaurant to be developed within the Exclusive Area opens for business, your exclusive rights under the Multi-Unit Development Agreement with respect to the Exclusive Area will terminate, and we and our affiliates will have the right to operate and to grant to others development rights and franchises to develop and operate Restaurants within the Exclusive Area. This right will be subject only to the territorial rights under your franchise agreements for Restaurants in the Exclusive Area and the right of first refusal described above. The Exclusive Area may not be altered unless we and you mutually agree to do so. It will not be affected by your sales volume. You are not granted any other option, right of first refusal or similar right to acquire additional Restaurants in your Exclusive Area under the Multi-Unit Development Agreement, except as described above.

ITEM 13
TRADEMARKS

As a Miami Grill franchisee, you are licensed to use and display the trade name "Miami Grill" and the Marks during the term of your Franchise Agreement and only for the operation of your Miami Grill restaurant. By “Marks”, we mean trade names, trademarks, service marks and logos used to identify your restaurant. You may not license or sublicense any trademarks, service marks, trade names, logotypes or commercial symbols owned by us or our affiliate.

The Marks are owned by our affiliate, Miami Subs of Delaware, Inc. ("**Miami DE**"). Under a written license agreement, Miami DE has granted us an exclusive perpetual license to use, and to sublicense the use of the Marks to our franchisees for their use in operating their franchised business. Thus, we will have the right to use, and to license others to use, the Marks throughout the term of your Franchise Agreement.

In addition to other registered Marks, Miami DE has registered the following principal Marks with the United States Patent and Trademark Office ("**USPTO**") on the Principal Register, and all required affidavits of continued use have been filed and accepted:

MARK	REGISTRATION NO.	REGISTRATION DATE
Miami Subs (Typed Drawing)	1,877,052	1/31/1995 Renewed: 02/21/2015
Miami Subs Grill (Design plus words, letters, and/or numbers)	2,066,230	6/3/1997 Renewed: 02/24/2017
Miami Subs Grill (Design, plus word, letter and/or numbers)	2,128,013	1/13/1998 Renewed: 06/10/2017
Miami Grill (Design plus words, letters, and/or numbers)	3,464,095	7/8/2008 Renewed: 03/16/2018
Miami Grill (Design plus words, letters, and/or numbers)	5,253,833	8/1/2017
Everything Goes (Standard character mark)	5,086,755	11/22/2016
Miami Grill and Bar (Design plus words, letters, and/or numbers)	5,758,700	5/21/2019
Miami Grill Express (Typed Drawing)	6,873,403	10/11/2022

Miami DE has timely filed (and will file when due) an affidavit of use and an affidavit of incontestability, as well as a renewal application, when due, for each of the above registrations.

Your right to use the Marks is limited to the uses that are authorized under the Franchise Agreement, and any unauthorized use of the Marks will infringe upon our rights. You may not use any Mark or part of a Mark: (1) as part of any corporate name or other legal name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form; (3) in connection with performing or selling any unauthorized services or products; (4) as part of any e-mail address, domain name, or other identification of you in any electronic medium; or (5) in any other manner that we do not expressly authorize in writing. You must identify yourself as the independent owner and operator of your Franchised Restaurant in conjunction with the use of the Marks in the manner we specify (such as on invoices, order forms, receipts, business cards, email signature blocks, and contracts).

You must immediately notify us of any unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Marks. We have the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks. If we determine that you have used the Marks in compliance with the Franchise Agreement, we will bear the cost of defense, including the cost of any judgment or settlement, as well as your out of pocket costs (except that you will bear the salary costs of your employees). If we determine that you have not used the Marks in compliance with the Franchise Agreement, you must bear the cost of defense, including the cost of any judgment or settlement, and you must promptly reimburse us for those amounts. If there is any litigation due to your use of the Marks, you must execute all documents and do all things as may be necessary to carry out a defense or prosecution, including becoming a nominal party to any legal action.

If we elect to use a name other than "Miami Grill" to identify the System, we may select another name and the System and the Franchise Agreement will be deemed amended to substitute that name. You must pay the costs necessary to adopt the new name.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving the principal Marks. We are not aware of any infringing uses that could materially affect your use of the Marks. There are no agreements currently in effect that limit our rights to use or license the use of the Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights in or to any patents. We have no registered copyrights, we claim copyright protection in the Operating Manual and all other printed, audio and audiovisual materials related to the System. We will loan you one copy of the Operating Manual for confidential use in your Franchised Restaurant. You may not disclose, publish, sell, show, or reproduce the Operating Manual and you must return the Operating Manual to us intact upon termination or expiration of your Franchise Agreement or Multi-Unit Development Agreement.

We regard our trade secrets, Recipe and Procedure Manual, Station Guide and Bread Baking Manual, Commitment to Excellence Manual, and all the information contained in the Operating Manual, as proprietary and confidential information owned by us.

For example, the Operating Manual and other proprietary information discuss the selection, purchase, storage, preparation, packaging, ingredients, recipes, service and sale of the products and beverages you will sell at your Franchised Restaurant. The Operating Manual also contains information on management, marketing, advertising and sales promotions, signs, fixtures and furnishings, employee dress attire and appearance standards, menu concept, and business practices and procedures, such as bookkeeping, accounting, records retention and other business systems.

The Operating Manual and all other materials and information provided or disclosed to you regarding the System are disclosed in confidence. You must implement any reasonable procedures we may adopt to protect our trade secrets including restrictions on disclosures to your employees who will have access to our trade secrets to sign agreements containing non-discloser and non-competition provisions in substantially the form attached of **Exhibit "I"**.

You agree, as part of your Franchise Agreement, not contest our exclusive ownership of the copyrights, trade secrets, recipes, processes, methods, procedure, formulae, techniques and other proprietary information to which we claims exclusive rights. You are not given any rights in other trade secrets or proprietary or confidential information developed by us in the future.

All ideas, concepts, techniques or materials you create while you are a Miami Grill franchisee, whether or not protectable intellectual property, must be promptly disclosed to us and will become our exclusive property and a part of Miami Grill franchise system as a work made for hire for us without compensation to you.

The goodwill associated with all phone and fax numbers, email addresses, domain names, websites or webpages, social media and other Internet addresses used in operation of the Franchised Restaurant is an asset that belongs to us. Upon cancellation, termination or expiration of the Franchise Agreement, you will be deemed to have assigned to us or our designee all right, title and interest in and to these and/or services associated with the same. You must sign the instruments we request to confirm the assignments and transfers.

We are not required by any agreement to protect or defend copyrights or confidential information, although we intend to do so as we feel appropriate.

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

If you are an individual, you must devote substantial time and best efforts to supervising the operation of your Franchised Restaurant. If you are a legal entity owned by more than one individual (such as a corporation, limited liability company, or a partnership), you must select one person (the "**Operating Principal**") who will devote substantial time and best efforts to supervising the operation of your restaurant. The Operating Principal must, at all times during which he serves as Operating Principal, own at least a 10% interest in your legal entity, unless you were a publicly held corporation or a wholly owned subsidiary of a publicly held corporation as of the date of the first agreement between us and you. If you (or, if you are a legal entity, the Operating Principal) devote less than full time, you also must retain a "**Director of Operations**" who will devote full time and best efforts to supervising the operation of your Franchised Restaurant.

All employees you hire or employ at your Franchised Restaurant will be your employees and your employees alone, and will not, for any purpose, be deemed to be our employees or subject to our direct or indirect control, most particularly with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. You will file your own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for your employees and operations. We will not have the power to hire or fire your employees. Our authority under the Franchise Agreement to train and approve your supervisorial or managerial personnel for qualification to perform certain functions at your Franchised Restaurant does not directly or indirectly vest us with the power to hire, fire or control any of your personnel. You and you alone will be solely responsible for all hiring and employment decisions and functions relating to the Franchised Restaurant, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether you have received advice from us on these subjects or not. Any guidance we may give you regarding employment policies should be considered merely examples. You will be responsible for establishing and implementing your own employment policies, and should do so in consultation with local legal counsel experienced in employment law.

Your Operating Principal and Director of Operations must attend and complete our initial training program to our satisfaction. We may require that the Operating Principal and Director of Operations take and complete other training courses in addition to the initial training program.

If you are a legal entity, you will need to identify your "**Control Group**." The members of your Control Group will be listed in an appendix to your Franchise Agreement and you must let us know if there is any change in your Control Group. Your Operating Principal must be a member of your Control Group.

Each member of the Control Group, including the Operating Principal, is bound by the confidentiality and non-competition restrictions described in Item 16. Each member of the Control Group also must sign a guarantee assuming and agreeing to discharge all of your obligations under the Franchise Agreement.

The restaurant business is a highly competitive and challenging one. It requires and responds to personal attention. Therefore, it is most important that you or your Operating Principal or your Director of Operations personally be involved in all facets of the business. This individual must be able to organize the business so that our standards of quality, service, cleanliness and attitude are maintained, and must set the example for employees to follow. The business requires a firm, personal commitment, and many long hours beyond the normal forty-hour work week, as well as a substantial amount of manual labor. In addition to operation skills, this individual must also understand and be able to perform all the sales, management, bookkeeping and maintenance functions required. Also critical to your success is your ability to attract, motivate, and retain capable employees. You should not enter into this business unless you are ready, willing and able to meet these requirements.

You must be open and operating during at least the minimum days and hours as we specify in the Operating Manual, unless the terms of your lease or local law prohibit you from operating during certain days and/or hours. The required open hours may differ between Restaurants if a Restaurant offers a breakfast menu. We have the right to modify the Operating Manual from time to time. All hours of operation must be approved by Company. You must not close your Franchised Restaurant for any reason without our prior written consent.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may only sell to retail customers from the Franchised Restaurant. All sales must be: (1) face-to-face, for consumption on the Franchised Restaurant premises; (2) face-to-face, for personal carry-out or drive-thru consumption; (3) for Catering; or (4) for delivery through an approved delivery service.

You may serve only those menu items we identify or otherwise approve, and you may not sell any other food or beverage products without first obtaining our written approval. You also must operate your Franchised Restaurant and prepare and sell all products sold at your Franchised Restaurant in strict compliance with our specifications, recipes, standards and operating procedures either now in effect or subsequently published for our franchisees. You must sell all products we specify, and, upon receipt of written notice from us, you must begin selling any newly authorized menu item and cease selling any menu items that are no longer authorized. If a newly authorized menu item requires the purchase of additional equipment, we will allow you a reasonable period of time, as we determine, for the financing, purchase and installation of the equipment before you must begin selling the newly authorized menu item. There are no limits on our ability to add or delete menu items. We do not limit the guests to whom you may sell goods or services. Traditional Miami Grill Restaurants are required to sell beer, wine and liquor subject to local laws and regulations.

Unless you obtain our written permission, you must sell all of the approved menu items. We have the right to periodically add, delete and change the list of menu items that you may and must offer in our unrestricted discretion, and this may require you to purchase extra equipment.

No vending, gaming machines, payphones, automatic teller machines, Internet kiosks or other mechanical or electrical devices are permitted in your Franchised Restaurant without our prior written consent. You cannot sell Miami Grill Proprietary Products on the Internet.

See **Items 8 and 9** for more specific information on restrictions concerning what you may sell.

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.

FRANCHISE AGREEMENT

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	Section 1.A	20 years
b. Renewal or extension of the term	Section 20.A	If you are in good standing and have complied with certain other conditions, you may obtain a successor franchise on the terms and conditions of our then-current franchise agreement.
c. Requirements for you to renew or extend	Section 20.B	Give timely notice of intent to acquire a successor franchise; be in substantial compliance; maintain possession of franchised location and agree to upgrade it or secure substitute premises; sign a general release and our then-current form of Franchise Agreement (which may contain terms and conditions materially different from those in your original franchise agreement); and pay a renewal fee (see Item 6 for details).
d. Termination by you	Section 17.A.(3)	You may terminate the Franchise Agreement under any grounds permitted by law
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Section 21	We can terminate if you materially default under your Franchise Agreement, any other individual Franchise Agreement, any Multi-Unit Development Agreement (other than solely for your failure to meet your development obligation), or any other agreement between you and us.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
g. "**Cause**" defined-curable defaults	Section 21.B	All fees are due with the terms granted but if in default, additional time may be granted. Additionally, you may be granted up to 30 days to cure all other defaults (not involving payment) except those listed in h. If you have lost possession of your franchised location through no fault of your own, you may be able to open another restaurant within your Protected Area if you meet certain conditions. See Item 12.
h. "**Cause**" defined-non-curable defaults	Section 21.A, B and C	Non-curable defaults include: closure of Franchised Restaurant for more than five days; insolvency; bankruptcy; unauthorized use of the Marks; breach of confidentiality or non-competition obligations; transfer without approval; failure to attend training; falsification of reports; felony convictions; material misrepresentations in franchise application; uncured defaults under the Franchise Agreement or under other agreements; failure to open for business; failure on 3 consecutive inspections; loss of possession of franchised location through your fault; Health Department closures or violations that occur two times in a 12 month period; multiple defaults. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
i. Your obligations on termination/non-renewal	Section 22 and 29.I	Obligations include: payment of amounts due; discontinue use of Marks; continued observance of the confidentiality/ non-competition restrictions; return of Operating Manual; and complete de-identification. If termination is due to your default, you must pay us liquidated damages equal to the average of your monthly royalty fees and Advertising Contribution payments due equal to your entire ownership of the franchised location or the last 36 months before our delivery of notice of default, whichever is greater
j. Assignment by us	Section 16	There are no restrictions on our right to assign.
k. "**Transfer**" by you-defined	Section 17.A	Includes sale or assignment, direct or indirect, of an interest in you, the Franchise Agreement, the Franchised Restaurant or in the franchised location. You must obtain our prior written approval before issuing any public advertising that a franchised location is for sale.
l. Our approval of transfer by you	Section 17.A	We have the right to approve transfers.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
m. Conditions for our approval of transfer	Section 17.A	Conditions include: new franchisee qualified; reasonable sales price; payment of amounts due; general release signed; training completed; Transfer Fee paid; your guarantee of obligations of transferee for three (3) years; Lease is assigned to new franchisee; new franchisee signed then-current franchise agreement if the Lease term is greater than the initial term of your Franchise Agreement or if the Lease will expire in less than 10 years as of the date of the proposed Transfer. We reserve the unrestricted right to require the new franchisee to execute our then-current form of franchise agreement. . If the Franchise Agreement has been signed under a Multi-Unit Development Agreement, except as described below, you must concurrently assign all other existing Franchise Agreements to the same assignee.
n. Our right of first refusal to acquire your business	Section 17.D	We may match any offer for your business.
o. Our option to purchase your business	Section 23	Upon the termination or earlier expiration of the Franchise Agreement for any reason, we shall give written notice to Franchisee, within thirty (30) days from the date of such termination or earlier expiration, that we intend to exercise our option to purchase from Franchisee all the assets used in the Franchised Restaurant. We may purchase the Franchised Restaurant for the lesser of: (a) book value, or (b) fair market value. If such values are not agreed upon, the purchase price will be determined by an accountant and/or appraisers. No compensation will be made for goodwill or going concern value.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
p. Your death or disability	Section 17.B.2.(c)	Transfer to your spouse, children or a member of your Control Group is allowed, subject to transfer provisions.
q. Non-competition covenants during the term of the franchise	Section 19.B	No involvement in any full-service or quick-service restaurant business, sandwich shop, carry-out or delivery food service business or other channel of distribution: (1) which offers freshly prepared submarine sandwiches, pita sandwiches, cheese steaks, wings, hot dogs, fish, burgers, or chicken; or (2) whose method of operation or trade dress is similar to that employed in the System. The restriction applies: (a) in the Protected Area; (b) within 1 mile of the border of the Protected Area; and (c) within 3 miles of any then-existing Miami Grill Restaurant.
r. Non-competition covenants after the franchise is terminated or expires	Section 19.B	For 24 months after termination or expiration of your Franchise Agreement, you cannot have any involvement in any full-service or quick-service restaurant business, sandwich shop, carry-out or delivery food service business or other channel of distribution: (1) which offers freshly prepared submarine sandwiches, pita sandwiches, cheese steaks, wings, hot dogs, fish, burgers, or chicken; or (2) whose method of operation or trade dress is similar to that employed in the System in the (a) Protected Area; (b) within 1 mile of the border of the Protected Area; and (c) within 3 miles of any then-existing Miami Grill Restaurant.
s. Modification of the agreement	Section 28.A	The Franchise Agreement can be modified or amended only by written agreement of all the parties. The Operating Manual is subject to change any time. You must comply with any changes made to the Operating Manual.

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
t. Integration/merger clause	Section 28.A	Only terms of the Agreement and its attachments are binding (subject to applicable state law). Any representations or promises outside of this Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or any Exhibit is intended to disclaim any representation made in this Disclosure Document.
u. Dispute resolution by mediation or nonbinding arbitration	Section 29.C	Subject to applicable state law we must first attempt to resolve all disputes by mediation and arbitration in Boca Raton, Florida, except for certain matters may be brought in court.
v. Choice of forum	Section 29.B	All proceedings will be held in Boca Raton, Florida, subject to applicable state law. See the State Specific Addenda (Exhibit G) attached to this Disclosure Document.
w. Choice of law	Section 29.A	Florida, subject to applicable state law. See the State Specific Addenda (Exhibit G) attached to this Disclosure Document.

DEPOSIT AGREEMENT

PROVISION	SECTION IN DEPOSIT AGREEMENT	SUMMARY
a. Length of the franchise term	Section 8	The Deposit Period will last for 90 days unless otherwise agreed upon in writing.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Not Applicable	Not Applicable
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Not Applicable	Not Applicable
g. "Cause" defined-curable defaults	Not Applicable	Not Applicable

PROVISION	SECTION IN DEPOSIT AGREEMENT	SUMMARY
h. "Cause" defined-non-curable defaults	Not Applicable	Not Applicable
i. Your obligations on termination/non-renewal	Not Applicable	Not Applicable
j. Assignment of contract by us	Not Applicable	Not Applicable
k. "Transfer" by you-defined	Not Applicable	Not Applicable
l. Our approval of transfer by you	Not Applicable	Not Applicable
m. Conditions for our approval of transfer	Not Applicable	Not Applicable
n. Our right of first refusal to acquire your business	Not Applicable	Not Applicable
o. Our option to purchase your business	Not Applicable	Not Applicable
p. Your death or disability	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	Section 11	Deposit Agreement can be amended or modified only by written agreement signed by the parties
t. Integration/merger clause	Section 11	Only the terms of the Deposit Agreement are binding.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Not Applicable	Not Applicable
w. Choice of law	Section 12	Florida, subject to applicable law

THE MULTI-UNIT DEVELOPER RELATIONSHIP

Provision	Section in Multi-Unit Development Agreement	Summary
a. Length of term of Multi-Unit Development	5	Length of the Minimum Performance Schedule
b. Renewal or extension of the term	5	After all Restaurants have been developed, we will negotiate in good faith another Multi-Unit Development Agreement

Provision	Section in Multi-Unit Development Agreement	Summary
c. Requirements for multi-unit developer to renew or extend	Not applicable	
d. Termination by multi-unit developer	Not applicable	You may terminate the Multi-Unit Development Agreement under any grounds permitted by law
e. Termination by franchisor without cause	Not applicable	Not applicable
f. Termination by franchisor with "**cause**"	9	We can terminate if you commit any one of several listed violations
g. "**Cause**" defined – curable defaults	9	If you use the Marks or System without our consent; participating in a competing business; failure to pay money to us when due; you begin developing a Restaurant before all of your pre-development obligations are met; failure to obtain our consent when required; you open any Restaurant before a Franchise Agreement for that Restaurant has been signed.
h. "**Cause**" defined – non-curable defaults	9	Failure to meet your minimum performance schedule; failure to comply with applicable laws; if all of your Restaurants stop operating; unauthorized transfer; you make a material misrepresentation to us; conviction by you or your owners of an indictable offense; bankruptcy or insolvency; if a Franchise Agreement with us is terminated according to its terms (this is a cross-default provision).
i. Multi-unit developer's obligations on termination/ non-renewal	10	You must stop selecting sites for Restaurants, and you may not open any more Restaurants
j. Assignment of contract by franchisor	11	No restrictions on our right to assign.
k. "**Transfer**" by multi-unit developer – defined	11	Includes transfer of the Multi-Unit Development Agreement or changes in ownership of the business entity which owns it. No shares of a Multi-Unit Developer that is a business entity may be offered for sale through the public offering of securities. Shares may be offered by private offering with our prior written consent.

Provision	Section in Multi-Unit Development Agreement	Summary
l. Franchisor approval of transfer by multi-unit developer	11	We have the right to approve all transfers, our consent not to be unreasonably withheld.
m. Conditions for franchisor approval of transfer	11	Conditions for transfer include not being in default, at least 25% of all Restaurants required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new Multi-Unit Developers, execution of a general release (where legal), payment of transfer fee of $20,000, buyer personally guarantees all obligations.
n. Franchisor's right of first refusal to acquire multi-unit developer's business	11	We have the right to match the offer.
o. Franchisor's option to purchase multi-unit developer's business	Not applicable	
p. Death or disability of multi-unit developer	11	Interest must be transferred to an approved party within 12 months.
q. Non-competition covenants during the term of the agreement	12	Includes prohibition on engaging in any other business that offers or sells freshly prepared submarine sandwiches, pita sandwiches, cheese steaks, wings, hot dogs, fish, burgers, and/or chicken as a primary menu item.
r. Non-competition covenants upon termination or expiration	12	Includes a two-year prohibition similar to "q" (above), within the Territory, within 1 mile of the Territory, or within a 3-mile radius of any then-existing Restaurant operating under the System.
s. Modification of the agreement	18	Multi-Unit Development Agreement may be modified or amended only by written agreement of all the parties.
t. Integration/merger clause	18	Only the terms of the Multi-Unit Development Agreement and its attachments are binding (subject to state law). Any representations or promises outside the disclosure document and Multi-Unit Development Agreement may not be enforceable.

Provision	Section in Multi-Unit Development Agreement	Summary
u. Dispute resolution by mediation or nonbinding arbitration	19	Subject to applicable state law, we must first attempt to resolve all disputes by mediation and arbitration in Boca Raton, Florida, except for certain matters may be brought in court.
v. Choice of forum	19	All proceedings will be held in Boca Raton, Florida, subject to applicable state law. See the State Specific Addenda (Exhibit G) attached to this Disclosure Document. We may file suit in the federal or state court where our home office is located, which currently is Boca Raton, Florida, or where your office is located.
w. Choice of law	18	Florida, subject to applicable state law.

ITEM 18
PUBLIC FIGURES

Armando Christian Perez a/k/a PITBULL is a public figure that has endorsed and lent his name to Franchisor for the promotion of the franchise. Mr. Perez was given a 7.5% equity interest in exchange for a promissory note of $375,000.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

Below is the high, low, average and median Gross Revenue for 28 franchise owned traditional Miami Grill restaurants that were open and reported Gross Revenue for the entire 2023 calendar year and that were open during the entire 2023 calendar year (the "Reporting Restaurants").

1. High sales quartile (7 Miami Grill Restaurants)
    - High $2,467,564
    - Low $1,979,236
    - Average $2,151,002
    - Median $2,127,013

2. Medium High sales quartile (7 Miami Grill Restaurants)
    - High $1,962,316
    - Low $1,575,006

- Average $1,756,744
- Median $1,649,816

3. Medium Low sales quartile (7 Miami Grill Restaurants)
   - High $1,525,478
   - Low $1,132,395
   - Average $1,317,867
   - Median $ 1,300,139

4. Low sales quartile (7 Miami Grill Restaurants)
   - High $1,083,153
   - Low $1,028,936
   - Average $1,063,089
   - Median $1,059,121

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Gross Revenue as stated in this Item 19 include the entire amount of the actual sales whether from cash, credit, check or other consideration, of all sales made at or from the Reporting Restaurants, including sales of food, beverages, merchandise, premiums, promotional items and services, revenues from mail, telephone or electronic orders received or filled from the Reporting Restaurants; commissions on telephone, video game machine and vending machine revenues; gift certificates (when redeemed but not when purchased); all deposits not refunded to the purchasers; all revenues from dine-in, carry-out, drive-thru, delivery, self-ordering kiosks, online mobile ordering, curbside pickup, Catering, banquets, or otherwise; all payments to you from any manufacturer, vendor, distributor or concessionaire; any promotional allowances provided in exchange for goods or services; and any other revenues derived in, upon or from the Reporting Restaurants except Gross Revenues does not include the cost of food provided to the Reporting Restaurants' employees as an incident of employment during an employee's shift; sales of merchandise for which cash has been refunded or allowances made on merchandise claimed to be defective or unsatisfactory or on exchanged merchandise; discounts on the stated sales price that are not actually charged to the guest; any tips collected by employees; and any sales tax or other taxes collected from guests and turned over to the governmental authority imposing the tax.

The Reporting Restaurants offered substantially the same products and services to the public as you will. The Reporting Restaurants report Gross Revenue information to us based upon a uniform reporting system. Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request. The information presented above has not been audited.

Except as provided above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mr. Evan Friedman at 901-A Clint Moore Road, Boca Raton, Florida 33487, via telephone at (954) 973-0408 or via email at efriedman@miamigrillcorp.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION
Table 1: System Wide Outlet Summary for years 2021, 2022 and 2023.

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised				
	2021	30	34	+4
	2022	34	28	-6
	2023	28	28	0
Affiliate-Owned				
	2021	0	0	0
	2022	0	0	0
	2023	0	1	+1
Total Outlets				
	2021	30	34	+4
	2022	34	28	-6
	2023	28	29	+1

Table 2: Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For Years 2021, 2022 and 2023.

State (2)	Year	Number of Transfers
Florida		
	2021	1
	2022	3
	2023	4
Total		
	2021	1
	2022	3
	2023	4

Table 3: Status of Franchised Outlets for Years 2021, 2022 and 2023.

State (1)	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Florida								
	2021	26	6	1	0	0	1	30
	2022	30	0	0	0	0	4	26
	2023	26	1	0	0	1	1	25
South Carolina								
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2

State (1)	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Indiana								
	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Nevada	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Texas								
	2021	0	2	0	0	0	0	2
	2022	2	0	2	0	0	0	0
	2023	0	0	0	0	0	0	0
Inter-national								
	2021	2	0	0	0	0	2	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Totals (2)								
	2021	30	9	1	0	0	4	34
	2022	34	0	2	0	0	4	28
	2023	28	2	0	0	1	1	28

Notes:

1. Only the states in which franchises are located are listed.

The names, addresses, and telephone numbers of our franchisees are listed in Exhibit C. In addition, the name and last known home address and telephone number of every one of our franchisees who has had an agreement terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during our last fiscal year, or who has not communicated with us within ten weeks of the date of this Disclosure Document are listed in Exhibit C. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Table 4: Status of Affiliate-Owned Outlets for years 2021, 2022 and 2023.

State (1)	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida							
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	1	0	0	1

State (1)	**Year**	**Outlets at Start of the Year**	**Outlets Opened**	**Outlets Reacquired From Franchisee**	**Outlets Closed**	**Outlets Sold to Franchisee**	**Outlets at End of the Year**
Totals							
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	1	0	0	1

Notes:

(1) States not listed had no affiliate-owned outlets during the relevant period.

Table 5: Projected Openings As Of December 31, 2023

State	**Franchise Agreements Signed But Outlet Not Opened**	**Projected New Franchised Outlets In The Next Fiscal Year**	**Projected New Company-Owned Outlets In The Next Year**
Florida	2	7	3
Nevada	0	1	0
Texas	0	1	0
South Carolina	0	1	0
Indiana	0	1	0
Total	2	11	3

During the last three fiscal years, we have not signed any confidentiality clauses with current or former franchisees that would restrict them from speaking openly with you about their experience with us.

As of the date of this franchise disclosure document, there are no other Miami Grill franchisee associations in existence regardless of whether they use our trademark or not.

ITEM 21
FINANCIAL STATEMENTS

Miami Subs Corporation has absolutely and unconditionally guaranteed to assume our duties and obligations to you under the Franchise Agreement should we become unable to perform our duties and obligations. Miami Subs Corporation's Guaranty of Performance is included in **Exhibit "H".**

Attached as **Exhibit "H"** are consolidated audited financial statements for Miami Subs Corporation and Subsidiaries for fiscal years ended December 31, 2021, December 31, 2022, and December 31, 2023.

Our fiscal year end is December 31.

ITEM 22
CONTRACTS

The following agreements related to a franchised Miami Grill Restaurant are attached as Exhibits to this Disclosure Document:

Exhibit D	Deposit Agreement
Exhibit E	Franchise Agreement and Exhibits
Exhibit F	Multi-Unit Developer Agreement and Exhibits
Exhibit I	Confidential Disclosure and General Waiver and Release

ITEM 23
RECEIPTS

The last two pages of this Disclosure Document (following the exhibits and attachments) are identical copies of a document acknowledging receipt of this Disclosure Document by you. One copy of the document is for you and one is for us.

EXHIBIT "A"
TO THE DISCLOSURE DOCUMENT

STATE AGENCIES AND ADMINISTRATORS/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 below.

Our registered agent in the State of Florida is:

Bernard H. Vogel
901-A Clint Moore Road
Boca Raton, Florida 33487

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
California	Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013 (866) 275-2677	Commissioner of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013 (866) 275-2677
Hawaii	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722
Illinois	Franchise Bureau 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 302 W. Washington St., Room E-111 Indianapolis, Indiana 46204

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-7042	Maryland Commissioner of the Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	Michigan Department of Attorney General 525 W. Ottawa Street G. Mennen Williams Bldg., 1st Floor Lansing, Michigan 48913
Minnesota	Minnesota Dept. of Commerce Securities Unit 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236	Secretary of State One Commerce Plaza 99 Washington Avenue Albany, NY 12231
North Dakota	Office of Securities Commissioner Fifth Floor 600 East Boulevard Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner 600 East Blvd. Avenue, 5th Floor Bismarck, North Dakota 58505
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building 350 Winter St. N.E., Rm 21 Salem, Oregon 97310 (503) 378-4140	

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Rhode Island	Dept. of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 S. Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	
Virginia	State Corporation Commission 1300 East Main Street 1st Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Dept. of Financial Institutions Securities Division 150 Israel Road, S. W. Tumwater, WA 98501 (360) 902-8760	
Wisconsin	Division of Securities Department of Financial Institutions 345 W. Washington St., 4th Floor Madison, Wisconsin 53703 (608) 266-8559	

EXHIBIT "B"
TO THE DISCLOSURE DOCUMENT

Miami Grill
Operating Manual Table of Contents

OPERATIONS MANUAL - MIAMI SUBS GRILL
TABLE OF CONTENTS *(number of pages in red)*

TOTAL PAGE COUNT = 471

EXHIBIT “C-1”
TO THE DISCLOSURE DOCUMENT

LIST OF OPERATIONAL FRANCHISEES
(As of December 31, 2023)

Florida	
Long Investments, Inc. Sean Wright 1800 N. Roosevelt Blvd Key West, FL 33040 304-294-0001	Leonard’s Food Enterprises, Inc. Vladimir Ulitsky 891 West Commercial Blvd. Ft. Lauderdale, FL 33309 954-938-9400
Ay-Tur, Inc. Senturk Aymaz 828 West Oakland Park Boulevard Fort Lauderdale, FL 33311 954-561-5055	Mendoza & Sons Investment Corp. Juan Mendoza 19000 NW 2nd Avenue North Miami, FL 33169 305-651-2660
BK Food, LLC Beau Clark 661 West Sunrise Blvd Ft. Lauderdale, FL 33311 954-768-9100	Balkan Grill, Inc. Sinisa & Paula Mikalacki 750 West Sample Road Pompano Beach, FL 33064 954-782-1270
Saha International, Inc. Bishwajit Saha 4513 Lake Worth Road Green Acres City, FL 33463 561-641-3999	AJT 1818, LLC Alexis Jimenez and Jacques Tertulien 4799 W. Bronson Memorial Highway Kissimmee, FL 34746 407-785-6745
NAVIA Corp. Paula Mikalacki 1955 South State Road 7 West Park, FL 33023 954-893-6671	MH Food Services, LLC Mahmoud Heiba 5001 North University Drive Lauderhill, FL 33351 954-748-0900
Jessinina, Inc. Sinisa Mikalacki 317 W. Atlantic Blvd. Pompano Beach, FL 33060 954-946-0101	Grill Creations, LLC 777 NW 72nd Avenue Miami, FL 33126 786-353-2273
14KG MGMT, LLC Nyia Golden 952 North Lake Boulevard Lake Park, FL 33403 561-863-1212	Subs and Burgers, Inc. JC Rivera 7781 Pines Blvd Pembroke Pines, FL 33024 754-816-3146
Hollywood Subs, Inc. Antony Kallas 2749 Hollywood Blvd Hollywood, FL 33020 954-926-5460	Galina’s Food Ent., Inc. Vladimir & Galina Ulitsky 210 SW 40th Ave Plantation, FL 33317 954-587-9500

Yolia, LLC Farjat Samara Fernandez 1505 South Federal Highway Dania, FL 33004 954-922-1128	International Food Chains, LLC Mario Cordovez and Luis A. (Sebastian) Espinosa 14001 SW 88th Street Kendall, FL 33186 305-386-3636
Jean Noreen, Inc. John Nakis 3700 NW 42nd Ave. Miami Springs, FL 33166 786-360-2194	Gyros & Subs, Inc. Juan Rivera 11501 Pines Blvd Pembroke Pines, FL 33026 954-430-8181
Alasanco LLC Alaa Elbiali 619 State Road 7 Margate, FL 33063 954-366-3195	Husko LLC Huseyin & Murat Kaya 9575 Regency Square Blvd. Jacksonville, FL 32225 904-379-7969
JR USA Investment LLC Navaid Khan and Samina Khan 4650 Jog Road Greenacres, FL 33467 561-328-1280	Kuhl Investments, LLC Carlos Kuhl Nogueira 18660 South Dixie Highway Cutler Bay, FL 33157 305-251-5816
KA & Associates, LLC Kamar Aiken 5320 N. Orange Blossom Trail Orlando, FL 32810 407-286-3805	
Nevada	
Ilagan Family LLC Kristoffer Ilgan, Jason Ilgan and Canciller Ilgan 2310 E. Serene Avenue Las Vegas, NV 89123 725-205-4624	
South Carolina	
Gabriel Emre, LLC Huseyin Kaya 250 Hearon Circle Spartanburg, SC 29303 864-585-3599	
Boiling Springs Ale House LLC Dba Miami Grill Husseyin Kaya 2220 Boiling Spring Road Boiling Springs, SC 29316 (864) 327-9531	

<u>EXHIBIT “C-2 “</u>
TO THE DISCLOSURE DOCUMENT

LIST OF AFFILIATE OWNED RESTAURANTS AS OF DECEMBER 31, 2023

MGCS 40, LLC
600 NE 167 Street
Miami, FL 33162

EXHIBIT "C-3"
TO THE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM
(As of December 31, 2023)

FLORIDA	
JR USA Investment, LLC Navaid & Samina Khan 4999 South State Road 7 Davie, FL 33314 954-689-7499 Perkas, Inc. Jose Paredes 600 NE 167 Street Miami, FL 33162 305-944-3111	

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<u>EXHIBIT “C-4”</u>
<u>TO THE DISCLOSURE DOCUMENT</u>

LIST OF FRANCHISEES WHO HAVE SIGNED FRANCHISE AGREEMENTS BUT ARE NOT YET OPERATIONAL
(As of December 31, 2023)

Florida	
Orlando East Colonial Retail LLC Ashish Shah 14088 E. Colonial Drive Orlando, FL 32826 321-947-5274	
Orlando Retail Solutions, LLC Ashish Shah 4220 S. Semoran Blvd. Orlando, FL 32822 321-947-5274	

EXHIBIT "D"
TO THE DISCLOSURE DOCUMENT

Miami Grill Franchising Corporation
Deposit Agreement

This Deposit Agreement (the "**Agreement**") is made and entered into on ______________, 20__, (the "**Effective Date**") between Miami Grill Franchising Corporation, a Florida corporation with its principal office at 901-A Clint Moore Road, Boca Raton, Florida 33487 ("**MGFC**") and ____ a [resident] [corporation] [partnership] [limited liability company] [limited liability partnership] of the State of _____________, whose principal address is ____ ("**Depositor**").

RECITALS

WHEREAS, MGFC is in the business, among other things, of developing and operating a system consisting of franchised and company-operated "Miami Grill" restaurants under the "Miami Grill" trademarks, service marks, and system owned or licensed by MGFC (collectively, "**Restaurants**");

WHEREAS, Depositor wishes to apply to become a franchisee under MGFC "Miami Grill" system pursuant to a franchise agreement for a Restaurant to be located at a particular site;

WHEREAS, MGFC must expend considerable time and effort, and incur certain costs during the Deposit Period (as defined in this Agreement) in order to evaluate the applicant's qualifications and suitability to become a franchisee and to evaluate the proposed site for the Restaurant;

WHEREAS, Depositor wishes to place a deposit with MGFC as evidence of Depositor's good faith during the Deposit Period.

NOW THEREFORE, in consideration of the undertakings and commitments of each party to the other party as set forth herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. The Deposit. Upon execution of this Agreement, Depositor shall pay MGFC the sum of Twenty Two Thousand Five Hundred Dollars ($22,500.00) as a non-interest bearing deposit (the "**Deposit**").

2. Refundability. The Deposit is not refundable to Depositor unless this agreement specifically provides herein in writing that it is refundable.

3. Credit. MGFC shall credit the full amount of the Deposit against the initial franchise fee due under the franchise agreement entered into by the parties, unless this Agreement is terminated or expires as set forth in Section 10 below, prior to Depositor and MGFC entering into a franchise agreement for a Restaurant.

4. Deposit Area. During the Deposit Period (defined below), MGFC and Depositor shall explore the prospect of entering into a franchise agreement for the establishment of a Restaurant within the following area: ____ (the "**Deposit Area**"). The only purpose of the Deposit Area is to describe the area within which they will focus their attention during the Deposit Period.

5. Limitations.

5.1 Nothing in this Agreement (except to the extent otherwise provided in Section 9 below) shall prevent MGFC or Depositor from entering into any other agreement, conducting business, or taking any action within the Deposit Area or elsewhere, with one another and/or with other parties.

5.2 By entering into this Agreement MGFC shall not be deemed to have given any representation or assurance that any site Depositor finds, whether in the Deposit Area or otherwise, will be acceptable to MGFC.

5.3 MGFC is not obligated to propose any particular location(s) to Depositor but may nonetheless do so from time to time.

5.4 By proposing or approving a particular location, MGFC shall not be deemed to have stated, implied, or otherwise given any representation that Depositor will or is likely to be successful or profitable in operating a Restaurant at that location.

6. Approval. Before or after signing a franchise agreement, MGFC shall have the right to first approve the proposed site for the Restaurant, as well as the lease terms and actual Lease document which shall contain MGSFC standard lease terms (if Depositor will lease the site).

6.1 Depositor acknowledges and agrees that MGFC's review and approval of the lease or sublease shall be limited to an assessment of whether such lease or sublease complies with MGFC's internal standards. Depositor acknowledges that by reviewing the lease or sublease, MGFC is not acting as Depositor's counsel or advisor for the purpose of negotiating and executing any such lease or sublease, and Depositor shall retain and rely only on its own counsel and/or independent advisors in connection with the lease or sublease.

7. Confidentiality. During the Deposit Period, certain confidential information about MGFC and its system will be disclosed or otherwise made known to Depositor ("**Confidential Information**"). Depositor agrees to respect and maintain the confidential nature of such Confidential Information, and not in any way disclose the Confidential Information to anyone else, nor in any way use the Confidential Information in the operation of any business (excluding a Restaurant operated pursuant to a franchise agreement with MGFC, if one is ever signed). It is agreed that Depositor's obligations under this Section 7 shall not expire upon termination of this Agreement.

8. Deposit Period. The parties agree that the "**Deposit Period**" shall be ninety (90) days, starting on the Effective Date. The parties may, in a written document signed by both of them, extend the Deposit Period. Unless the parties agree otherwise in writing, this Agreement shall expire if, at the end of the Deposit Period: (a) no franchise agreement has been signed; (b) Depositor has not located a site for the Restaurant that is acceptable to MGFC; (c) MGFC has located an acceptable site and Depositor rejects this site; or (d) if for any other reason there is no approved site for the Restaurant. Upon expiration or termination of this Agreement, the parties shall have no further rights or obligations to each other, and MGFC shall have the right to retain the Deposit in full.

9. No Franchise Rights. This Agreement is not a franchise and does not grant Depositor any right whatsoever to use the "Miami Grill" trademark and/or system, which rights can only be granted under a franchise agreement entered into by Depositor and MGFC. Depositor shall not use the "Miami Grill" trademark or system, nor shall Depositor make any representation or commitment on MGFC's behalf.

10. Acknowledgment. Depositor acknowledges receipt of MGFC's franchise disclosure document at least fourteen (14) days before the Effective Date. Depositor also acknowledges receipt of a copy of this Agreement, with all the blanks filled in, with sufficient time to review the Agreement before the Effective Date.

11. Whole Agreement. This Agreement incorporates the full and complete agreement between the parties concerning the subject of this Agreement, and supersedes any and all prior correspondence, conversations, representations, or statements of whatever nature concerning the subject of this Agreement. The parties are not relying on anything other than the words of this Agreement in deciding whether or not to enter into this Agreement. This Agreement may be modified or amended only by a written agreement signed by both parties.

12. Governing Law. This Agreement shall be interpreted and construed exclusively under the laws of the State of Florida, which laws shall prevail in the event of any conflict of law (but without regard to, and without giving effect to, the application of Florida choice-of-law rules); provided, that nothing in this Section 12 is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of Florida to which this Agreement would not otherwise be subject.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Miami Grill Franchising Corporation

By:___________________________________

Name: ________________________________

Title: _________________________________

_______________________________________,
Depositor:

By:___________________________________

Name: ________________________________

Title: _________________________________

_______________________________________,
Depositor:

By:___________________________________

Name: ________________________________

Title: _________________________________

EXHIBIT "E"
TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT AND EXHIBITS

MIAMI GRILL FRANCHISE AGREEMENT

FRANCHISEE: ______________________

DATE OF AGREEMENT: ____________________

MIAMI GRILL FRANCHISE AGREEMENT

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Exhibits

MIAMI GRILL FRANCHISE AGREEMENT

THIS AGREEMENT ("**Agreement**") is made as of the ______ day of _____________20___, by and between Miami Grill Franchising Corporation ("**MGFC**"), a Florida corporation ("**Company**"), and ____, a __________________ organized under the laws of __________________ ("**Franchisee**"), whose principal office address is: ____.

RECITALS

A. Company franchises certain restaurants, known as "Miami Grill," constructed and operated in buildings that feature Company's interior and/or exterior distinctive trade dress (collectively, a "**Miami Grill Restaurant**"), which principally offer quality food prepared fresh and mostly cooked to order, including submarine sandwiches, pita sandwiches, gyros, cheese steaks, wings, hot dogs, fish, burgers, chicken, desserts, ice cream, beverages and other food products ("**Products**") for consumer consumption through on-premises, drive-thru, and carry-out sales, as well as delivery, curbside, mobile, and kiosk ordering.

B. Pursuant to a license agreement between Company and its affiliate, Miami Subs of Delaware, Inc., a Delaware corporation ("**Licensor**"), Company has the right to use and license the use of certain trademarks, service marks and trade dress, including the "Miami Grill" trademarks and associated logos, and those additional trademarks, service marks and trade dress (collectively, the "**Marks**"), which Licensor may hereafter adopt, in connection with the operation of Miami Grill Restaurants. Miami Grill Restaurants operate under Company's distinctive image, designs, business formats, methods, procedures, specifications and the Marks (collectively, the "**System**"), all of which may be further developed or otherwise modified by Company or Licensor from time to time.

C. Franchisee wishes to operate a Miami Grill Restaurant at the Franchised Location (as defined below).

D. Franchisee wishes to be assisted, trained and licensed by Company to be a franchisee of Company and to operate a Miami Grill Restaurant using the System.

E. Franchisee recognizes the importance to Company, other franchisees and the public of maintaining the distinctive standards, qualities and attributes of products and services identified by the Marks and is willing to maintain those standards, qualities and attributes in the operation of a franchised Miami Grill Restaurant.

F. Franchisee wishes to obtain a license to use and continuously operate the System at the Franchised Location (as defined below), subject to the terms and conditions contained in this Agreement and in strict compliance with the standards and specifications established by Company.

In consideration of the covenants and agreements set forth below and other good and valuable consideration, the parties agree as follows:

1. Grant of Franchise.

A. Grant.

i. Company hereby grants to Franchisee the right, and Franchisee accepts the obligation (the "**Franchise**"), under the terms and conditions of this Agreement, to: (a) continuously operate one (1) Miami

Grill Restaurant, whether it be a traditional Miami Grill Restaurant or a Miami Grill Express (the "**Franchised Restaurant**"); (b) at the location specified in attached Exhibit B ("**Franchised Location**") and only at that location; and (c) to use the Marks solely in the connection with operating the Franchised Location.

ii. All of the parties' rights and obligations under this Agreement shall start as of the date of this Agreement and shall run until the twenty (20) year anniversary of the date on which the Franchised Restaurant first opens for business as a Miami Grill Restaurant (which shall be documented in Exhibit D to this Agreement or as the parties otherwise choose in writing), unless the rights under this Agreement are sooner terminated by Company in accordance with the provisions of this Agreement.

iii. Franchisee shall not operate the Franchised Restaurant at any site other than the Franchised Location and shall not relocate the Franchised Restaurant without Company's prior written consent, which shall not be unreasonably withheld. If Company consents to a relocation of the Franchised Restaurant, it shall have the right to charge Franchisee for all reasonable expenses actually incurred in connection therewith. Franchisee agrees that it will at all times faithfully, honestly and diligently perform its obligations under this Agreement, that it will continuously exert its best efforts to promote and enhance the business of the Franchised Restaurant and that Franchisee will not engage in any other business or activity that may conflict with its obligations under this Agreement (other than the operation of another Miami Grill Restaurant pursuant to a separate agreement with Company).

iv. Franchisee acknowledges and agrees that Franchisee will offer beer, wine and liquor at the Franchised Restaurant and Franchisee shall maintain any required permits and/licenses required to offer beer, wine and liquor. Franchisee may purchase alcoholic beverages from any state authorized distributor/supplier of Franchisee's choosing, provided Franchisee notifies Company in advance of such purchases. Franchisee also controls the sales and service of any and all alcoholic beverages served in Franchisee's Restaurant. Franchisee further acknowledges and agrees that the Franchised Restaurant shall be open and operating for at least the minimum hours and days specified by Company in the Operating Manual (as defined in Section 9.C, below) or otherwise in writing; subject only to the terms of the lease for the Franchised Restaurant and applicable law. Franchisee's required operating hours will vary depending on whether Franchisee offers a breakfast menu. Franchisee's Operating hours must be approved by the Company. Franchisee must not close the Franchised Restaurant for any reason without obtaining the prior written consent of the Company.

B. Protected Area and Rights Reserved by Company. Provided Franchisee is in compliance with this Agreement, during the term of this Agreement, and subject to the following, Company shall not operate or license others to operate Miami Grill Restaurants in the limited geographic territory described in Exhibit B (the "Protected Area"), if any. Franchisee's rights are subject to the following:

i. Notwithstanding the above provisions of this Section 1(B), Company shall have the right to operate, and license others to operate, Miami Grill Restaurants in the Protected Area that are located in industrial feeding settings and/or captive market locations (including but not limited to airports, train stations, bus stations, travel plazas, convenience stores, gas stations, supermarkets, "box" or chain stores, shopping malls, theaters, museums, art centers, stadiums, convention centers, military facilities, schools, colleges, universities, hospitals, amusement parks, contract feeders, and business cafeterias).

ii. Franchisee shall only be permitted to offer and sell Products from the Franchised Location to retail customers: ***(1)*** face-to-face, for consumption on the Franchised Restaurant premises; ***(2)*** face-to-face, for personal carry-out, delivery through an approved third party, curbside pick-up, mobile and kiosk ordering or drive-thru consumption; and/or ***(3)*** for catering service provided at customers' homes, offices, and other locations within the Protected Area ("**Catering**").

iii. Franchisee shall not engage in any other type of sale of, or offer to sell, or distribution of Products ("**Other Sales**"), including but not limited to: ***(1)*** selling, distributing or otherwise providing, any Products to third parties at wholesale, or for resale or distribution by any third party, including corporate and commercial food service operations; and ***(2)*** selling, distributing or otherwise providing any Products through catalogs, mail order, toll free numbers, or electronic means (*e.g.*, the Internet).

iv. Company shall have the right, and nothing in this Agreement shall prohibit Company from exercising the right to: ***(1)*** operate or license others to operate, during the term of this Agreement, restaurants other than Miami Grill Restaurants at any location whether within or outside of the Protected Area; ***(2)*** operate or license others to operate, during the term of this Agreement, Miami Grill Restaurants at any location outside the Protected Area; ***(3)*** operate or license others to operate, after this Agreement terminates or expires, Miami Grill Restaurants at any location whether within or outside of the Protected Area; ***(4)*** merchandise, sell and/or distribute goods and services identified by the Marks (or license others to merchandise, sell, and/or distribute such goods and services) through supermarkets, groceries, or convenience stores at any location, or any other method or channel of distribution (including, without limitation, catalog, mail order, toll free numbers for delivery, and current or future means of electronic commerce, including the Internet and any Websites (as defined in Section 8.H below) Company may establish) other than from Miami Grill Restaurants located within the Protected Area; ***(5)*** sell or distribute goods identified by the Marks through any method or channel of distribution (including, without limitation, catalog, mail order, toll free numbers for delivery, and current or future means of electronic commerce, including the Internet and any Websites Company may establish) to restaurants other than a Miami Grill Restaurant operated within the Protected Area, provided such restaurants are not licensed to use the Marks in connection with their retail sales; and/or ***(6)*** acquire and operate businesses of any kind and to grant or franchise the right to others to operate other businesses of any kind, whether within or outside of the Protected Area (or to be acquired by another party that will have similar such rights).

C. Reservation of Rights. Company reserves to itself all rights to use and license the System and the Marks, and to operate Miami Grill Restaurants, except to the extent specifically provided otherwise under this Agreement.

2. Fees.

A. Initial Franchise Fee. Franchisee shall pay Company immediately upon execution of this Agreement an initial franchise fee (the "**Initial Franchise Fee**") of Forty-Five Thousand Dollars ($45,000). The Initial Franchise Fee is paid in consideration of administrative and other expenses that Company has incurred in granting this Franchise, is fully earned at the time paid, and is not refundable for any reason whatsoever. If Franchisee has previously signed a deposit agreement ("**Deposit Agreement**"), the deposit paid to Company under the Deposit Agreement shall be credited against the Initial Franchise Fee in accordance with the terms of the Deposit Agreement.

B. Royalty Fee.

i. In addition to all other amounts to be paid by Franchisee to Company, Franchisee shall pay Company a non-refundable and continuing royalty fee equal to six percent (6%) of the Gross Revenues of the Franchised Restaurant for each Accounting Period. If any taxes, fees or assessments are imposed on Company by reason of its acting as franchisor or licensing the Marks under this Agreement, Franchisee shall reimburse Company the amount of those taxes, fees or assessments within thirty (30) days after receipt of an invoice from Company.

ii. As used in this Agreement, the term "**Gross Revenues**" shall include the entire amount of the actual sales price, whether for cash, credit, check or other consideration, of all sales made at or from the Franchised Location.

a. Among other things, Gross Revenues include but are not limited to all sales of food, beverages, merchandise, premiums, promotional items and services, revenues from mail, telephone or electronic orders received or filled from the Franchised Restaurant (whether or not permitted); commissions on telephone, video, game machine and vending machine revenues; gift certificates (when redeemed but not when purchased); all deposits not refunded to the purchasers; all revenues from dine-in, carry-out, drive-thru, delivery, banquets, Catering or otherwise; all payments to Franchisee by any manufacturer, vendor, distributor or concessionaire; any promotional allowances provided in exchange for goods or services; and any other revenues derived in, upon or from the Franchised Location except as specifically excluded in this Section 2.B).

b. Gross Revenues do not include: ***(1)*** the cost of food provided to your employees as an incident of employment during an employee's shift; ***(2)*** sales of merchandise for which cash has been refunded or allowances made on merchandise claimed to be defective or unsatisfactory or on exchanged merchandise; ***(3)*** discounts on the stated sales price that are not actually charged to the guest; ***(4)*** any tips collected by your employees; and ***(5)*** any sales tax or other taxes collected from guests and remitted to the governmental authority imposing the tax.

C. Period Reports and Payment of the Royalty Fee.

i. Within three (3) business days after the end of each "**Accounting Period**" (which, for purposes of this Agreement, shall mean a one (1) week period beginning on a Monday and ending on the Sunday following that Monday, or such other period of time as Company may designate; provided, however, that Company shall not designate more than fifty-three (53) periods during each calendar year as an "Accounting Period"), Franchisee shall inform Company in writing (or by electronic mail, polling by computer or such other form or method as Company may designate) of the amount of Gross Revenues from the Franchised Restaurant during the preceding Accounting Period. Unless otherwise approved in writing by Company, all amounts required to be paid to Company under this Agreement (including but not limited to royalty fees, advertising contributions, late fees and interest charges) shall be made when due by electronic funds transfer.

ii. In connection with payment of the royalty fee or other amounts payable under this Agreement (including any interest charges due thereon or late fees) by electronic funds transfer, Franchisee shall: (1) comply with procedures specified by Company in the Operating Manual (defined in Section 9.C.); (2) establish an arrangement for electronic transfer or deposit of any such payments required under Sections 2 or 8 and shall execute the current form of Authorization Agreement for Prearranged Payments (Direct Debits), a copy of which is attached to this Agreement as Exhibit C; and ***(3)*** make sufficient funds available in the Account for withdrawal by electronic transfer no later than the Due Date for payment thereof.

iii. Company shall have the right to obtain from Franchisee's computer system such information as Company may reasonably require at any time, including but not limited to reports on Franchisee's Gross Revenues, cash register tapes, product mix tapes, state sales tax report, and a profit and loss statements. If for any reason Company is unable to obtain adequate information from Franchisee's computer system, Franchisor shall have the right to request that Franchisee submit a written sales report to Franchisor containing such information with respect to Franchisee's sales as Company may require, and Franchisee agrees to provide such reports within five (5) calendar days after the close of any Accounting Period for which Franchisor has made such a request.

iv. Franchisee agrees that it shall not set off, deduct or otherwise withhold any royalty fees, advertising contributions, fees for late payments or any other monies payable by Franchisee under this Agreement on grounds of any alleged non-performance by Company of any of its obligations or for any other reason.

D. Fees For Late Payment. If any payments by Franchisee due to Company are not received by Company by the date due, Franchisee, in addition to paying the amount owed, shall pay Company interest on the amount owed from the date due until paid at the greater of the maximum rate permitted for indebtedness of this nature in the state in which the Franchised Restaurant is located or eighteen percent (18%) per annum.

E. Partial Payments. No payment by Franchisee or acceptance by Company of any monies under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Franchisee's payment of a lesser amount than due with an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect and Company may accept such partial payment without prejudice to any rights or remedies it may have against Franchisee. Company's acceptance of payments by Franchisee other than as set forth in this Agreement shall not constitute a waiver of Company's right to demand payment in accordance with the requirements of this Agreement. Notwithstanding any designation by Franchisee, Company shall have the right to apply any payments by Franchisee to any of its past due indebtedness for royalty fees, advertising contributions, purchases from Company or its affiliates, interest or any other indebtedness. Company's acceptance of payment from any entity other than the named Franchisee shall be deemed to be payment by the named Franchisee and shall not be deemed to be recognition or substitution of such entity for the named Franchisee.

F. Collection Costs and Expenses. Franchisee agrees to pay to Company on demand any and all costs and expenses incurred by Company in collecting any monies owed by Franchisee to Company. These costs and expenses include, but are not limited to, costs and commissions due a collection agency, reasonable attorneys' fees (including any attorneys' fees incurred by Company in bankruptcy proceedings), court costs, expert witness fees, discovery costs and reasonable attorneys' fees and costs on appeal, together with interest charges on all of the foregoing.

G. Customer Service Penalties. If, within any ninety (90) day period, Company receives, or is alerted to, customer complaints (whether by phone or e-mail, in writing, through the Internet, or otherwise) from three (3) separate customers involving the same or similar (in Company's opinion) customer service problems or issues involving the Franchised Restaurant (a "**Consumer Complaint**"), Company shall have the right, in addition to any other remedies available to Company under this Agreement, to require Franchisee to pay Company a fee in the amount of One Thousand Dollars ($1,000) for the third (3rd) such complaint. If Company receives or is alerted to a fourth (or more) additional Consumer Complaint from a separate customer within twelve (12) months of the previous Consumer Complaint, Company shall have the right to require Franchisee to pay an additional fee of One Thousand Dollars ($1,000) for each additional such Consumer Complaint; all of which Franchisee agrees to pay to Company and Company has the right to terminate Franchise Agreement.

3. Financing Commitment.

Franchisee shall secure financing to develop the Franchised Location and provide evidence thereof satisfactory to Company on or before the financing commitment date set forth in Exhibit B.

4. Construction of the Franchised Restaurant.

A. Restaurant Development.

i. Franchisee shall be responsible for developing the Franchised Restaurant. Company will furnish to Franchisee mandatory specifications and prototype layouts for a Miami Grill Restaurant, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, storefront and color scheme. It shall be Franchisee's responsibility to have prepared all required construction plans and specifications to suit the shape and dimensions of the Franchised Location and Franchisee must ensure that such plans and specifications comply with applicable ordinances, building codes and permit requirements and with lease requirements and restrictions. Franchisee shall use only registered architects, registered engineers, and professional and licensed contractors.

ii. Franchisee shall submit proposed construction plans, specifications and drawings ("**Plans**") to Company on or before the date specified in Exhibit B, and shall, upon Company's request, submit all revised or "as built" Plans during the course of such construction. Company will give its written consent or denial of consent to the use of the Plans for the proposed Franchised Restaurant and notify Franchisee within thirty (30) days after Company receives the Plans. (Company's consent shall not be unreasonably withheld.) In furtherance thereof, Franchisee agrees, at Franchisee's expense, to attend a mandatory Franchised Restaurant development meeting at Company's headquarters, or such other place as Company may specify, during this thirty (30) day period for full consideration and review of all Plans. Once Company has consented to the use of the Plans and Franchisee has signed each page of the Plans acknowledging the review and Franchisee's obligations for compliance, no substantial change shall be made to the Plans without the prior consent of Company, which shall not to be unreasonably withheld. If in the course of construction, any such change in the Plans is contemplated, Company's consent must first be obtained before proceeding.

iii. Franchisee shall not start or authorize the start of site preparation or construction before receiving the Company's written consent to Franchisee's use of the Plans. All construction must be in accordance with Plans consented to by Company and must comply in all respects with applicable laws, ordinances and local rules and regulations. A Franchised Restaurant shall not open if construction has not been performed in substantial compliance with Plans consented to by Company, and this Agreement may be terminated if such non-compliance is not timely cured within a commercially reasonable amount of time. Company may furnish guidance to Franchisee in developing the Franchised Restaurant and may periodically inspect the premises during its development.

B. Commencement and Completion of Construction. Construction shall commence on or before the date specified in Exhibit B. Prior to the commencement of construction, Franchisee shall provide Company a copy of the fully-executed lease for the Franchised Location ("**Lease**") or, if Franchisee owns the Franchised Location, proof of Franchisee's ownership interest. The Lease shall be coterminous with this Agreement, and the Lease must include as an attachment the **Lease Rider** appended to this Agreement as Exhibit G. As used in this Agreement, construction shall have commenced only after Franchisee has signed the Lease, including the Lease Rider, has obtained all required permits, and: ***(1)*** with respect to a free-standing Franchised Restaurant, Franchisee has begun the installation of building footings with the intent to maintain continuous construction thereafter; or ***(2)*** with respect to a non free-standing Franchised Restaurant or a Franchised Restaurant being converted from a prior use, Franchisee has begun the installation of sub-floor plumbing with the intent to maintain continuous construction thereafter.

Once construction has commenced, it shall continue uninterrupted (except for interruption by reason of events constituting Force Majeure as defined in Section 27) until completed. Notwithstanding the occurrence of any events, except events constituting Force Majeure, construction shall be completed, and the Franchised Restaurant shall be furnished, equipped and shall otherwise be ready to open for business in accordance with this Agreement not later than the opening date specified in Exhibit B.

Franchisee agrees, at its sole expense, to do or cause to be done the following, by the opening date specified in Exhibit B:

(1) Obtain and maintain all required building, utility, sign, health, sanitation, business and other permits and licenses and all required licenses and permits, if available, in order for the Franchised Restaurant lawfully to sell and/or serve alcoholic beverages on the premises.

(2) Construct all required improvements to the Franchised Location and decorate the exterior and interior of the Franchised Restaurant in compliance with Plans consented to by Company.

(3) Purchase or lease and install all specified and required fixtures, equipment, furnishings and interior and exterior signs required by Company for the Franchised Restaurant.

(4) Purchase an opening inventory of only authorized and approved Products and other materials and supplies.

(5) Open the Miami Grill Restaurant to the general public.

C. Acquisition of Necessary Furnishings, Fixtures and Equipment. Franchisee agrees to use in the development and operation of the Franchised Restaurant only those fixtures, furnishings, equipment, storefront and signs that Company has approved for Miami Grill Restaurants as meeting its specifications and standards for quality, design, appearance, function and performance. Franchisee further agrees to place or display at the Franchised Restaurant (interior and exterior) only such signs, emblems, lettering, logos and display materials that Company approves in writing from time to time. Franchisee shall purchase or lease approved brands, types or models of fixtures, furnishings, equipment, storefront and signs only from suppliers designated or approved by Company, which may include Company.

If Franchisee builds any portion of the Franchised Restaurant outside of Company's specifications without receiving Company's prior written consent, Company shall have the right to delay the opening of the Franchised Restaurant until Franchisee, at its sole expense, brings the Franchised Restaurant's development within full compliance of Company's specifications.

D. Inspection, Cooperation. During the course of construction, Franchisee shall (and shall cause Franchisee's architect, engineer, contractors, and subcontractors to) cooperate fully with Company for the purpose of permitting Company to inspect the Franchised Location and the course of construction of the Franchised Restaurant in order to determine whether construction is proceeding according to the Plans. Without limiting the generality of the foregoing, Franchisee, and Franchisee's architect, engineer, contractors and subcontractors shall: ***(1)*** supply Company with samples of construction materials, test borings, corings, due diligence environmental studies, supplies, equipment and other material and reports, if any such tests, studies or reports indicate there may be material problems or as Company may request; and ***(2)*** afford Company's representatives access to the Franchised Location and to the construction work in order to permit Company to carry out its inspections.

E. Reports. During the course of construction, Franchisee shall submit to Company, on or before the first day of each month (or more frequently if Company requests), a report showing progress made toward fulfilling the terms of this Agreement.

F. Limitation of Company Liability. Notwithstanding the right of Company to consent to Franchisee's use of the Plans and to inspect the construction work and the Franchised Restaurant, Company shall have no liability or obligation with respect to the Franchised Location or the design or construction of the Franchised Restaurant; Company's rights being exercised solely for the purpose of ensuring compliance with the terms and conditions of this Agreement.

G. Financing. Without the prior written approval of Company, which shall not be unreasonably withheld, the construction and/or operation of the Franchised Restaurant shall not be financed by a public or private offering of any right, title or interest in the Franchised Restaurant, the property upon which it is built, or the receipts from its operation.

H. Final Inspection and Opening Date. Franchisee shall notify Company in writing, at least thirty (30) days prior to the date Franchisee expects construction to be completed and a certificate of occupancy issued. The certificate of occupancy, or a conditional certificate of occupancy, must be obtained at least two (2) days prior to the scheduled opening of the Franchised Restaurant. Company shall use its best efforts to conduct a final inspection of the Franchised Restaurant and its premises to determine if Franchisee has complied with this Agreement. Company shall not be liable for delays or loss occasioned by Company's inability to complete its investigation and to make a determination within this period. Franchisee shall not open the Franchised Restaurant for business without Company's express written authorization, which will not be granted unless Franchisee has satisfied the conditions contained in Section 5.

5. Right to Open the Franchised Restaurant.

Except for a conditional opening of the Franchised Restaurant pursuant to Section 6, Company will not authorize the opening of the Franchised Restaurant unless all the following conditions have been met:

A. Franchisee and its affiliates are not in material default under this Agreement or any other agreements with Company or its affiliates and, for the previous six (6) months, Franchisee has not been in default beyond the applicable cure period under any agreement with Company or its affiliates.

B. Franchisee and its affiliates are current on all obligations due Company and its affiliates.

C. Franchisee's registered architect has certified to Company in writing that the Franchised Restaurant was constructed substantially in accordance with the Plans consented to by Company and state and local codes.

D. If the Franchised Location is leased, Company has received a copy of the fully-executed lease.

E. If required by Company, Franchisee shall obtain a liquor license authorizing the sale of alcoholic beverages at the Franchised Restaurant.

F. Franchisee has obtained a certificate of occupancy and any other required health, safety or fire department certificates.

G. Franchisee has certified to Company in writing that the installation of all items of equipment, furniture, furnishings, signs, computer terminals and related equipment, supplies and other items has been accomplished and that Franchisee has hired and trained a staff.

H. Company has determined that the Franchised Restaurant has been constructed and equipped substantially in accordance with the requirements of this Agreement and that Franchisee has hired and trained a staff in accordance with the requirements of this Agreement.

I. Company has been furnished with copies of all insurance policies required by Section 14 or such other evidence of insurance coverage and payment of premiums as Company reasonably may request.

6. Conditional Opening.

Company may conditionally authorize Franchisee to open and operate the Franchised Location as a Miami Grill Restaurant, even though Franchisee has not fully complied with the terms of this Agreement, if Franchisee agrees in writing to fulfill all remaining terms of this Agreement on or before the date or dates mutually agreed to by Franchisee and Company. Company shall have the right to determination whether to authorize a conditional opening, and this decision shall be final and binding and shall be made based upon those factors Company deems relevant, including its determination that a conditional opening will not be injurious to the reputation of the System. If Franchisee fails to fulfill all remaining terms of this Agreement on or before the date or dates mutually agreed to (or such extension thereof as Company shall have the right to grant or deny), this Agreement shall terminate without further action by Company and Franchisee shall take such steps as are required by Section 22.

7. Record Keeping and Reports.

A. Record Keeping. Franchisee shall establish and maintain at its expense a bookkeeping, accounting, Record Keeping and data processing system conforming to the requirements and formats prescribed by Company from time to time. Franchisee also shall preserve all of its books, records (including, without limitation, the reports specified in Sections 2.C. and 7.B.) and state and federal tax returns for at least three (3) years after the later of preparation or filing (or such longer period as may be required by any governmental entity), and to make all such records available and provide duplicate copies to Company within five (5) days after Company's written request.

B. Reports. Company shall have the right, as set forth in Section 11.H below, to connect electronically or otherwise with, download and/or poll, Franchisee's Computer System (defined below) at any time for the purpose of retrieving and using the information required under Section 2.C above as well as any other data and information from the Computer System that Company deems necessary or desirable. If for whatever reason Company is unable to retrieve such information from Franchisee's Computer System as Company deems necessary or desirable, Franchisee shall submit such information to Company on such forms as Company may specify. In addition, within ninety (90) days after the end of Franchisee's fiscal year, Franchisee shall furnish to Company, on forms prescribed by Company, a fiscal year-end balance sheet, income statement and statement of changes in financial position of the Franchised Restaurant for such fiscal year, reflecting all year-end adjustments, preferably accompanied by a review opinion letter signed by an independent certified public accountant. Each report and financial statement shall be signed and verified by Franchisee or Franchisee's chief executive officer. Company shall have the right to disclose data derived from such reports and statements if it considers such disclosure necessary, advisable or required by law. Any such disclosure shall be made with confidentiality. Company reserves the right to require Franchisee to have the annual financial statements audited when a review opinion by an independent certified public account is reasonably deemed insufficient.

C. Public Filings. If Franchisee is or becomes a publicly-held company in accordance with other provisions of this Agreement, Franchisee shall send to Company copies of all reports (including responses to comment letters) or schedules Franchisee may file with the U.S. Securities and Exchange

Commission and copies of any news releases it may issue, within three (3) days after such reports or schedules are filed or such releases are issued.

8. Advertising and Promotion.

A. Contributions by Franchisee. Franchisee shall make an advertising contribution in an amount equal to three percent (3%) of Gross Revenues of the Franchised Restaurant for each Accounting Period (the "**Advertising Contribution**"). Franchisee's Advertising Contribution shall be paid to the National Advertising Fund or to any Regional Advertising Fund established pursuant to Section 8.C below, in such proportions as Company shall have the right to designate from time-to-time. Franchisee shall also make such expenditures on local advertising and promotion as set forth in Section 8.E below.

The Advertising Contribution shall be payable to the Company within three (3) days after each Accounting Period and made by electronic funds transfer deposited into the National Advertising Fund and/or Regional Advertising Fund, as applicable, for advertising that will benefit all Miami Grill Restaurants in the System.

B. National Advertising.

i. Company will establish, maintain and administer a national advertising fund ("**National Advertising Fund**"). Miami Grill Restaurants operated by Company and its affiliates shall contribute to the National Advertising Fund on the same basis as comparable franchisees.

ii. Company shall direct all advertising, marketing, and public relations programs and activities financed by the National Advertising Fund and shall have the right to direct the creative concepts, materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. Franchisee agrees that the National Advertising Fund may be used to pay for development of advertising ideas, concepts and general plans; formulation of marketing research and merchandising programs and strategies; preparation and execution of advertising strategies and campaigns; development of promotional ideas, concepts and general plans; preparation and execution of promotional strategies and campaigns; preparation and execution of collateral creative materials; writing, design, illustration, filming, editing and other preparation of advertisements; all planning, strategy, negotiation, contracting, buying, verifying, modifying and trafficking all media programs; technical and professional advice in connection with the National Advertising Fund; and other advertising, promotional, public relations, administrative and related purposes.

C. Regional Advertising Fund.

i. Company shall have the right to establish a regional advertising fund for Miami Grill Restaurants in the regional area in which the Franchised Restaurant is located ("**Regional Advertising Fund**"). Franchisee agrees to participate in the Regional Advertising Fund, should one be established, in accordance with the governing instruments of such Fund. Miami Grill Restaurants operated by Company and its affiliates in an area covered by a Regional Advertising Fund shall contribute to the Regional Advertising Fund on the same basis as comparable franchisees.

ii. Company shall direct all advertising, marketing, and public relations programs and activities financed by the Regional Advertising Fund and shall have the right to direct the creative concepts, materials and endorsements used in those programs and activities, and the geographic, market and media placement and allocation of advertising and marketing materials. Franchisee agrees that the Regional Advertising Fund may be used to pay the costs of preparing and producing such associated materials and programs as Company may determine, including video, audio and written advertising materials; employing advertising agencies; sponsorship of sporting, charitable or similar events; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising agencies to assist with these efforts; and supporting public relations, market research and other advertising, promotional and marketing activities. Franchisee agrees to participate in all advertising, marketing, promotions, research and public relations programs instituted by the Regional Advertising Fund.

D. Local Advertising and Grand Opening Advertising.

i. In addition to, and not in lieu of, the Advertising Contribution, Franchisee agrees to annually expend an amount equal to at least one percent (1.0%) of the Franchised Restaurant's annual Gross Revenues on local advertising and promotion of the Franchised Restaurant. Local advertising and promotion expenditures shall include: amounts expended for advertising media such as television, radio, newspaper, billboards, magazines, posters, direct mail, sports program booklet advertising; collateral promotional and novelty items (*e.g.*, matchbooks, pens, pencils, bumper stickers); advertising on public vehicles, such as cabs and buses; and, if not provided by Company, the cost of producing approved materials necessary to participate in these media, including advertising agency commissions related to the production of such advertising. Advertising expenditures shall not include payments for items that Company, in its reasonable judgment, deems inappropriate to meet the minimum advertising requirements, including, without limitation, payments in connection with permanent on-premises menu boards, lighting, menus, yellow pages, entertainment discount books, the purchase or maintenance of vehicles (although, if such vehicles display the Marks, the cost of decals or signs displaying the Marks on vehicles will qualify), premiums, discounts, free offers, employee incentive programs, charitable contributions and other similar payments. However, if Franchisee uses approved prepared products for promotional purposes such as free samples, or for trade or barter for local advertising, then Franchisee's actual cost (not including labor or overhead) of the prepared products so used may be deemed to be included as part of the required local advertising contribution.

ii. Local advertising and promotion expenditures shall be made each calendar year on the Franchised Restaurant's Gross Revenues for that year. Upon request, Franchisee shall provide Company with receipts or other written proof that all required local advertising and promotion expenditures have been made. If Company determines that Franchisee did not, in any given calendar year, make all required local advertising and promotion expenditures, Franchisee shall be required to pay Company the difference between the amount that was spent on local advertising and promotion during that year and the amount Franchisee was required to spend during that year. Company will then make sure such amounts are spent on local advertising and promotion of the Franchised Restaurant.

iii. Prior to their use, Franchisee shall submit to Company for its prior written approval, which shall not be unreasonably withheld, samples of all advertising and promotional materials not prepared or previously approved by Company and which vary from Company's standard advertising and promotional materials. Franchisee shall not use any advertising or promotional materials that Company has not approved or that Company has disapproved.

iv. You must spend at least Five Thousand Dollars ($5,000) to conduct a grand opening advertising campaign. We reserve the right to approve all advertisements used in your grand opening advertising campaign, and your campaign must be conducted during the sixty (60) day period that typically takes place thirty (30) days before and thirty (30) days after the opening of your Franchised Restaurant. We must approve the campaign before it is conducted.

E. Treatment of Payments to Company.

i. Company shall separately account for the National Advertising Fund and the Regional Advertising Fund, but none of the Funds shall be required to be segregated from Company's other funds. None of the Funds shall be used to defray any of Company's general operating expenses. Each Fund may hire employees, either full-time or part-time, for its administration. Company may be reimbursed by each Fund for expenses directly related to the Fund's marketing programs including, without limitation, conducting market research, preparing advertising and marketing materials, and collecting and accounting for contributions to each Fund. Company may spend in any fiscal year an amount greater or less than the aggregate contribution of all Miami Grill Restaurants to each Fund during that year or cause each Fund to invest any surplus for future use by the Fund. A statement of monies collected and costs incurred by each Fund shall be prepared annually by Company and shall be furnished to Franchisee within a reasonable period of time following a written request. Company will have the right to cause each Fund to be incorporated or operated through an entity separate from Company at such time as Company deems appropriate, and such successor entity shall have all rights and duties of Company pursuant to this Section 8.

ii. Franchisee understands and acknowledges that each Fund is intended to enhance recognition of the Marks and patronage of Miami Grill Restaurants. Company will endeavor to utilize each Fund to develop advertising and marketing materials and programs, and to place advertising that will benefit the System and all Miami Grill Restaurants contributing to the Fund. However, Franchisee agrees that Company is not liable to Franchisee and Franchisee forever covenants not to sue and holds Company harmless of any liability or obligation to ensure that expenditures by each Fund in or affecting any geographic area (including the Franchised Restaurant) are proportionate or equivalent to the contributions to the Fund by Miami Grill Restaurants operating in that geographic area, or that any Miami Grill Restaurant will benefit directly or in proportion to its contribution to each Fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this Section 8, Company assumes no direct or indirect liability to Franchisee with respect to the maintenance, direction or administration of each Fund.

iii. Company reserves the right to: ***(1)*** suspend contributions to and operations of each Fund for one or more periods that it determines to be appropriate; ***(2)*** terminate any Fund upon thirty (30) days' written notice to Franchisee; and ***(3)*** upon the written request of any franchised or Company restaurants, defer or waive, in whole or in part, any advertising fees required by this Section 8 if, in Company's sole judgment, there has been demonstrated unique, objective circumstances justifying any such waiver or deferral. All unspent monies on the date of any such termination shall be distributed to each contributor in proportion to their respective contributions to the Fund during the preceding twelve (12) month period. Company has the right to reinstate any Fund upon the same terms and conditions set forth in this Agreement upon thirty (30) days' prior written notice to Franchisee. Company shall have the right, as it deems appropriate in order to maximize media effectiveness, to transfer monies from the National Advertising Fund to any Regional Advertising Fund.

F. Changes in Contribution Rates. Company may propose in writing to all franchisees who would be affected increases in the amounts to be spent or contributed or spent pursuant to this Section 8. If the responses (on the basis of one (1) vote for each Miami Grill Restaurant) of sixty-six percent (66%) or more of the Miami Grill Restaurants (including Miami Grill Restaurants operated by Company and its affiliates) responding within thirty (30) days from the date of the notice indicate that said Miami Grill Restaurants agree with the change, then the change shall be effective as to all Miami Grill Restaurants in the System and Company and Franchisee will be bound to the changed amount.

9. Training and Guidance.

A. Initial Training. Prior to the opening of the Franchised Restaurant, Company shall provide a training program on the operation of a Miami Grill Restaurant at such time and place as Company may designate. The training program will include classroom instruction and training at Company's designated training facilities and at a Miami Grill Restaurant. Depending upon the prior experience of the manager trainee, the training program shall last for between four (4) continuous weeks and three (3) months. There is no tuition charge for this training program. Franchisee shall designate at least three (3) manager trainees to attend Company's training program. Franchisee (or, if Franchisee is a corporation or partnership, the Operating Principal and Director of Operations) also must attend and successfully complete the full training program. Franchisee shall be responsible for all compensation, insurance, travel and living expenses that Franchisee and its trainees incur in connection with the training program. All manager trainees shall be required to complete all phases of the training program to Company's satisfaction, including written, oral and/or skills testing. Company shall have the right to determine if any manager trainee is not qualified to manage a Miami Grill Restaurant, and Franchisee shall replace any such disqualified manager trainee. Company shall issue to Franchisee a certificate of completion for each manager trainee who completes the training program to Company's satisfaction. (As used in this Agreement, the term "**Certified Manager**" shall refer to a manager trainee for whom Company has issued a certificate of completion.) Following the opening of the Franchised Restaurant, Company shall provide its training program to new manager trainees. We will not authorize your Franchised Restaurant to open without at least three of your manager trainees having attended and successfully completed our training program.

B. Guidance. Company periodically, and upon Franchisee's reasonable request, shall advise and consult with Franchisee concerning the operation of the Franchised Restaurant. Company shall provide to Franchisee its knowledge and expertise regarding the System and pertinent new developments, techniques and improvements in the areas of restaurant design, management, food and beverage preparation, sales promotion, service concepts and other areas. Company may provide these services through visits by Company's representatives to the Franchised Restaurant or Franchisee's offices, the distribution of printed or filmed material, meetings or seminars, telephone communications or other communications. Any guidance Company may give Franchisee regarding employment policies should be considered merely examples. Franchisee is responsible for establishing and implementing its own employment policies.

C. Operating Manual. Company will loan to Franchisee during the term of this Agreement one copy of the Operating Manual, a copy of which Franchisee hereby acknowledges he has previously examined. (As used in this Agreement. the term "**Operating Manual**" includes the Operating Manual and other publications, materials, drawings, memoranda, videotapes and audio tapes that Company from time to time may loan to Franchisee.) The Operating Manual contains mandatory minimum specifications, standards and operating procedures prescribed from time to time by Company for Miami Grill Restaurants and information relating to Franchisee's other obligations under this Agreement. Franchisee agrees to comply fully with such obligations and mandatory specifications. The Operating Manual may be supplemented or amended from time to time by letter, electronic mail, bulletin, other training manuals, menu specification books, construction standards manuals, software or other communications concerning the System, to reflect changes in the image, specifications, standards, procedures, approved products and supplies of a Miami Grill Restaurant. Supplements or amendments to the Operating Manual also may contain, among other matters, minimum standards and requirements for constructing, equipping, furnishing and supplying the Franchised Restaurant, as well as training and operations. Franchisee shall keep its copy of the Operating Manual current and up-to-date with all additions and deletions provided by Company and shall purchase whatever equipment as may be required and necessary to receive such communications and as approved by Company. If a dispute relating to the contents of the Operating Manual develops, the master copy maintained by Company at its principal office shall control.

D. ***Opening Assistance.*** Company will provide Franchisee with such opening assistance as Company deems necessary, in its sole discretion, to open the Franchised Restaurant. If Franchisee requests that Company provide on-site assistance or training, and Company agrees to do so, or if Company deems it necessary then Franchisee agrees that it shall pay Company's then-current per diem charges and all out-of-pocket expenses.

E. ***Delegation by Company.*** Franchisee agrees that Company shall have the right, from time to time, to delegate the performance of any portion or all of its obligations and duties under this Agreement to designees, whether the same are agents of Company or independent contractors with which Company has contracted to provide such service.

10. ***Modifications of the System.***

A. Franchisee acknowledges and agrees that from time to time hereafter Company may change or modify the System as Company deems appropriate, including without limitation, to reflect the changing market and/or to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of Miami Grill Restaurants. Company's changes to the System may include, without limitation, the adoption and use of new or modified products, services, equipment and furnishings, and new techniques and methodologies relating to the preparation, sale, promotion and marketing of products and services, and new trademarks, service marks and copyrighted materials. Franchisee shall, upon reasonable notice, accept, implement, use and display in the operation of the Franchised Restaurant any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at Franchisee's sole expense. Franchisee's implementation of the changes, variations and additions described in this Section 10.A shall not be considered Facilities Remodeling (as defined in Section 11.D below). Additionally, Company reserves the right, in its sole discretion, to vary the standards throughout the System, as well as the services and assistance that Company may provide to some franchisees based upon the peculiarities of a particular site or circumstance, existing business practices, or other factors that Company deems to be important to the operation of any Miami Grill Restaurant or the System. Franchisee shall have no recourse against Company on account of any variation to any franchisee and shall not be entitled to require Company to provide Franchisee with a like or similar variation hereunder.

B. Within thirty (30) days after receipt of written notice from Company, Franchisee shall begin selling any newly authorized menu items, permanent and limited time offers, and cease selling any menu items that are no longer authorized. All food, beverage and merchandise items authorized for sale at the Franchised Restaurant shall be offered for sale under the specific name designated by Company. With respect to the offer and sale of all menu items and Products, Franchisee shall have the right to determine the prices to be charged to customers, except that Company shall have the right to determine the maximum retail prices of the Products. If Company has imposed a maximum price on a particular product or service, Franchisee may charge any price for such product or service up to and including the maximum price set by Company. If Franchisee has a suggestion for a new menu item or for a change to an authorized menu item or Franchisee wishes to participate in a test market program, Franchisee shall provide Company written notice prior to implementation. Franchisee shall not add or modify any menu item or participate in a test market program without first having obtained Company's prior written approval, not to be unreasonably withheld. Franchisee shall purchase any additional equipment and small wares as Company deems reasonably necessary in connection with new menu items. If Company requires Franchisee to begin offering a new menu item which requires the purchase of additional equipment, a reasonable period of time, which Company shall have the right to determine, shall be provided for the financing, purchase and installation of any such equipment before such new menu items must be offered for sale at the Franchised Restaurant.

C. If Franchisee develops any new concepts, processes or improvements relating to the System, whether or not pursuant to a Company authorized test, Franchisee promptly shall notify Company and provide Company with all information regarding the new concept, process or improvement, all of which shall become the property of Company and which may be incorporated into the System without any payment to Franchisee.

11. Performance Standards and Uniformity of Operation.

Products sold and services performed under the Marks have a reputation for quality. This reputation has been developed and maintained by Company, and it is of the utmost importance to Company, Franchisee and all other franchisees of Company that this reputation be maintained. In recognition of the mutual benefits that come from maintaining the reputation for quality enjoyed by the System, Franchisee covenants and agrees, with respect to the operation of the Franchised Restaurant, that Franchisee and its employees shall comply with all of the requirements of the System as set forth in the Operating Manual or otherwise, and Franchisee additionally shall comply with the following:

A. Standards, Specifications and Procedure.

i. Franchisee acknowledges that each and every detail of the appearance, food, paper, layout, decor, services and operation of the Franchised Restaurant is important to Company and other Miami Grill Restaurants. Franchisee agrees to cooperate with Company by maintaining these high standards in the operation of the Franchised Restaurant. Franchisee further agrees to comply with all System specifications, recipes, standards and operating procedures (whether contained in the Operating Manual or any other written communication to Franchisee) relating to the appearance, function, cleanliness and operation of a Miami Grill Restaurant. Mandatory specifications, standards and operating procedures, including upgraded or additional equipment, that Company prescribes from time to time in the Operating Manual, or otherwise communicated to Franchisee in writing, shall constitute provisions of this Agreement as if fully set forth in this Agreement.

ii. Notwithstanding anything to the contrary, Franchisee acknowledges and agrees that: ***(a)*** safety and security matters are Franchisee's responsibility, and any recommendations from Company regarding such matters are solely recommendations and for Franchisee's guidance; ***(b)*** any safety and security measures recommended by Company are not binding obligations of Franchisee; and ***(c)*** all safety and security matters are solely within Franchisee's control.

B. Approved Products, Distributors and Suppliers.

i. Franchisee acknowledges that the reputation and goodwill of Miami Grill Restaurants are based upon, and can only be maintained by, the sale of distinctive, high quality Products and beverages, and the presentation, packaging and service of such Products in an efficient and appealing manner. Company may develop certain proprietary food products that will be prepared by or for Company according to Company's proprietary special recipes and formulas ("**Proprietary Products**"). Company also has developed standards and specifications for other Products, ingredients, seasonings, mixes, beverages, materials and supplies incorporated or used in the preparation, cooking, serving, packaging and delivery of prepared food products authorized for sale at Miami Grill Restaurants.

(1) Company shall have the right to approve suppliers and distributors of Products, food items, ingredients, supplies, materials, and other products that meet its standards and requirements including, but not limited to, standards and requirements relating to product quality, prices, consistency, reliability, financial capability, labor and customer relations. Franchisee shall purchase all Products, food

items, ingredients, supplies, materials, and other products used or offered for sale at the Franchised Restaurant solely from suppliers (including manufacturers, distributors, and other sources) who demonstrate, to the continuing reasonable satisfaction of Company, the ability to meet Company's then-current standards and specifications for such items; who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; whose approval would enable the System, in Company's sole opinion, to take advantage of marketplace efficiencies; and who have been approved in writing by Company prior to any purchases by Franchisee from any such supplier, and have not thereafter been disapproved (collectively, "**Approved Suppliers**").

(2) Without limiting the foregoing, Franchisee shall purchase only the approved Proprietary Products and only from Company or from supplier(s) designated by Company.

(3) Company's approval of a distributor or other supplier may be conditioned on requirements that Company shall have the right to determine, including but not limited to those relating to standards of service (including prompt attention to complaints), other criteria, and the payment to Company of rebates and other amounts from suppliers on account of their dealings with Franchisee and other franchisees in the System, and to use all such amounts that Company receives without restriction and for services that Company may render to such suppliers, and concentration of purchases, as set forth above, and may be temporary pending a further evaluation of such distributor or other supplier by Company.

ii. In order to maintain the high standards of quality and uniformity associated with Products sold at all Miami Grill Restaurants in the System, Franchisee shall not offer or sell any unapproved Products in the operation of the Franchised Restaurant. Company shall have the right to approve a single distributor or other supplier as an Approved Supplier for any Product or special equipment and may designate an Approved Supplier as to certain products. Company shall have the right to concentrate purchases with one or more distributors or suppliers to obtain lower prices and/or the best advertising support and/or services for any group of Miami Grill Restaurants franchised or operated by Company. Company may from time to time modify the list of Approved Suppliers, and Franchisee shall not, after receipt of written notice of such modification, order any Products or other items from any supplier which is no longer an Approved Supplier.

iii. If Franchisee wishes to buy any products (other than Proprietary Products) from an unapproved supplier, Franchisee shall first submit to Company a written request for approval of such supplier. Franchisee agrees that it shall not purchase from any supplier until, and unless, such supplier has been approved in writing by Company. Company shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, either to Company or to an independent laboratory designated by Company for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee or the supplier to Company. Company shall also have the right to require that the supplier comply with such other requirements as Company may deem appropriate, including payment of reasonable continuing inspection fees and administrative costs, or other payment to Company by the supplier on account of their dealings with Franchisee and other franchisees, for use, without restriction (unless instructed otherwise by the supplier) and for services that Company may render to such suppliers. Company reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Company's then-current criteria. Nothing in the foregoing shall be construed to require Company to approve any particular supplier, nor to require Company to make available to prospective suppliers, standards and specifications for formulas that Company deems confidential. Company's approval of any Approved Supplier is not and shall not be a warranty on the part of Company as to the safety, fitness, or merchantability of any of the Products or other materials supplied by any Approved Supplier. Company may establish commissaries and distribution facilities owned and operated by Company or an affiliate that Company shall designate as an Approved Supplier.

iv. Franchisee shall at all times maintain an inventory of approved Products (as well as Proprietary Products), beverages, ingredients and other products sufficient in quality and variety to realize the full potential of the Franchised Restaurant. Company may, from time to time, conduct market research and testing to determine consumer trends and the salability of new food products and services. Franchisee agrees to cooperate in these efforts by participating in Company's guest surveys and market research programs if requested by Company. All guest surveys and market research programs will be conducted at the cost and expense of the National Advertising Fund, unless such survey or program has been approved by Franchisee and Franchisee has approved the proportionate cost to Franchisee. Franchisee shall not be allowed to test anything without first being requested to by Company and signing a test letter agreement in a form satisfactory to Company.

v. Company and its affiliates disclaim all express or implied warranties concerning any approved products or services, including, without limitation, any warranties as to merchantability, fitness for a particular purpose, availability, quality, pricing or profitability. Franchisee acknowledges that Company may, under appropriate circumstances, receive fees, commissions, field-of-use license royalties, or other consideration from approved suppliers based on sales to franchisees, and that Company may charge non-approved suppliers reasonable testing or inspection fees.

vi. Franchisee acknowledges and agrees that Company may receive rebates, license fees, payments, and other compensation from Approved Suppliers and other vendors, distributors, manufacturers, and third parties, which amounts may be based upon the amount of Franchisee's purchases from such third parties, and which Company and its affiliates shall have the right, as Company determines in its sole discretion, to retain for any corporate purposes Company deems appropriate.

C. Menu Boards and Formats. Company shall have the right to prescribe, and subsequently vary, one or more menu boards and formats to be utilized in the Franchised Restaurant. The menu boards and formats may include requirements concerning organization, graphics, product descriptions, illustrations and other matters (except prices) related to the menu. Prescribed menu boards and formats may vary depending on region, market size or other factors deemed relevant by Company. If any menu board and format utilized by Franchisee ceases to be an authorized menu board and format, Franchisee shall have a reasonable period of time (not to exceed ninety (90) days) to discontinue use of the old menu board and format and begin using an authorized menu board and format.

D. Upkeep of the Franchised Restaurant.

i. Franchisee shall at all times maintain the Franchised Restaurant in a high degree of safety, sanitation, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto (but no others without Company's prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment, and decor as Company may reasonably direct. In addition, Franchisee shall at all times and at its own expense maintain, and modify, if necessary, the Franchised Restaurant (including, without limitation, the décor, the Marks, and other aspects of the Franchised Restaurant relating to the image and operation of the System), and modify the Franchised Restaurant, if necessary, in accordance with the System, and Company's standards for the maintenance and operation of the Franchised Restaurant as set forth from time to time in the Operating Manual or otherwise in writing. If, upon inspection, Company determines in its sole discretion that the restrooms or any areas of the premises in the Franchised Restaurant do not meet Company's standards for hygiene and sanitation and repairs and maintenance, Company reserves the right itself, or through its designee, to enter the premises of the Franchised Restaurant for the purpose of cleaning such areas in accordance with Company's standards. Franchisee shall be required to immediately pay all costs and expenses Company or Company's designee incur in performing such cleaning at the Franchised Restaurant.

ii. Without limiting the foregoing, which Franchisee acknowledges is necessary for regular and continuous maintenance of the Franchised Restaurant in accordance with System standards, but not later than every eight (8) years during the term hereof, and again as a pre-condition to renewal pursuant to Section 20(A) below, Franchisee shall refurbish the Franchised Restaurant at its expense to conform to the building design, exterior facade, trade dress, signage, furnishings, decor, color schemes, and presentation of the Marks in a manner consistent with the image then in effect for new Franchised Restaurant, including, without limitation, remodeling, redecoration, and modifications to existing improvements to comply with Company's current brand image and as Company may require and approve in writing.

iii. Franchisee shall not make any material alterations to the Franchised Restaurant that affect operations or the image of the System without Company's prior written approval. Franchisee acknowledges and agrees that the requirements of this Section 11 are both reasonable and necessary to ensure continued public acceptance and patronage of Miami Grill Restaurants, to assist the Franchised Restaurant to compete effectively in the marketplace and to avoid deterioration or obsolescence of the operation of the Franchised Restaurant to maintain.

E. Maximum Operation of the Franchised Restaurant.

i. During the term of this Agreement, Franchisee shall use the Franchised Location solely for the operation of the Franchised Restaurant and shall maintain sufficient inventories, adequately staff each shift with at least one Certified Manager and other qualified managerial or supervisorial employees on each shift and continuously operate the Franchised Restaurant at its maximum capacity and efficiency for the minimum number of days and hours set forth in the Operating Manual (subject to the requirements of local laws and licensing requirements).

ii. Franchisee shall immediately resolve any guest complaints regarding the quality of food or beverages, service and/or cleanliness of the Franchised Restaurant or any similar complaints, not to exceed 24 hours. When any guest complaints cannot be immediately resolved, Franchisee shall use best efforts to resolve the guest complaints as soon as practical and shall, whenever feasible, give the guest the benefit of the doubt. If Company determines that its intervention is necessary or desirable to protect the System or the goodwill associated with the System, or if Company believes that Franchisee has failed adequately to address or resolve any guest complaints, Company shall have the right, with or without Franchisee's consent, to resolve any complaints and charge Franchisee an amount sufficient to cover Company's reasonable costs and expenses in resolving the guest complaints, which amount Franchisee shall pay Company immediately on demand.

F. Franchised Restaurant Management and Personnel.

To protect the reputation and goodwill of Franchisor, to maintain uniform standards of the merchandise, services, and operations offered and sold under the Marks, and to promote the goodwill of all Miami Grills Restaurants, the Marks and the System:

i. The Franchised Restaurant shall at all times be under the direct, on-premises supervision of a Certified Manager and the Franchised Restaurant shall at all times have at least three (3) Certified Managers. If the Franchised Restaurant employs at any time fewer than three (3) Certified Managers, Franchisee has sixty (60) days therefrom to hire a new manager and get him certified pursuant to Section 9.A. Franchisee (or, if Franchisee is a corporation or partnership, the Operating Principal or Director of

Operations) shall remain active in overseeing the operations of the Franchised Restaurant. Franchisee shall hire all employees of the Franchised Restaurant and be exclusively responsible for the terms of their employment and compensation, and for the proper training of such employees in the operation of the Franchised Restaurant. Franchisee shall establish at the Franchised Restaurant a training program for all employees that meets the standards prescribed by Company.

ii. Company does not exercise any discretion or control over the employment policies or employment decisions of Franchisee. All employees of Franchisee are solely employees of Franchisee, not Company. Franchisee is not Company's agent for any purpose in regard to Franchisee's employees or otherwise.

iii. Franchisee shall employ only suitable persons of good character and reputation who will at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of Company and the System and, while on duty, comply with the dress attire, personal appearance and hygiene standards set forth in the Operating Manual. Franchisee shall use its best efforts to ensure that Franchisee's employees maintain a neat and clean appearance and render competent and courteous service to all guests and fellow employees of the Franchised Restaurant.

iv. To promote a uniform System image, Franchisee shall require all of its Franchised Restaurant personnel to dress in the attire specified in the Operating Manual during business hours. Franchisee shall purchase such attire only from approved suppliers.

G. Compliance with Laws and Good Business Practices.

i. Franchisee shall secure and maintain in force in its name all required licenses, permits and certificates relating to the operation of the Franchised Restaurant.

ii. Franchisee shall operate the Franchised Restaurant in full compliance with all applicable laws, ordinances and regulations (including, without limitation, all laws or regulations governing or relating to the sale of alcoholic beverages, the handling of food products, immigration and discrimination, occupational hazards and health insurance, employment laws, including, without limitation, laws pertaining to minimum wage, worker's compensation insurance, unemployment insurance, and the withholding and payment of federal and state income taxes, social security taxes and sales taxes). Nothing in this Agreement shall require Franchisee to operate the Franchised Restaurant in a manner that conflicts with applicable health, welfare and safety laws governing the operation of the Franchised Restaurant. In the event of any such conflict, Franchisee shall: ***(a)*** comply with the applicable law; and ***(b)*** notify Company as described below. All advertising and promotion by Franchisee shall be completely factual and shall conform to the highest standards of ethical advertising. Franchisee shall, in all dealings with Franchisee's guests, suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee agrees to refrain from any business or advertising practice that may be injurious to the business of Company and the goodwill associated with the Marks and other Miami Grill Restaurants.

iii. Franchisee shall notify Company in writing within 24 hours after the commencement of: ***(1)*** any action, suit or proceeding, eviction notice, or the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of Franchisee or the Franchised Restaurant; or ***(2)*** of any notice of violation of any law, ordinance or regulation relating to health, welfare, safety, or the possession or sale of alcoholic beverages at the Franchised Restaurant.

H. Technology.

i. ***Computer Systems and Required Software***. Company shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Miami Grill Restaurants, including without limitation: ***(a)*** back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at the Franchised Restaurant, between or among Miami Grill Restaurants, and between and among the Franchised Restaurant and Company and/or Franchisee; ***(b)*** Cash Register Systems (defined below); ***(c)*** physical, electronic, and other security systems; ***(d)*** printers and other peripheral devices; ***(e)*** archival back-up systems; and ***(f)*** Internet access mode (e.g., form of telecommunications connection) and speed (collectively, the "**Computer System**").

Company shall have the right, but not the obligation, to develop or have developed for it, or to designate: ***(a)*** computer software programs and accounting system software that Franchisee must use in connection with the Computer System ("**Required Software**"),which Franchisee shall install; ***(b)*** updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install; ***(c)*** the tangible media upon which Franchisee shall record data; and ***(d)*** the database file structure of Franchisee's Computer System.

Franchisee shall install and use the Computer System and Required Software. Franchisee shall implement and periodically make upgrades and other changes to the Computer System and Required Software as Company may reasonably request in writing (collectively, "**Computer Upgrades**"). Franchisee shall comply with all specifications issued by Company with respect to the Computer System and the Required Software, and with respect to Computer Upgrades. Franchisee shall also afford Company unimpeded access to Franchisee's Computer System and Required Software as Company may request, in the manner, form, and at the times requested by Company.

ii. ***Data***. All data provided by Franchisee, uploaded to Company's system from the Franchisee's system, and/or downloaded from the Franchisee's system to Company's system is and will be owned exclusively by Company, and Company will have the right to use such data in any manner that Company deems appropriate without compensation to Franchisee. In addition, all other data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the Franchised Restaurant (including but not limited to consumer and transaction data), is and will be owned exclusively by Company during the term of, and following termination or expiration of, this Agreement, and Company shall be permitted to share such data with such of Company's representatives and designees as Company deems necessary. Copies and/or originals of such data must be provided to Company upon Company's request. Company hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the business franchised under this Agreement.

iii. ***Records and Privacy***. Company may, from time-to-time, specify in the Operating Manual or otherwise in writing the information that Franchisee shall collect and maintain on the Computer System installed at the Franchised Restaurant, and Franchisee shall provide to Company such reports as Company may reasonably request from the data so collected and maintained. All data pertaining to or derived from the Franchised Restaurant (including without limitation data pertaining to or otherwise about customers of the Franchised Restaurant) is and shall be the exclusive property of Company, and Company hereby grants a royalty-free non-exclusive license to Franchisee to use said data during the term of this Agreement. Company shall have the right at any time to retrieve and use such data and information from Franchisee's Computer System that Company deems necessary or desirable.

(a) Franchisee shall abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information ("**Privacy Laws**").

(b) Franchisee shall comply with Company's standards and policies pertaining to the privacy of consumer, employee, and transactional information. If there is a conflict between Company's standards and policies and Privacy Laws, Franchisee shall: (a) comply with the requirements of Privacy Laws; (b) immediately give Company written notice of said conflict; and (c) promptly and fully cooperate with Company and Company's counsel in determining the most effective way, if any, to meet Company's standards and policies pertaining to privacy within the bounds of Privacy Laws.

(c) Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Company's prior written consent as to said policy

iv. ***Extranet***. Company may establish an Extranet (but is not required to do so or to maintain an Extranet). If Company does establish an Extranet, then Franchisee shall comply with Company's requirements (as set forth in the Operating Manual or otherwise in writing) with respect to connecting to the Extranet and utilizing the Extranet in connection with the operation of Franchisee's Franchised Restaurant. The Extranet may include, without limitation, the Operating Manual, training, other assistance materials, and management reporting solutions (both upstream and downstream, as Company may direct). Franchisee shall purchase and maintain such computer software and hardware (including but not limited to telecommunications capacity) as may be required to connect to and utilize the Extranet. Franchisee shall comply with Company's requirements (as set forth in the Operating Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between Franchisee's Computer System and Company's Extranet and/or such other computer systems as Company may reasonably require. The term "**Extranet**" means a private network based upon Internet protocols that will allow users inside and outside of Company's headquarters to access certain parts of Company's computer network via the Internet or similar technology.

v. ***Internet***. Company has registered the Internet domain name www.mymiamigrill.com and has established a site using that domain name. Franchisee acknowledges that the domain name is solely Company property. In order to maintain a consistent image and message and to protect the Marks and the System, Franchisee may not use in any manner or permit anyone to establish any computer medium or electronic medium (for example, Internet home page, e-mail address, website, domain name, URL, bulletin board, newsgroup or other Internet related medium of activity) relating in any manner to the Franchised Restaurant or referring to the Marks or symbols, words or terms confusingly similar to the Marks without Company's prior written consent. Company may include on our Internet Website interior pages that identify all Miami Grill Restaurants, including your Franchised Restaurant.

(a) Company has the sole right to market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URLs, directory addresses, email addresses, metatags, linking, marketing, cobranding and other arrangements, and in all other forms of electronic media. Franchisee may not separately register any domain name or any portion of a domain name containing the Marks or participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Marks unless Franchisee first obtains written approval from the Company. Franchisee shall submit to Company, for Company's prior written approval, a sample of any proposed Website domain or account name, format, visible content (including, without limitation, proposed screen shots, links, and other content), and non-visible content (including, without limitation, meta tags, cookies, and other electronic tags) in the form and manner Company may reasonably require. If

Franchisee's general conduct on the Internet or other forms of electronic media, including its use of the Marks or any marketing, is subject to the terms and conditions of the Franchise Agreement, and any other rules, requirements or policies that Company may identify.

vi. ***Social Media***. In order to maintain a consistent image and message and to protect the Marks and the System, Franchisee must not participate or market through the use of social technology, social media like Facebook, Twitter, LinkedIn, Snapchat, Instagram, Tumblr, Pinterest, blogs, vlogs, and other social networking platforms or other forms of electronic media not yet developed ("**Social Media Platforms**") using the Marks, or in connection with the Franchised Restaurant, without Company's prior written consent. If Franchisee separately registers any Social Media Platform account (a "**Social Media Account**") containing the Marks or related to the Franchised Restaurant, whether with Company's prior consent or not (i) Franchisee must promptly notify Company and provide Company with all necessary information related to the Social Media Account Company requires or demands, without compensation to Franchisee; (ii) the Social Media account shall be deemed "Marketing" under the Franchise Agreement and will be subject to (among other things) Company's approval under Section 8.D above.

vii. ***Cash Registers and Sales Records***. Franchisee shall record all sales on computer-based point of sale systems approved by Company or on such other types of cash registers as may be designated by Company in the Operating Manual or otherwise in writing ("**Cash Register Systems**"), which shall be deemed part of the Franchisee's Computer System. Franchisee shall utilize computer-based point-of-sale cash registers which are fully compatible with any program or system which Company, in its discretion, may employ, and Franchisee shall record all Gross Revenues and all revenue information on such equipment.

viii. ***Email***. Franchisee shall not use the Marks or any abbreviation or other name associated with Company and/or the System as part of any e mail address, domain name, and/or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without first obtaining Company's written consent as to: (a) the content of such e-mail advertisements or solicitations; and (b) Franchisee's plan for transmitting such advertisements. In addition to any other provision of this Agreement, Franchisee shall be solely responsible for compliance with any laws pertaining to sending e-mails including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "**CAN-SPAM Act of 2003**").

xiv. ***Technology Vendors***. Franchisee shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of Franchisee's obligations without Company's prior written approval. Company's consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with Company and Franchisee in a form that is reasonably provided by Company. The provisions of this Section 11.H(8) are in addition to and not instead of any other provision of this Agreement. Franchisee shall not install, or remove any software from, the Computer System without Company's prior written consent.

x. ***Changes to Technology***. Franchisee and Company acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Company shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Company as if this Section 11.H were periodically revised by Company for that purpose.

xi. ***Information Exchange by E-mail and Fax***. Franchisee acknowledges and agrees that exchanging information with Company by e-mail and fax is an important way to enable quick, effective, and efficient communication, and that Company is entitled to rely upon Franchisee's use of e-mail and faxes for communicating as part of the economic bargain underlying this Agreement. To facilitate the use of e-mail and fax to exchange information, Franchisee authorizes the transmission of e-mail and fax by Company and Company's employees, vendors, and affiliates (on matters pertaining to the business contemplated hereunder) (together, "**Official Senders**") to Franchisee during the term of this Agreement:

> ***(a)*** In order to implement the terms of this Section 11.H(10), Franchisee agrees that: (a) Official Senders are authorized to send e-mails and faxes to those of Franchisee's employees as Franchisee may occasionally designate for the purpose of communicating with Company; (b) it will cause its officers, directors, and employees (as a condition of their employment or position with Franchisee) to give their consent (in an e-mail, electronically, or in a pen-and-paper writing, as Company may reasonably require (and in the form that Company may reasonably require) to Official Senders' transmission of e-mails and faxes to those persons, and that such persons shall not opt-out, or otherwise ask to no longer receive e-mails, from Official Senders during the time that such person works for or is affiliated with Franchisee; and (c) it will not opt-out, or otherwise ask to no longer receive e-mails and/or faxes, from Official Senders during the term of this Agreement.
>
> ***(b)*** The consent given in this Section 11.H shall not apply to the provision of notices by either party under this Agreement using e-mail unless the parties otherwise agree in a pen-and-paper writing signed by both parties.

xii. ***CCTV Cameras***. Franchisee must purchase or lease security cameras to be installed at Franchisee's Restaurant, including the ability for Company to view such cameras remotely.

I. Gift Cards. Company has established a gift card/customer loyalty program under which Franchisee will be able to offer to consumers, and redeem at the Franchised Restaurant, rechargeable gift cards that are used for purchasing products at any participating Miami Grill Restaurant (the "**Gift Card Program**"). Under the Gift Card Program, Franchisee's customers and customers of other Miami Grill Restaurants will be able to prepay in specific amounts for product purchases at participating Miami Grill Restaurants through the use of an electronic gift card (the "**Gift Card**"). Franchisee agrees to accept, for purchases of products at the Franchised Restaurant, Gift Cards purchased at any participating Miami Grill Restaurant. Franchisee agrees to the following terms and conditions

i. Franchisee must accept valid Gift Cards as payment for all goods sold in the Franchised Restaurant, and otherwise fulfill reasonable consumer requests relating to Gift Cards;

ii. Franchisee must engage and use the third party vendor that Company designates for the purpose of processing credit card and Gift Card transactions at the Franchised Restaurant, and Franchisee must execute the forms or documents as Company may specify or take such other actions reasonably necessary to implement Franchisee's participation in the Gift Card Program, including entering into a separate agreement with such third party vendors, and paying such monthly and per-swipe transaction fees as may be required by any such vendor(s);

iii. Franchisee must purchase or upgrade at Franchisee's expense, as applicable, the equipment that may be necessary to participate in the Gift Card Program;

iv. Franchisee may promote and sell Gift Cards at the Franchised Restaurant using only marketing methods and materials Company has approved;

v. Franchisee must comply with the terms and conditions of the Gift Card Program, as Company will specify in writing from time to time; and

vi. Franchisee agrees to comply with all applicable laws, statutes and regulations in performing Franchisee's obligations and otherwise in connection with Franchisee's participation in the Gift Card Program.

12. Inspections and Audits

A. Company's Right to Inspect the Franchised Restaurant.

i. To determine whether Franchisee and the Franchised Restaurant are in compliance with this Agreement and with all specifications, quality standards and operating procedures prescribed by Company for the operation of Miami Grill Restaurants, Company or its designees shall have the right at any reasonable time and without prior notice to Franchisee to: ***(1)*** inspect the Franchised Location; ***(2)*** observe, photograph and video tape the operations of the Franchised Restaurant for such consecutive or intermittent periods as Company deems necessary; ***(3)*** remove samples of any food and beverage product, material or other products for testing and analysis or that are unapproved; ***(4)*** interview personnel of the Franchised Restaurant; ***(5)*** interview guests of the Franchised Restaurant; and/or ***(6)*** inspect and copy any books, records and documents relating to the operation of the Franchised Restaurant or, upon the request of Company, send copies thereof to Company ("**Inspections**"). Franchisee shall present to its guests such evaluation forms as are periodically prescribed by Company and shall participate and/or ask its guests to participate in any surveys performed by or on behalf of Company. Following each Inspection, Company will provide Franchisee with a report listing Franchisee's score on the Inspection and those conditions at the Franchised Restaurant that must be rectified.

ii. Franchisee shall cooperate fully with Inspections and take all necessary steps to immediately correct any deficiencies detected during Inspections, including, without limitation, ceasing further sale of unauthorized menu items and ceasing further use of any equipment, advertising materials or supplies that do not conform with Company's standards and requirements. If not immediately corrected, Company can place Franchisee in default. If Franchisee fails to achieve a passing score on two (2) consecutive Inspections or any three (3) Inspections within a twelve (12) month period, Company may require that Franchisee's Operating Principal or Director of Operations and at least two (2) managerial employees of the Franchised Restaurant, if previously certified, attend and successfully complete an additional management training program (the length of which will not exceed ten (10) consecutive days) to be held at a location designated by Company or, if not certified, the initial training program described in Section 9.A. Franchisee shall pay a reasonable tuition charge for this training program and the travel, living and other expenses incurred by Franchisee's employees while attending this training program. If, after the completion of this additional training program, Franchisee fails to achieve a passing score on the next Inspection, or if Franchisee fails any three (3) consecutive Inspections (regardless of the time periods between each Inspection), Company may terminate this Agreement pursuant to Section 21.C, below.

B. Company's Right to Audit.

i. Company shall have the right, during normal business hours without notice to Franchisee, or at any time upon 48 hours' prior notice to Franchisee, to inspect, copy and audit, or cause to be inspected, copied and audited, the business records, bookkeeping and accounting records, (including, without limitation, all cash reports and tapes for each register) sales and income tax records and returns, Income

Statements, policies of insurance, and other records of the Franchised Restaurant and the books and records of any corporation or partnership that directly or indirectly owns the Franchisee (an "**Audit**"). Franchisee shall fully cooperate with Company or its designees in connection with any such Audit.

ii. If any Inspection or Audit discloses an understatement of the Gross Revenues of the Franchised Restaurant for any period, Franchisee shall pay to Company, within ten (10) days after receipt of the Inspection or Audit report, the royalty fees and advertising contributions due for the amount of such understatement, plus interest (at the rate and on the terms provided in Section 2.D.) and Company has right to place Franchisee in default or terminate Franchise Agreement from the date originally due until the date of payment. Further, if such Inspection or Audit is made necessary by Franchisee's failure to furnish reports or supporting records as required under this Agreement, or to furnish such reports, records or information on a timely basis, or if an under-reporting of Gross Revenues for the period of any Audit is determined by any such Audit or Inspection to be greater than one percent (1%), Franchisee shall also reimburse Company for the reasonable cost of such Audit or Inspection including, without limitation, the charges of attorneys and independent accountants, and the travel expenses, room and board and compensation of Company's employees involved in such Audit or Inspection. The foregoing remedies shall be in addition to Company's other remedies and rights under this Agreement or applicable law.

iii. If Franchisee fails to provide Company on a timely basis with the records, reports and other information required by this Agreement or, upon request of Company, with copies of same, Company or its designee shall have access at all reasonable times (and as often as necessary) to Franchisee's books and records for the purpose, among other things, of preparing the required records, reports and other information. Franchisee promptly shall reimburse Company or its designee for all costs and expenses associated with preparing and providing Company with such records, reports or other information as set forth above.

13. Marks.

A. The term "**Marks**" shall include all words, symbols, insignia, devices, designs, trade names, service marks or combinations thereof designated by Company as identifying the System and the products sold and services provided in connection with the System. Company shall, from time to time, advise Franchisee as to which Marks have been registered and any additions or deletions to the Marks and Franchisee's right to use the Marks shall be deemed modified by such additions or deletions.

B. With respect to Franchisee's use of the Marks, Franchisee agrees that:

i. Franchisee shall use only the Marks designated by Company, and shall use them only in the manner authorized and permitted by Company.

ii. Franchisee shall use the Marks only for the operation of the business franchised hereunder and only at the location authorized hereunder, or in franchisor-approved marketing for the business conducted at or from that location.

iii. Unless Company otherwise directs Franchisee, in writing, to do so, Franchisee shall operate and advertise the Shoppe only under the name "Miami Grill" without prefix or suffix.

iv. During the term of this Agreement and any renewal of this Agreement, Franchisee shall identify itself (in a manner reasonably acceptable to Company) as the independent owner of the Franchised Restaurant in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Restaurant as Company may designate in writing.

v. Franchisee's right to use the Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Company's rights.

vi. Franchisee shall not use the Marks to incur any obligation or indebtedness on behalf of Company or Franchisee.

vii. Franchisee shall not use the Marks as part of its corporate or other legal name, or as part of any e-mail address, domain name, or other identification of Franchisee in any electronic medium.

viii. Franchisee shall execute any documents deemed necessary by Company to obtain protection for the Marks or to maintain their continued validity and enforceability.

C. If Company should elect to use a name other than "Miami Grill" to identify the System, Company may select another name and notify Franchisee to change all or some items bearing the Marks to the new name within a reasonable period of time as determined by Company without any liability to Franchisee and the System and this Agreement shall be deemed amended to substitute that name. Franchisee agrees that nothing in this Agreement gives it any right, title or interest in the Marks (except the right to use the Marks in accordance with the terms of this Agreement), that the Marks are the sole property of Company and its affiliates, that Franchisee shall not directly or indirectly contest the validity or ownership of the Marks or Company's right to license the Marks, and that any and all uses by Franchisee of the Marks and the goodwill arising therefrom shall inure exclusively to the benefit of Company and its affiliates. Franchisee will not seek to register, re-register, assert claim to ownership of, license or allow others to use, or otherwise appropriate to itself any of the Marks or any mark or name confusingly similar thereto, or the goodwill symbolized by any of the foregoing except to the extent this action inures to the benefit of, and has the prior written approval of, Company. Any unauthorized use of the Marks by Franchisee or attempt by Franchisee, directly or indirectly, to register the Marks in any jurisdiction shall constitute a breach of this Agreement and an infringement of Licensor's and Company's rights in and to the Marks.

D. **With respect to litigation involving the Marks, the parties agree that:**

i. Franchisee shall immediately notify Company of any suspected infringement of, any known challenge to the validity of, or any known challenge to Company's ownership of, or Company's or Franchisee's right to use, the Marks or licensed hereunder. Franchisee acknowledges that Company shall have the sole right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement thereof. Company shall also have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks.

ii. If Franchisee has used the Marks in accordance with this Agreement, Company shall defend Franchisee at Company's expense against any third-party claim, suit, or demand involving the Marks arising out of Franchisee's use thereof. If Franchisee has not used the Marks and Characters in accordance with this Agreement, Company will defend Franchisee, at Franchisee's expense, against such third-party claims, suits, or demands. Franchisee shall promptly notify Company of any suspected unauthorized use of, or any challenge to the validity or ownership of the Marks, or its right to use and to license others to use, or Franchisee's right to use, the Marks licensed hereunder.

iii. If Company undertakes the defense or prosecution of any litigation relating to the Marks, Franchisee shall execute any and all documents and do such acts and things as may, in the opinion of counsel for Company, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Marks in a manner inconsistent with the terms of this Agreement, Company agrees to reimburse Franchisee for its out-of-pocket costs in doing such acts and things, except that Franchisee shall bear the salary costs of its employees, and Company shall bear the costs of any judgment or settlement. To the extent that such litigation is the result of Franchisee's use of the Marks in a manner inconsistent with the terms of this Agreement, Franchisee shall reimburse Company for the cost of such litigation, including without limitation attorney's fees, as well as the cost of any judgment or settlement.

14. Insurance.

Franchisee shall be responsible for all loss or damage originating in, or incurred in connection with, the construction or operation of the Franchised Restaurant and for all claims or demands for damages to property or for injury, illness, or death of persons directly or indirectly resulting from the construction or operation of the Franchised Restaurant. Franchisee shall at all times carry the insurance that may be required by the terms of the lease for the Franchised Restaurant, and Franchisee shall obtain the following insurance prior to commencing activities, operating the Franchised Restaurant or providing services under this Agreement and continuously thereafter at all times:

A. Commercial general liability insurance, including Company, and any entity in which Company has an interest and any entity affiliated with Company and each of their members, managers, shareholders, directors, officers, partners, employees, servants and agents as additional insureds and loss payees protecting against any and all claims for personal, bodily and/or property injury occurring in or about the Restaurant and protecting against assumed or contractual liability under this Agreement with respect to the Restaurant and the operations of the Franchisee, with such policy to be placed with minimum limits of One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) general aggregate per location; provided, however, that at Company's election, such minimum limits may be increased from time to time.

B. Automobile liability insurance, including owned, hired and non-owned coverage providing third party liability insurance, covering all licensed vehicles owned or operated by or on behalf of Franchisee, with limits of liability not less than One Million Dollars ($1,000,000) combined single limit for both bodily injury and property damage. Policy must include Waiver of Subrogation endorsement. Such policy shall have the contractual exclusion removed, unless Franchisee provides separate evidence that contractual liability for automobile exposure is otherwise insured.

C. Unless Company waives the requirement that Franchisee offer liquor for sale at the Franchised Restaurant pursuant to Section 5.E above, then in such event, liquor liability insurance shall be included within Franchisee's commercial general liability insurance coverage, with limits as specified in Section 14.A above, or separate equivalent coverage shall be provided written with the same limits as specified in Section 14.A above.

D. Statutory workers' compensation insurance and employer's liability insurance for a minimum limit equal to at least the greater of $500,000/$500,000/$500,000 (Each Accident/Per employee for Disease/Disease Aggregate Limit) or the amounts required as underlying by Franchisee's umbrella carrier, as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Franchised Restaurant is located.

E. Commercial umbrella/excess liability insurance with a limit not less than Two Million Dollars ($2,000,000) in excess of (commercial general liability, automobile liability, workers compensation/employers liability and liquor liability). Such umbrella/excess liability shall provide at a minimum those coverages and endorsements required in the underlying policies.

F. Builder's Risk Insurance with all risks coverage (including soft costs and flood if in a mandated flood zone) equal to the greater of replacement cost of the structure and improvements based on current market value or the amount required by Franchisee's lending institution.

G. Property insurance providing coverage for direct physical loss or damage to real and personal property, improvement and betterments for all perils, including the perils of flood (if located in a mandated flood zone) and windstorm/hail. Appropriate coverage shall also be provided for boiler and machinery equipment breakdown exposures, and business interruption/extra expense exposures, written to cover 100% values. The policy or policies shall value property (real and personal) on a new replacement cost basis without deduction for depreciation and the amount of insurance shall not be less than the full replacement value of the Restaurant, its furniture, fixtures, equipment, improvements and betterments and stock (real and personal property). Any deductibles contained in such policy shall be subject to review and approval by Company.

H. Business interruption insurance which includes a provision that Franchisee will reimburse Company for all royalty, advertising, interest and other payments due under this Agreement.

I. The following general requirements shall apply to all policies of insurance that Franchisee is required to maintain under this Agreement:

> ***(1)*** All liability policies of insurance (general liability, automobile liability, and excess/umbrella liability) shall reflect that Company is an additional insured and loss payee under such insurance policies and, if Company has an insurable interest that Company is an additional insured and loss payee, as its interests may appear.
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> ***(2)*** All policies of insurance shall be specifically endorsed to provide that the coverages shall be primary and that any insurance carried by any additional insured shall be excess and non-contributory.
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> ***(3)*** All policies of insurance shall contain a waiver of subrogation and shall provide that the coverage afforded applies separately to each insured and each additional insured as though a separate policy of insurance had been issued to each insured and each additional insured.
>
> ***(4)*** No policy of insurance shall contain a provision that in any way limits or reduces coverage for Franchisee in the event of a claim by Company or its affiliates.
>
> ***(5)*** The policies of insurance shall extend to, and provide indemnity for, all obligations assumed by Franchisee under this Agreement and all other items for which Franchisee is required to indemnify Company under this Agreement.
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> ***(6)*** Company periodically may reasonably increase the amount of coverage required under the policies of insurance and require different or additional kinds of insurance at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances.
>
> ***(7)*** Company shall be furnished with certificates of insurance and, if it requests, copies of the insurance policies.
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> ***(8)*** All policies of insurance must be renewed at least thirty (30) days prior to expiration. All policies of insurance must contain endorsements requiring the insurer to give

Company at least thirty (30) days' written notice before terminating, canceling or making changes in any policy.

(9) All policies of insurance shall be written by an insurance company that has received and maintains an "A" or better rating by the latest edition of Best's Insurance Rating Service and a comparable or better rating from at least one other nationally recognized insurance rating service.

(10) All other Perils and General Liability Policies shall not have a deductible that exceeds Ten Thousand Dollars ($10,000). Windstorm/Hail Deductible shall not have a deductible more than five percent (5%). Franchisee's co-insurance under any policy of insurance shall not be greater than eighty percent (80%).

(11) In the event of a claim by Company, Franchisee shall, at Company's request, assign to Company any and all rights which Franchisee then has or may have with respect to such claim against the insurers providing the coverage required by this Section 14.

(12) If Franchisee fails to obtain or maintain the insurance coverage required by this Section 14, Company shall have the right, but not the obligation, to procure the insurance coverage and charge Franchisee for the cost of the insurance coverage plus an administration fee of ten percent (10%) of the cost of the insurance coverage. Franchisee shall pay these amounts immediately upon receipt of notice.

(13) Franchisee's obligations to maintain insurance coverage as described in this Section 14 shall not be affected in any manner by reason of any separate insurance maintained by Company, nor shall the maintenance of such insurance relieve Franchisee of any obligations under Section 26 of this Agreement.

(14) Failure by Franchisee to obtain or maintain the insurance coverage required by this Section 14 shall be a default of this Agreement for which Company shall have the right to terminate this Agreement pursuant to Section 21.B hereof.

(15) Notwithstanding anything to the contrary contained herein: (a) neither the issuance of any insurance policy required hereunder, nor the minimum limits specified herein with respect to Franchisee's insurance coverage, shall be deemed to limit or otherwise restrict in any way Franchisee's liability arising under, out of and/or in relation to the Agreement; and (b) all insurance policies required to be procured by Franchisee herein shall be written as primary coverage, not contributing with, nor in excess of coverage that Company may carry and shall contain an express waiver of any right of subrogation by the insurance company against Company, Company's affiliated companies and Company's directors.

(16) Each and every insurance policy required to be carried hereunder by or on behalf of Franchisee shall provide (and any certificate evidencing the existence of each such insurance policy shall certify) that should any of the described policies be canceled before the expiration date thereof, notice will be delivered in accordance with the policy provisions.

15. Organization of Franchisee.

A. Corporate Franchisee. If Franchisee is a corporation, limited liability company, limited partnership, general partnership, the following requirements shall apply to Franchisee:

(1) Franchisee shall be newly organized and its charter shall at all times provide that its activities are confined exclusively to operating the business franchised herein.

(2) Copies of Franchisee's Articles of Incorporation, Articles of Organization, Bylaws, and other governing documents, and any amendments thereto, including the resolution of the Board of Directors authorizing entry into this Agreement shall be promptly furnished to Company.

(3) Franchisee shall maintain stop-transfer instructions against the transfer on its records of any equity securities; and shall issue no securities upon the face of which the following printed legend does not legibly and conspicuously appear:

> The transfer of this stock is subject to the terms and conditions of a Franchise Agreement with Miami Subs Franchising Corporation, dated _____________. Reference is made to the provisions of the said Franchise Agreement and to the Articles and Bylaws of this Corporation.

(4) Franchisee shall maintain a current list of all direct and indirect owners of record and all beneficial owners of any class of voting securities of Franchisee and shall furnish the list to Company upon request (in the form attached to this Agreement as Exhibit F - Corporate Ownership, Partnership Interest, and Control Group). Each of Franchisee's direct or indirect principal owners (owning directly or indirectly five percent (5%) or more of its voting and/or non-voting stock of any partnership, LLP, LLC, or other interest) shall sign and deliver to Company the Guarantee, Indemnification and Acknowledgment attached to this Agreement as Exhibit A.

B. ***Partnership Franchisee***. If Franchisee is a partnership, the following requirements shall apply to Franchisee:

(1) Franchisee shall furnish Company with its partnership agreement as well as such other documents as Company may reasonably request, and any amendments thereto, which shall contain a restriction on transfer of any partnership interest without the prior written consent of Company.

(2) Franchisee shall prepare and furnish to Company, upon request, a list of all general and limited partners in Franchisee (in the form attached to this Agreement as Exhibit F - Corporate Ownership, Partnership Interest, and Control Group). Each of Franchisee's general and limited partners shall sign and deliver to Company the Guarantee, Indemnification and Acknowledgment attached to this Agreement as Exhibit A.

C. ***Representations***. If Franchisee is a corporation or a partnership, Franchisee makes the following representations and warranties: ***(1)*** it is duly organized and validly existing under the law of the state of its formation; ***(2)*** it is qualified to do business in the state in which the Franchised Location is located; ***(3)*** execution of this Agreement and the operation of a Miami Grill Restaurant is permitted by its corporate charter or partnership agreement; and ***(4)*** Franchisee shall not use the trade name "Miami Grill" in its corporate or partnership name, and shall at all times hold itself as separate and independent from Company.

D. ***Control Group***. If Franchisee is a corporation or a partnership, Franchisee shall prepare and furnish to Company a list of those persons who Company and Franchisee have designated as

Franchisee's "**Control Group**" (in the form attached to this Agreement as Exhibit F - Corporate Ownership, Partnership Interest, and Control Group). Any change in the Control Group or in the ownership interests of any member of the Control Group shall be in accordance with Section 17, and Franchisee shall promptly notify Company in writing of the change. All persons in the Control Group shall jointly and severally guarantee Franchisee's performance hereunder and shall bind themselves to the terms of this Agreement pursuant to the attached Guarantee.

E. Operating Principal. If Franchisee is owned by more than one individual, Franchisee shall designate and retain an individual to serve as the Operating Principal of Franchisee. The Operating Principal shall meet all of the following qualifications:

(1) If Franchisee is a corporation, the Operating Principal shall, at all times during which he serves as Operating Principal, own at least ten percent (10%) of Franchisee's outstanding voting securities. If Franchisee is a partnership, the Operating Principal shall, at all times during which he serves as Operating Principal, own at least a ten percent (10%) interest in the operating profits and operating losses of the partnership as well as a ten percent (10%) ownership interest in the partnership. This Section 15.E.(1) shall not apply if Franchisee was a publicly-held corporation or a wholly-owned subsidiary of a publicly-held corporation as of the date of the first agreement between Franchisee and Company.

(2) The Operating Principal, at all times, shall be a member of the Control Group and, at a minimum, have full control over the day-to-day activities of Franchisee's Miami Grill Restaurants developed pursuant hereto, including control over the standards of operation and financial performance and shall not engage in any other business activity, directly or indirectly, that requires substantial management responsibility.

(3) The Operating Principal shall devote full time and best efforts to supervising the operation of the Franchised Restaurant and Franchisee's other franchised Miami Grill Restaurants.

(4) The Operating Principal shall successfully complete Company's initial training program (and be qualified as a Certified Manager) and any additional training required by Company.

(5) Company shall have approved the Operating Principal, and not have later withdrawn that approval.

If the Operating Principal no longer qualifies as such, Franchisee shall designate another person to act as Operating Principal within ninety (90) days. Following Company's approval of a new Operating Principal, that person shall execute a Guarantee in the form attached to this Agreement.

F. Director of Operations. If the Operating Principal devotes less than full time to supervising the operation of the Franchised Restaurant and Franchisee's other franchised Miami Grill Restaurants, Franchisee also shall designate and retain an individual to serve as Director of Operations of Franchisee. The Director of Operations also may serve as the General Manager of one of Franchisee's franchised Miami Grill Restaurants if Franchisee operates fewer than three (3) franchised Miami Grill Restaurants. The Director of Operations shall meet all of the following qualifications:

(1) The Director of Operations shall devote full time and best efforts to the operation of the Franchised Restaurant and Franchisee's other franchised Miami Grill Restaurants.

(2) The Director of Operations shall successfully complete Company's training program (and be qualified as a Certified Manager) and any additional training required by Company.

(3) Company shall have approved the Director of Operations, and not have later withdrawn that approval.

If the Director of Operations no longer qualifies as such, Franchisee shall designate another person to act as Director of Operations within sixty (60) days.

G. Change in Ownership Interests. If Franchisee is a corporation, Franchisee shall maintain a current list of all owners of record and all beneficial owners of any class of voting securities of the corporation (and the number of shares owned by each). If Franchisee is a partnership, Franchisee shall maintain a current list of all owners of an interest in the partnership (and the percentage ownership of each owner). Franchisee shall execute addenda to Exhibit F as changes occur in order to ensure the information contained in Exhibit F is true, accurate and complete at all times, and shall promptly provide a current copy of Exhibit F to Company upon Company's request, or as otherwise provided in Sections 15.A., 15.B., and 15.D.

The requirements of this Section 15.G. shall apply only to Franchisee's Control Group (defined in Section 15.D.) if, as of the date of the first agreement between Franchisee and Company, Franchisee is a publicly-held corporation (*i.e.*, a corporation that has a class of securities traded on a recognized securities exchange or quoted on the inter-dealer quotation sheets known as the "pink sheets"). If Franchisee becomes a publicly-held corporation after the date of the first agreement between Franchisee and Company, it shall thereafter be required to execute addenda to Exhibit F only with respect to changes in ownership interest of members of the Control Group.

16. Transfers by Company.

At any time during the term of this Agreement, Company shall have the right to sell, assign, pledge or transfer all or any part of its rights or obligations herein to any person or legal entity without the consent of Franchisee.

17. Transfers by Franchisee.

A. Company Approval Required.

(1) Franchisee understands and acknowledges that Company has entered into this Agreement in reliance upon Franchisee's specific business and operational skill, experience and demonstrated or purported ability in operating high-quality restaurants, financial capacity and the specific character and management culture of Franchisee and its Control Group. Accordingly, Franchisee shall not sell, assign, give away, pledge, otherwise encumber, or otherwise transfer any interest in Franchisee, this Agreement, the Franchise, the Franchised Restaurant, the assets of the Franchised Restaurant and/or the Franchised Location (collectively "**Transfer**") without the prior written approval of Company, which shall not be unreasonably withheld, provided that the proposed transferee is commercially reasonable and complies with the requirements of this Agreement.

(2) Franchisee shall advise Company in writing of a proposed Transfer, submit (or cause the proposed transferee to submit) a franchise application for the proposed transferee and submit a copy of all contracts and all other agreements and proposals relating to the proposed Transfer and all other information reasonably requested by Company. If Company does not exercise its right of first refusal, the decision whether or not to approve a proposed Transfer shall

be based on numerous factors deemed relevant by Company. These factors may include, but will not be limited to, the following:

(a) The proposed transferee must demonstrate that it has extensive experience in high quality restaurant operations of a character and complexity similar to the System; meets Company's managerial, operational, experience, quality, character and business standards for a franchisee; possesses a good character, business reputation and credit rating; has an organization whose management culture is compatible with Company's management culture; and has adequate financial resources and working capital to operate the Franchised Restaurant and all of Franchisee's other franchised Miami Grill Restaurants that are the subject of the proposed Transfer.

(b) The sales price shall not be so high, in Company's reasonable judgment, as to jeopardize the ability of the transferee to maintain, operate and promote the Franchised Restaurant and meet financial obligations to Company (including any remodeling, repairs and modernizations required by Sections 10.B. or 11.D.), third party suppliers and creditors. Company's decision with respect to a proposed Transfer shall not create any liability on the part of Company: ***(i)*** to the transferee if Company approves the Transfer and the transferee experiences financial difficulties; or ***(ii)*** to Franchisee or the proposed transferee if Company disapproves the Transfer pursuant to this Section 17.A. or for other legitimate business purposes. Company, without any liability to Franchisee or the proposed transferee, has the right to communicate and counsel with Franchisee and the proposed transferee regarding any aspect of the proposed Transfer.

(c) All of Franchisee's monetary obligations to Company and its affiliates (whether arising out of this Agreement or otherwise) and all other outstanding obligations related to the Franchise (including, without limitation, bills from suppliers, taxes, judgments and any required governmental reports, returns, affidavits or bonds) have been satisfied. Franchisee shall not retain a security interest in any of the assets or stock transferred to the transferee. Company reserves the right to require that a reasonable sum of money be placed in escrow to ensure that all such obligations are satisfied.

(d) Franchisee and the members of the Control Group also shall execute a general release and covenants not to sue, in a form satisfactory to Company (or provided by), of any and all claims against Company and its affiliates and their respective officers, directors, shareholders, employees, agents, successors and assigns, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, and claims arising out of, or relating to, this Agreement, any other agreements between Franchisee and Company or its affiliates and Franchisee's operation of the Franchised Restaurant and all other franchised Miami Grill Restaurants operated by Franchisee, but excluding any claims the release of which is prohibited by applicable law.

(e) The proposed transferee's Operating Principal and Director of Operations must complete Company's initial training program. There will be no tuition charge, but the proposed transferee will assume all of its own travel, living and other expenses incurred by the Operating Principal and Director of Operations while they are attending training.

(3) If Company has authorized Franchisee to operate another business in combination with the Franchised Restaurant or the Franchised Location, neither may be separately transferred voluntarily or by operation of law or otherwise. Any such proposed transfer shall constitute a default under this Agreement. If the other business is a franchise, the proposed transferee also must be approved by the franchisor of the other business. If Company does not approve the proposed transferee, and Franchisee wishes to sell its business to the proposed transferee, Franchisee may terminate this Agreement within thirty (30) days after written notice of disapproval, provided Franchisee has given written notice of termination to Company and complies with Section 22, including the payment of damages pursuant to Section 22.I.

(4) If Company approves the proposed Transfer, prior to the Transfer becoming effective: ***(a)*** Franchisee shall pay Company a non-refundable "**Transfer Fee**" (as defined in Section 17.4(a) below) for each Miami Grill Restaurant being transferred to reimburse Company for expenses incurred in connection with the Transfer; ***(b)*** Franchisee and the proposed transferee shall execute, at Company's election, either any amendments to this Agreement deemed necessary or desirable by Company to reflect the transfer of interest or (at the Company's option) the then-current franchise agreement (which includes the then-current royalty and advertising fees) for the remaining initial term of this Agreement; ***(c)*** Franchisee shall assign the Lease to the transferee for the entire remaining term of the Lease, and ***(d)*** Franchisee shall guarantee all obligations of the proposed transferee to Company and its affiliates for three (3) years. Notwithstanding anything to the contrary in this Section 17, the proposed transferee shall execute the then-current franchise agreement if the Lease term is greater than the remaining initial term of this Agreement or if the Lease will expire in less than ten (10) years as of the date of the proposed Transfer.

(a) ***"Transfer Fee"*** means fifty-percent (50%) of the then-current Initial Franchise Fee for new franchisees (which is currently $22,500) OR the greater of $50,000 or ten percent (10%) of the sale price, IF this Agreement is transferred/assigned prior to the fifth (5^{th}) anniversary date of this Agreement.

(5) Company's approval of a Transfer will not constitute a waiver of any claims it may have against Franchisee, nor will it be deemed a waiver of Company's right to demand exact compliance with any of the terms of this Agreement by the transferee, nor will it be deemed a waiver of Company's right to give or withhold approval to future Transfers. Any Transfer not having the prior written approval of Company shall be null and void and shall constitute a material breach of this Agreement, for which Company may terminate this Agreement, without opportunity to cure, upon notice to Franchisee.

(6) If Franchisee was a publicly-held corporation as of the date of the first franchise agreement between Franchisee and Company, this Section 17.A. shall be applicable to transfers of ownership interests in Franchisee only if the proposed Transfer would result in either: ***(a)*** fifty percent (50%) or more of Franchisee's voting securities being held by different shareholders than as of the date of the first agreement between Franchisee and Company; ***(b)*** any change in ownership of Franchisee's voting securities whereby any existing shareholder of Franchisee acquires an additional ten percent (10%) or more of Franchisee's voting securities; or ***(c)*** any change in the membership of the Control Group (unless such change is a Permitted Transfer pursuant to Section 17.B.).

(7) Notwithstanding the provisions of this Section 17.A., the issuance of options or the exercise of options pursuant to a qualified stock option plan or a qualified employee stock ownership plan shall not be considered a Transfer and shall not require Company's prior written approval, provided no more than a total of forty-nine percent (49%) of Franchisee's outstanding voting securities are subject to the qualified stock option plan or qualified employee stock ownership plan, and involves no supermajority or other right to convert non-voting instruments to voting instruments.

B. Permitted Transfers.

(1) Notwithstanding the provisions of Section 17.A., Company agrees that certain Transfers shall be permitted provided all of the following conditions are satisfied: ***(a)*** the Transfer is a "Permitted Transfer" (as defined in Section 17.B.(2)); ***(b)*** Franchisee provides Company written notice of its intent to undertake a Permitted Transfer at least thirty (30) days prior to the effective date of the Transfer, together with documents demonstrating that the Transfer is a Permitted Transfer; ***(c)*** at the time of Franchisee's notice, Franchisee and its affiliates are not in material default of this Agreement or any other agreements with Company or its affiliates; and ***(d)*** Franchisee pays Company a non-refundable transfer fee (the "Permitted Transfer Fee") of 50% of the then-current Initial Franchise Fee for new franchisees (no less than $22,500) for each Miami Grill Restaurant being transferred to reimburse Company for expenses incurred in connection with the Permitted Transfer.

(2) The following Transfers shall be deemed "**Permitted Transfers**" subject to this Section 17.B.(1):

(a) A Transfer of this Agreement by an individual or partnership Franchisee to a corporation formed solely for the convenience of ownership; provided: ***(i)*** the corporation is newly organized; ***(ii)*** prior to the Transfer, Company receives a copy of the documents identified in Section 15.C.; and ***(iii)*** Franchisee and the corporate franchisee execute an assignment document in the form specified by Company, which shall include a personal guarantee of the obligations contained in this Agreement by all persons with an ownership interest in the corporate franchisee.

(b) A Transfer of ownership interests in Franchisee among those persons who owned an interest in Franchisee as of the date of the first agreement between Company and Franchisee, provided that, after the Transfer: ***(i)*** if Franchisee is a corporation, the Control Group owns at least fifty-one percent (51%) of Franchisee's outstanding voting securities and the Operating Principal continues to own at least ten percent (10%) of Franchisee's voting securities; or ***(ii)*** if Franchisee is a partnership, the Control Group owns at least a fifty-one percent (51%) interest in the operating profits and losses of the partnership as well as a fifty-one percent (51%) ownership interest in the partnership and the Operating Principal continues to own at least a ten percent (10%) interest in the operating profits and losses of the partnership as well as a ten percent (10%) ownership interest in the partnership.

(c) The Transfer of ownership interests in Franchisee following the death or permanent incapacity of a person with an ownership interest in Franchisee, provided that the Transfer is to the spouse or children of that person or to a member of the Control Group.

(d) A private placement of Franchisee's securities, provided that Franchisee complies with Section 17.E. and pays Company the Transfer fee required by Section 17.A.(3) and, after the Transfer: ***(i)*** the Control Group owns at least fifty-one percent (51%) of Franchisee's outstanding voting securities; and ***(ii)*** the Operating Principal owns at least one-half of the percentage of Franchisee's outstanding voting securities that he owned prior to the private placement.

(e) An offering of Franchisee's securities the result of which would be that Franchisee is a publicly-held corporation provided that Franchisee complies with this

Section 17.E. and pays Company the Transfer fee required by Section 17.A.(3) and, after the Transfer: ***(i)*** the Control Group owns at least fifty-one percent (51%) of Franchisee's outstanding voting securities; and ***(ii)*** the Operating Principal owns at least one-half of the percentage of Franchisee's outstanding voting securities that he owned prior to the public offering. Company will not approve a Transfer the result of which would be that Franchisee is a publicly-held corporation if, after the Transfer, the Control Group would own less than fifty-one percent (51%) of Franchisee's outstanding voting securities.

C. Security Interest. Franchisee shall not grant a security interest in the Franchised Location, the Franchised Restaurant, the franchised business or any of its assets without Company's prior written approval, which will not be unreasonably withheld. Company's approval may be conditioned on written agreement by the secured party that, in the event of Franchisee's default under any agreements related to the security interest, Company shall have the right and option (but not the obligation) to be substituted as obligor to the secured party if it cures Franchisee's default.

D. Company's Right of First Refusal. If Franchisee receives a bona fide offer and wishes to undertake any Transfer requiring Company's approval pursuant to Section 17.A., it shall first offer to sell the same interests to Company at the same price and on the same terms (except that Company shall not be obligated to pay any finder's or broker's fees), which offer Company may accept at any time within thirty (30) days after Company's receipt of the bona fide offer along with all documents and other information required by Section 17.A.(2). (In accepting the offer, Company shall be entitled to set off any monies owed to Company by Franchisee.) If the offer received by Franchisee involves assets in addition to this Agreement, the Franchised Restaurant, the Franchised Location and Franchisee's other franchised Miami Grill Restaurants, the offer to Company shall state the cash value of that portion of the offer received by Franchisee related to those agreements and restaurants and Company may exercise its purchase option by paying that cash value.

If the offer received by Franchisee provides for payment of consideration other than cash or it involves intangible benefits, Company may elect to purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties are unable to agree within thirty (30) days on the reasonable equivalent in cash of the non-cash part of the offer received by Franchisee, this amount shall be determined by two (2) professionally certified appraisers, Franchisee selecting one and Company selecting one. If the amounts set by the two (2) appraisers differ by more than ten percent (10%), the two (2) appraisers shall select a third professionally certified appraiser who also shall determine the reasonable equivalent in cash of the non-cash part of the offer received by Franchisee. The average value set by the appraisers (whether two (2) or three (3) appraisers as the case may be) shall be conclusive and Company may exercise its right of first refusal within thirty (30) days after being advised in writing of the decision of the appraisers. The cost of the appraisers shall be shared equally by the parties.

Company's failure to exercise its right of first refusal shall not constitute approval of the proposed Transfer. If Company does not exercise its right of first refusal, Franchisee may not thereafter Transfer the interest at a lower price or on more favorable terms than have been offered to Company. Company shall again be given a right of first refusal if a transaction does not close within six (6) months after Company elected not to exercise its right of first refusal. In no event shall Franchisee offer the interest for sale or transfer at public auction, nor at any time shall an offer be made to the public to sell, transfer or assign, through any advertisement, either in the newspapers or otherwise, without first having obtained the written approval of Company to the auction or advertisement.

E. Public Offerings and Private Placements. In addition to the requirements of Sections 17.A. and 17.B., above, all materials required for any offer or sale of securities of Franchisee (or any entity that owns or is affiliated with Franchisee) by federal or state law shall be submitted to Company for review, approval, and consent, prior to their being filed with any government agency; and any materials to be used in any exempt offering shall be submitted to Company for review, approval, and consent prior to their use. No such offering shall imply (by use of the Marks or otherwise) that Company is participating as an underwriter, issuer, or offeror of Franchisee's or Company's securities; and Company's review of any offering shall be limited solely to the subject of the relationship between Franchisee and Company. Franchisee and the other participants in the offering shall fully indemnify Company in connection with the offering. For each proposed offering, Franchisee shall reimburse Company for Company's costs (including, but not limited to, legal and accounting fees) associated with reviewing the proposed documents and offering. In addition, Franchisee shall submit to Company an opinion of Franchisee's legal counsel (which shall be addressed to Company and in a form acceptable to Company) that the offering documents properly use the Marks and accurately describe Franchisee's relationship with Company. Franchisee shall give Company written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Section 17.E. Any such offering shall be subject to Company's right of first refusal, as set forth in Section 17.A. above.

18. General Release.

Franchisee, on behalf of itself and all persons with an ownership interest in Franchisee, and their respective heirs, representatives, successors or assigns, hereby releases, remises, covenants not to sue and forever discharges Company and its affiliates and their respective directors, employees, agents, successors or assigns from any and all claims, of any kind or nature, absolute or contingent, at law or in equity, from the beginning of time to and including the date of Franchisee's execution and delivery to Company of this Agreement, but excluding any claims the release of which is prohibited by applicable law.

19. Restrictions.

A. Confidentiality. Franchisee acknowledges that Company and its affiliates own the System, which constitutes "Trade Secrets" and "Confidential Information" (as defined below) and know-how of Company that give Company a competitive advantage; that Company has taken all reasonable measures necessary to protect the Trade Secrets and Confidential Information comprising the System; that all material or other information now or hereafter provided or disclosed to Franchisee regarding the System is disclosed in confidence; that Franchisee has no right to disclose any part of it to anyone who is not an employee of Franchisee; and that Franchisee will disclose to its employees only those parts of the System that an employee needs to know. Franchisee further acknowledges that it will not acquire any interest in the System, and that the use or duplication of the System or any part of the System in any other business would constitute an unfair method of competition.

For the purposes of this Agreement, "**Trade Secrets**" shall mean information or data–whether developed by Company, Franchisee, or others–of or about the Company or any of its products, including, without limitation, any formula, research, and/or development work or results as to invention, proposed products, design, process and method, system, practice, plan, device, business information, financial data, financial plan, product plan, marketing or sales plan or information, customer needs or requirements, pricing and/or cost information, or list of actual or potential customers, clients, contacts, distributees, vendors, suppliers or manufacturers, that: ***(1)*** is sufficiently secret to derive economic value, actual or potential, from not being generally known to other persons who can obtain economic value from their disclosure or use; and ***(2)*** is the subject of efforts that are reasonable under the circumstances to maintain its secrecy or confidentiality. To the extent that the foregoing definition is inconsistent with a definition of "trade secret" mandated under applicable law, the latter definition shall govern for the purposes of interpreting Franchisee's obligations under this Agreement.

For the purposes of this Agreement, "**Confidential Information**" shall mean valuable, non-public, competitively sensitive data and information relating to the business of Company or any affiliated entity, other than Trade Secrets.

It is acknowledged that information that was known to Franchisee at the time of its affiliation with Company, as well as general skills and knowledge, do not constitute Trade Secrets or Confidential Information.

Except as required to perform its obligations to Company, or except with Company's prior written permission, Franchisee shall not, without the express prior written consent of Company, distribute, redistribute, market, publish, disclose or divulge to any other person or entity, or use or modify for use, directly or indirectly in any way for any person or entity: ***(i)*** any Trade Secrets at any time (during or after the termination of this Agreement) during which such information or data shall continue to constitute a "trade secret" under applicable law; and ***(ii)*** any Confidential Information during the term of this Agreement and for a period of twenty-four (24) months thereafter, regardless of the reason or method of termination. Franchisee acknowledges that the above-described knowledge or information constitutes a unique and valuable asset of Company acquired at great time and expense by Company, which was communicated to Franchisee in confidence in the course of Franchisee's performance of its obligations under this Agreement and in reliance on this Agreement, and that any disclosure or unauthorized use of such information would be wrongful and would cause irreparable harm to Company. Franchisee agrees to cooperate with any confidentiality requirements of Company. Franchisee shall immediately notify Company of any unauthorized disclosure or use of any Trade Secrets or Confidential Information of which Franchisee becomes aware.

Franchisee further agrees not to divert or attempt to divert any business or customers of Company to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other acts injurious or prejudicial to the System. The parties agree that in the event this Section 19 is breached, Company would be without an adequate remedy at law. Accordingly, Company shall be entitled to obtain injunctive relief (without posting any bond or security) in addition to any other legal or equitable remedies it may have upon a breach of this Section 19.

B. Non-competition. Franchisee acknowledges that it will have access to valuable trade secrets, specialized training and confidential information from Company regarding the System and that the System and the opportunities, associations and experience established and acquired by Franchisee under this Agreement are of substantial and material value. Therefore, in consideration of Company's legitimate business interests, Franchisee agrees that, during the term of this Agreement and for a period of twenty-four (24) months following its expiration or earlier termination or transfer, Franchisee shall not, directly or indirectly, engage in, develop or acquire any interest in any full-service or quick-service restaurant business, sandwich shop, carry-out or delivery food service business or other channel of distribution: ***(1)*** which offers freshly prepared submarine sandwiches, pita sandwiches, cheese steaks, wings, hot dogs, fish, burgers, and chicken; and/or ***(2)*** whose method of operation or trade dress is similar to that employed in the System. This restriction shall apply: ***(a)*** within the Protected Area, including the Franchised Location; ***(b)*** within one (1) mile of the border of the Protected Area; and ***(c)*** within three (3) miles of any then-existing Miami Grill Restaurant. This restriction shall not apply to Franchisee's existing restaurant or food service operations, if any, which are identified in Exhibit B.

If any part of this restriction is found to be unreasonable in time or distance by a court of competent jurisdiction, each month of time or mile of distance may be deemed a separate unit so that the time or distance may be reduced by appropriate order of the court to that deemed reasonable. If Company files suit to enforce this Section 19, the twenty-four (24) month period shall begin running upon the entry of a final, non-appealable judgment. The parties agree that a breach of this Section 19 would cause irreparable injury to Company and that it would be without an adequate remedy at law. Accordingly, Company shall be entitled to obtain injunctive relief (without posting any bond or security) in addition to any other legal or equitable remedies it may have upon a breach of this Section 19.

Provided Franchisee obtains Company's prior written consent, this restriction shall not apply to Franchisee's operation of another franchised restaurant or franchised food service operation. Company will give its written consent only if all of the following conditions are satisfied: ***(1)*** Franchisee provides Company written notice of its desire to become a franchisee of another system at least thirty (30) days prior to the date Franchisee wishes to become such a franchisee; ***(2)*** simultaneously with Franchisee's notice, Franchisee delivers to Company written consent, in a form satisfactory to Company, from the other franchising company permitting Franchisee to enter into a franchise agreement and waiving any in-term and post-termination restrictions in that franchise agreement as applied to any menu items Company presently requires or may in the future require Franchisee to offer for sale; ***(3)*** Franchisee provides Company with the proposed franchise agreement from the other franchising company; ***(4)*** Franchisee agrees in writing to provide Company all future amendments or modifications to the franchise agreement from the other franchising company; ***(5)*** as Company shall have the right to determine, Franchisee is in substantial compliance with this Agreement and all other agreements between Franchisee and Company or its affiliates; and ***(6)*** Franchisee and each of its employees execute and deliver to Company a confidentiality agreement, in a form satisfactory to Company, which includes an agreement that each employee engaged in the development or operation of the Franchised Restaurant will not perform any work with respect to the other franchised restaurant or food service operation without Company's prior written consent.

C. Application of Restriction. These restrictions shall apply to Franchisee, the Operating Principal, the members of the Control Group and their spouses. With respect to the Operating Principal, the members of the Control Group and their spouses, the restrictions in Section 19.B. shall apply for a twenty-four (24) month period after any member of the Control Group ceases to be a member of the Control Group and for a twenty-four (24) month period after the Operating Principal ceases to act as such. These restrictions shall not apply to the ownership by Franchisee, the Operating Principal, any member of the Control Group and their spouses of less than one percent (1%) of the stock of a publicly-held corporation engaged in a business that violates these restrictions.

20. Successor Franchise.

A. Franchisee's Right to Acquire a Successor Franchise. Subject to the provisions of this Section 20, upon expiration of the initial term of this Agreement, Franchisee shall have the right to acquire a successor franchise for the Franchised Restaurant on the terms and conditions of Company's then-current franchise agreement (including the then-current fees) for Miami Grill Restaurants, provided: ***(1)*** Franchisee has substantially complied with this Agreement during its term; and ***(2)*** either ***(a)*** Franchisee maintains possession of and agrees to remodel and/or expand the Franchised Location, add or replace leasehold improvements, equipment, fixtures and signs and otherwise modify the Franchised Restaurant to bring it into compliance with specifications and standards then applicable for Miami Grill Restaurants, or ***(b)*** if Franchisee is unable to maintain possession of the Franchised Location, Franchisee secures substitute premises consented to by Company and agrees to develop such substitute premises in compliance with specifications and standards then applicable for Miami Grill Restaurants, subject to the conditions contained in Section 20.B. Franchisee shall pay a renewal fee under a franchise agreement for a successor franchise for the Franchised Restaurant equal to the greater of: fifty percent (50%) of the then-current initial franchisee fee being offered to new franchisees; or Twenty-Two Thousand Five Hundred Dollars ($22,500).

B. Grant of a Successor Franchise. Franchisee shall give Company written notice of his election to acquire a successor franchise no earlier than twenty-four (24) months but not later than twelve (12) months prior to the expiration date of this Agreement. Failure to provide Company the required notice on a timely basis constitutes a waiver by Franchisee of its option to acquire a successor franchise. Company agrees to give Franchisee written notice, within ninety (90) days after receipt of Franchisee's notice, of Company's decision whether to grant a successor franchise to Franchisee (based on the criteria specified in Section 20.A.) and/or indicate its willingness to grant a successor franchise to Franchisee on condition that deficiencies of the Franchised Restaurant, the Franchised Location, or in the operation of the Franchised Restaurant, be corrected. Company's notice shall identify the deficiencies, state the actions Franchisee must take to correct them, and specify the time period within which they must be corrected. Franchisee's right to acquire a successor franchise shall be subject to Franchisee's continued compliance with all material terms of this Agreement until its expiration, and may be granted conditionally, subject to remodeling and/or expansion of the Franchised Restaurant, replacement of equipment, fixtures and signs, redecorating or other obligations with respect to the Franchised Restaurant or the Franchised Location that must be completed before commencement of the term of the successor franchise.

Company shall give Franchisee written notice of its decision not to grant a successor franchise based upon Franchisee's failure to cure deficiencies at the Franchised Restaurant at least one hundred twenty (120) days prior to the expiration of this Agreement. Company, however, may give such notice to Franchisee at any time during the one hundred twenty (120) day period described in the preceding sentence if Company decides not to grant a successor franchise due to Franchisee's violation of this Agreement during that period. If Company fails to give Franchisee notice of deficiencies of the Franchised Restaurant or notice of Company's decision not to grant a successor franchise within the respective time periods specified in this Section 20 (subject to the stipulation in the preceding sentence), Company may extend the term of this Agreement for a period of time necessary to provide Franchisee reasonable time to correct the deficiencies or to allow for the notice period of Company's refusal to grant a successor franchise required under this paragraph.

C. Agreements/Releases. If Company grants a successor franchise to Franchisee, Company, Franchisee and the members of the Control Group shall execute the form of franchise agreement and any ancillary agreements Company then customarily uses in granting franchises for the operation of Miami Grill Restaurants. Franchisee and the members of the Control Group also shall execute general releases and covenants not to sue, in a form satisfactory to Company, of any and all claims against Company and its affiliates and their respective officers, directors, shareholders, employees, agents, successors and assigns, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, and claims arising out of, or relating to, this Agreement, any other agreements between Franchisee and Company or its affiliates and Franchisee's operation of the Franchised Restaurant and all other franchised Miami Grill Restaurants operated by Franchisee, but excluding any claims the release of which is prohibited by applicable law. Failure by Franchisee and the members of the Control Group to sign such agreements and releases within sixty (60) days after delivery of those documents to Franchisee shall be deemed an election by Franchisee not to acquire a successor franchise.

21. Termination.

A. Termination Without Cure Period. Company may terminate this Agreement and the rights granted by this Agreement, effective immediately upon delivery of written notice of termination to Franchisee and without opportunity to cure, upon the occurrence of any of the following:

(1) Franchisee materially fails to meet its development obligations by the dates specified in Exhibit B.

(2) Franchisee fails to substantially complete the financing, construction, equipping, furnishing, purchasing of supplies, and hiring and training of the staff for the Franchised Restaurant, all in accordance with the terms and conditions of this Agreement and by the opening date set forth in Exhibit B.

(3) Franchisee (or, if Franchisee is a corporation or partnership, any shareholder or partner) makes an unauthorized Transfer of this Agreement, an ownership interest in Franchisee or any interest in the Franchised Restaurant, the Franchised Location or this Agreement.

(4) Franchisee ceases to continuously operate the Franchised Restaurant for a period in excess of five (5) consecutive days, unless the closing is due to Force Majeure or is approved in writing in advance by Company.

(5) Franchisee is adjudicated a bankrupt; becomes insolvent; a receiver is appointed for all or substantially all of Franchisee's property; Franchisee makes a general assignment for the benefit of creditors; Franchisee files a voluntary petition in bankruptcy or an involuntary petition in bankruptcy is filed against Franchisee that is not dismissed within thirty (30) days after filing,

(6) Any Transfer that requires Company's prior written approval occurs without Franchisee having obtained Company's prior written approval.

(7) Franchisee, Franchisee's Operating Principal or any member of the Control Group has made any material misrepresentation or omission in his application for the rights conferred by this Agreement or is or has been convicted of, or pleads or has pleaded no contest to, a felony that may, in the sole opinion of Company, adversely affect the goodwill of the Marks or the reputation of Miami Grill Restaurants, the System or Company.

(8) Franchisee, Franchisee's Operating Principal or any member of the Control Group makes any unauthorized use of the Marks.

(9) Franchisee, Franchisee's Operating Principal, any member of the Control Group or their spouses breach the obligations under Section 19.

(10) There is a material breach of any representation or warranty set forth in Section 33.

(11) Franchisee fails or refuses to have its employees attend the training programs described in Sections 9.A., 11.F., 12.A., 15.E.(4) and 15.F.(2) or the Franchised Restaurant fails to achieve a passing score on the next Company Inspection after Franchisee's employees have completed the additional training program described in Sections 11.F. and 12.A.

(12) Franchisee knowingly falsifies any report required to be furnished Company, makes any material misrepresentations in its dealings with Company or fails to disclose any material facts to Company.

(13) Franchisee remains in default beyond the applicable cure period under any other agreement with Company or its affiliates, or if Franchisee remains in default beyond the applicable cure period under any real estate lease, equipment lease, or financing instrument relating to the Franchised Restaurant, or if Franchisee remains in default beyond the applicable cure period with any vendor or supplier to the Franchised Restaurant, or if Franchisee fails to pay when due any taxes or assessments relating to the Franchised Restaurant or its employees, unless Franchisee is actively prosecuting or defending the claim or suit in a court of competent jurisdiction or by appropriate government administrative procedure.

(14) Franchisee fails to open the Franchised Restaurant for business within ninety (90) days after the date Company first authorizes the opening of the Franchised Restaurant.

(15) Franchisee loses possession of the Franchised Location through its own fault or its failure to extend the lease for the Franchised Location through the initial term of this Agreement.

(16) If Company has authorized Franchisee to operate another business in combination with the Franchised Restaurant or the Franchised Location, Franchisee shall be in default under this Agreement if Franchisee remains in default beyond the applicable cure period with any of the material terms and conditions imposed by the other franchise agreement, or if the other franchise agreement is terminated.

(17) If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Franchised Restaurant.

(18) If Franchisee purchases food products developed by Company pursuant to a special recipe or formula, from a party that is not Company or a third-party designated and licensed by Company to prepare and sell such products, or if Franchisee purchases any goods, food products, ingredients, spices, seasonings, mixes, beverages, materials and supplies used in the preparation of Products, as well as furniture, fixtures, equipment, small wares, computer hardware and software, menus, forms, paper and plastic products, packaging or other materials that meet Company's standards and specifications from any source or distributor not previously approved by Company in writing.

(19) If Franchisee has two (2) or more defaults in any twelve (12) month period during the term of this Agreement, irrespective of whether such defaults were cured, if curable.

(20) If Health Department closures or violations occur two times in a twelve (12) month period;

B. Termination Following Expiration of Cure Period.

(1) Except for those items listed in Section 21.A, above, and 21.B(2), below, Company may terminate this Agreement only by giving written notice of termination stating the nature of such default to Franchisee at least thirty (30) days prior to the effective date of termination; provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Company's satisfaction, and by promptly providing proof thereof to Company within the thirty (30) day period. If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require. Franchisee will be in default under this Agreement for any failure to comply with any of the material requirements imposed by this Agreement, as supplemented by the System from time to time, or to carry out the terms of this Agreement in good faith.

(2) Notwithstanding the provisions of in Section 21.A.(1), above, if Franchisee defaults in the payment of any monies owed to Company when such monies become due and payable and Franchisee fails to pay such monies within ten (10) days after receiving written notice of default, then this Agreement will terminate effective immediately upon expiration of that time, unless Company notifies Franchisee otherwise in writing.

(3) If Franchisee has received two (2) or more notices of default within the previous twelve (12) months, Company shall be entitled to send Franchisee a notice of termination upon Franchisee's next default within that twelve (12) month period under this Section 21.B. without providing Franchisee an opportunity to remedy the default.

C. Termination Following Inspection. If Franchisee fails to meet the requirements of Section 12.A., above, Company may terminate this Agreement, without opportunity to cure, by providing Franchisee written notice of termination.

D. Termination Following Loss. If Franchisee, through no act or failure to act on its part (except failure to extend the lease for the Franchised Location through the initial term of this Agreement), loses the right to possession to any portion of the Franchised Location and, in Company's reasonable opinion, the Franchised Restaurant cannot be operated in compliance with the Operating Manual and the System following the loss of possession, Company may terminate this Agreement by providing Franchisee thirty (30) days' advance written notice of termination. If the right to possession is lost through no act or failure to act of Franchisee, Franchisee may relocate the Franchised Restaurant (without paying any initial franchisee fee or transfer fee) at its expense within the Protected Area if: ***(1)*** Company has consented in writing to the new location; ***(2)*** Franchisee constructs and equips the Franchised Restaurant at the new location in accordance with the then-current System standards and specifications; ***(3)*** the Franchised Restaurant at the new location is open to the public for business within six (6) months after the loss of the right to possession of the Franchised Location; ***(4)*** Franchisee de-identifies the former location in accordance with Sections 22.E. and 22.F.; and ***(5)*** Franchisee signs Company's then-current form of franchise agreement, provided, however, that the term of such agreement shall be equal to the term of this Agreement, the royalty and other periodic fees to be paid by Franchisee shall be the same as required by this Agreement, and no new Initial Franchisee Fee shall be required.

E. Statutory Limitation. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Franchise requires a notice or cure period prior to termination longer than set forth in this Section 21, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

22. Effect of Termination or Expiration.

A. Franchisee immediately shall pay Company and its affiliates all sums due and owing Company pursuant to this Agreement.

B. The rights granted Franchisee in the Protected Area immediately shall terminate and Company shall have the right to operate or license others to operate Miami Grill Restaurants anywhere in the Protected Area.

C. Franchisee, the Operating Principal, all members of the Control Group and their spouses shall continue to abide by the applicable restrictions contained in Sections 19.A. and B. and shall not, directly or indirectly, take any action that violates those restrictions.

D. Franchisee promptly shall return to Company the Operating Manual, any copies of the Operating Manual and all other materials containing trade secrets, operating instructions or business practices of Company.

E. If Franchisee subleases from Company or any of its affiliates, Company shall have the right to terminate the leasing arrangement. If Company so elects, Franchisee shall immediately vacate the premises.

F. Franchisee immediately and permanently shall discontinue all use of the Marks; remove the Marks from clothing, signs, materials, motor vehicles and other items owned or used by Franchisee in the operation of the Franchised Restaurant; cancel all advertising for the Franchised Restaurant that contains the Marks (including telephone directory listings); take such action as may be necessary to cancel any filings or registrations for the Franchised Restaurant that contain any Marks; and authorize the transfer of the telephone number and directory listings to Company. Should Franchisee fail or refuse to authorize the transfer of the telephone number and directory listings to Company, Franchisee authorizes Company, and hereby appoints Company and any of its officers as Franchisee's attorney-in-fact, to direct the telephone company and all telephone directory publishers to transfer any telephone numbers and directory listings to Company or its designee. Franchisee acknowledges that, as between Company and Franchisee, Company has the sole rights to and interest in all telephone numbers and directory listings associated with any Mark.

G. Franchisee promptly shall make such alterations and modifications to the Franchised Location as may be necessary to clearly distinguish to the public the Franchised Location from a Miami Grill Restaurant (including, without limitation, repainting the interior and exterior to a color other than Company's then-current trade dress, altering the front roof line, and removing decor and distinctive booth covers and table tops) and also make such specific additional changes as Company may request for that purpose. Franchisee shall remove or obliterate any and all signs, fixtures, furniture, furnishings, equipment, advertising, materials, stationery, supplies, forms or other articles which display the Marks or any distinctive features or devices associated with a Miami Grill Restaurant from the Franchised Location. Nothing in this Agreement shall allow Franchisee to sell or transfer any of the foregoing without obliterating the Marks or features distinctive to Miami Grill Restaurant, unless transferred to Company or for use at another franchised Miami Grill Restaurant. If Franchisee fails to promptly make these alterations and modifications, Company shall have the right to do so without being guilty of trespass or other tort.

H. Franchisee shall not, except with respect to a Miami Grill Restaurant that is being developed or that is then open and operating pursuant to a valid franchise agreement with Company: ***(1)*** operate a business that uses the Marks in any manner or do business under any name or in any manner that might tend to give the public the impression that Franchisee is connected in any way with Company or has any right to use the System or the Marks; or ***(2)*** make use or avail itself of any of the materials or information furnished or disclosed by Company under this Agreement or disclose or reveal any such materials or information or any portion thereof to anyone else.

I. Franchisee shall furnish Company, within thirty (30) days after the effective date of termination or expiration, evidence reasonably satisfactory to Company of Franchisee's compliance with Sections 22.A. through 22.G.

J. Franchisee shall pay Company all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Company subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 22.

23. Option to Purchase.

A. Upon the termination or earlier expiration of this Agreement for any reason, Company shall give written notice to Franchisee, within thirty (30) days from the date of such termination or earlier expiration, that Company intends to exercise its option to purchase from Franchisee all the assets used in the Franchised Restaurant ("**Assets**"). As used in this Section 23, "Assets" shall mean and include, without limitation, leasehold improvements, equipment, vehicles, furnishings, fixtures, signs and inventory (non-perishable products, materials and supplies) used in the Franchised Restaurant, and the real estate fee simple or the Lease or sublease for the Franchised Location. Company shall have the unrestricted right to assign this option to purchase the Assets. Company or its assignee shall be entitled to all customary representations and warranties that the Assets are free and clear (or, if not, accurate and complete disclosure) as to: ***(1)*** ownership, condition and title; ***(2)*** liens and encumbrances; ***(3)*** environmental and hazardous substances; and ***(4)*** validity of contracts and liabilities inuring to Company or affecting the Assets, whether contingent or otherwise. Franchisee shall not transfer any assets unless and until Company has indicated in writing that it will not exercise its rights under this Section 23.

B. The purchase price for the Assets ("**Purchase Price**") shall be the lesser of: (a) the book value of the Assets; and (b) the fair market value of the Assets. The Purchase Price shall be determined as of the effective date of purchase in a manner that accounts for reasonable depreciation and condition of the Assets; provided, however, that the Purchase Price shall take into account the termination of this Agreement. Further, the Purchase Price for the Assets shall not contain any factor or increment for any trademark, service mark or other commercial symbol used in connection with the operation of the Franchised Restaurant nor any goodwill or "going concern" value for the Franchised Restaurant. Company may exclude from the Assets purchased in accordance with this Section 23 any equipment, vehicles, furnishings, fixtures, signs, and inventory that are not approved as meeting then-current standards for a Miami Grill Restaurant or for which Franchisee cannot deliver a Bill of Sale in a form satisfactory to Company.

C. If Company and Franchisee are unable to agree on the book value of the Assets within thirty (30) days after Franchisee's receipt of Company's notice of its intent to exercise its option to purchase the Assets, Company will appoint an independent certified public accountant who will determine the book value of the Assets based on review of all relevant materials, including Franchisee's books and records. If Company and Franchisee are unable to agree on or fair market value of the Assets within thirty (30) days after Franchisee's receipt of Company's notice of its intent to exercise its option to purchase the Assets, the fair market value shall be determined by two professionally certified appraisers, Franchisee selecting one and Company selecting one. If the valuations set by the two appraisers differ by more than ten percent (10%), the two appraisers shall select a third professionally certified appraiser who also shall appraise the value of the Assets. The lower of the book value determined by an accountant, or the average fair market value set by the appraisers (whether two or three appraisers as the case may be), shall be conclusive and shall be the Purchase Price. Notwithstanding the foregoing, if Company is purchasing any real property on which the Franchised Restaurant is located, the purchase price for such real property shall be its fair market value, as determined according to the appraisal procedure described above. Company may not unilaterally determine the value of the Assets.

D. The accountant and appraisers shall be given full access to the Franchised Restaurant, the Franchised Location and Franchisee's books and records during customary business hours to conduct the accounting or appraisal and shall value the leasehold improvements, equipment, furnishings, fixtures, signs and inventory in accordance with the standards of this Section 23. The accountant's and appraisers' fees and costs shall be borne equally by Company and Franchisee.

E. Within three (3) days after the Purchase Price has been determined, Company may exercise its option to purchase the Assets by so notifying Franchisee. The Purchase Price shall be paid in cash, cash equivalents or marketable securities of equivalent value at the closing of the purchase ("**Closing**"), which shall take place no later than sixty (60) days after Company's receipt of the valuations set by the appraisers. At the Closing, Franchisee shall deliver instruments transferring to Company or its assignee: ***(1)*** good and merchantable title to the Assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Company or its assignee), with all sales and other transfer taxes paid by

Franchisee; ***(2)*** all licenses and permits for the Franchised Restaurant that may be assigned or transferred, with appropriate consents, if required; and ***(3)*** the lease or sublease for the Franchised Location, with appropriate consents, if required. If Franchisee cannot deliver clear title to all of the purchased Assets as indicated in this Section 23, or if there are other unresolved issues, the Closing shall be accomplished through an escrow.

F. Prior to Closing, Franchisee and Company shall comply with all applicable legal requirements, including the bulk sales provisions of the Uniform Commercial Code of the state in which the Franchised Restaurant is located and the bulk sales provisions of any applicable tax laws and regulations. Franchisee shall, prior to or simultaneously with the Closing, pay all tax liabilities incurred in connection with the operation of the Franchised Restaurant prior to Closing. Company shall have the right to set off against and reduce the Purchase Price by any and all amounts owed by Franchisee to Company, and the amount of any encumbrances or liens against the Assets or any obligations assumed by Company.

G. If Company or its assignee exercises the option to purchase, pending the Closing, Company shall have the right to appoint a manager to operate the Franchised Restaurant. Alternatively, Company may require Franchisee to close the Franchised Restaurant during such time period without removing any Assets from the Franchised Restaurant. Franchisee shall maintain in force all insurance policies required under this Agreement until the Closing. If the Franchised Location is leased, Company agrees to use reasonable efforts to effect a termination of the existing lease for the Franchised Location. If the lease for the Franchised Location is assigned to Company or Company subleases the Franchised Location from Franchisee, Company will indemnify and hold Franchisee harmless from any ongoing liability under the lease from the date Company assumes possession of the Franchised Location. If Franchisee owns the Franchised Location, upon purchase of the Assets, Franchisee, will enter into a standard lease with Company on terms comparable to those for which similar commercial properties in the area are then being leased. The initial term of this lease with Franchisee shall be at least ten (10) years with four (4) options to renew of five (5) years each and the rent shall be the fair market rental value of the Franchised Location. If Franchisee and Company cannot agree on the fair market rental value of the Franchised Location, then the rental value shall be determined by appraisers (selected in the manner described in Section 23.C.).

24. Consents, Approvals and Waivers.

No waiver or delay by Company of any provision of this Agreement nor any past practice or custom of Company at variance with any provision of this Agreement shall be deemed a waiver or delay of any other provision of this Agreement or of any subsequent breach of the same or another provision. Company's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Company's consent to or approval of any subsequent act.

25. Relationship of the Parties.

This Agreement does not create a fiduciary or other special relationship between the parties. Franchisee is an independent contractor with entire control and direction of the operation of the Franchised Restaurant, subject only to the conditions and covenants established by this Agreement. No agency, employment, or partnership is created or implied by the terms of this Agreement, and Franchisee is not and shall not hold itself out as agent, legal representative, partner, subsidiary, joint venturer or employee of Company. Neither Company nor Franchisee shall have any right or power to, and shall not, bind or obligate the other in any way or manner, nor represent that either has any right to do so. Franchisee shall not issue any press releases without the prior written approval of Company. The sole relationship between Franchisee and Company is a commercial, arms' length business relationship and, except as provided in Section 26, there are no third party beneficiaries to this Agreement. Franchisee's business is, and shall be kept, totally separate and apart from any that may be operated by Company.

In all public records, in relationships with other persons, and on letterheads, business email signatures and business forms, Franchisee shall indicate its independent ownership of the Franchised Restaurant and that Franchisee is solely a franchisee of Company. Franchisee shall post a sign in a conspicuous location in the lobby of the Franchised Restaurant that will contain Franchisee's name and state that the Miami Grill Restaurant is independently owned and operated by Franchisee under a franchise agreement with Company. This sign will be supplied by Company at Franchisee's expense. Franchisee shall ensure its employees, independent contractors, agents and vendors at all times are made conspicuously aware of the identity of their employer or the party with whom they have contracted, which is Franchisee and not Company.

26. Indemnification.

A. Franchisee and all guarantors of Franchisee's obligations under this Agreement shall, at all times, indemnify, defend (with counsel approved by Company), and hold harmless (to the fullest extent permitted by applicable law) Company and its affiliates, and their respective successors, assigns, past and present directors, officers, employees, agents and representatives (collectively "**Indemnitees**") from any and all losses and expenses incurred in connection with any litigation or other form of adjudicatory procedure, actions, suits, proceedings, claim, demand, investigation, or formal or informal inquiry (regardless of whether the same is reduced to judgment) , or any settlement thereof, regardless of whether the same is between Franchisee and Indemnitees, arising out of or resulting from or connected with, directly or indirectly, Franchisee's (or Franchisee's employees) acts or omissions relating to the Franchised Restaurant, Franchised Location, and the business being licensed pursuant to this Agreement and regardless of whether the claim, suit, proceeding, demand inquiry or investigation or losses and expenses result from any strict or vicarious liability imposed by law on Franchisee.

B. Franchisee promptly shall give Company notice of any such action, suit, proceeding, claim, demand, inquiry or investigation filed or instituted against Franchisee and, upon request, shall furnish Company with copies of any documents from such matters as Company may request. At Franchisee's expense and risk, Company may elect to assume (but under no circumstances will Company be obligated to undertake), the defense and/or settlement of any action, suit, proceeding, claim, demand, investigation, inquiry, judgment or appeal thereof subject to this indemnification. Such an undertaking shall, in no manner or form, diminish Franchisee's obligation to indemnify and hold harmless Company pursuant to Section 26.A. Company shall not be obligated to seek recoveries from third parties or otherwise mitigate losses.

C. Provided that Franchisee has used the Marks in accordance with this Agreement and the Operating Manual, Company shall defend Franchisee at Company's expense against any third-party claim, suit, or demand involving the Marks arising out of Franchisee's use thereof. If Franchisee has not used the Marks in accordance with this Agreement or the Operating Manual (which Company shall have the right to determine), Company shall defend Franchisee, at Franchisee's expense, against such third-party claims, suits, or demands.

27. Force Majeure.

As used in this Agreement, the term "**Force Majeure**" means any act of God, strike, lock-out or other industrial disturbance, terrorist act, war (declared or undeclared), riot, epidemic, fire or other catastrophe, or act of any government.

If the performance of any obligation by any party under this Agreement is prevented, hindered or delayed by reason of Force Majeure, which cannot be overcome by reasonable commercial measures, the parties shall be relieved of their respective obligations (to the extent that the parties, having exercised best efforts, are prevented, hindered or delayed in such performance) during the period of such Force Majeure. The party whose performance is affected by an event of Force Majeure shall give prompt written notice of such Force Majeure event to the other party by setting forth the nature thereof and an estimate as to its duration. An event of Force Majeure will not affect or change Franchisee's obligation to pay Royalty, Marketing Fees, Relocation Fees, Audit Fees, Transfer Fees, Advertising Contributions, Local Marketing, Late Payment Fees, Additional Training Fees, Computer System Maintenance Fee, Securities Offering Fee, Customer Service Fees and other required fees when due.

28. Entire Agreement.

A. This Agreement and the exhibits referred to herein constitute the entire, full, and complete Agreement between Company and Franchisee concerning the subject matter hereof, and supersede all prior agreements, no other representations having induced Company to execute this Agreement. Except for those permitted to be made unilaterally by Company hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. However, nothing in this Section 28 is intended as, nor shall it be interpreted to be, a disclaimer by Company of any representation made in its Franchise Disclosure Document ("**FDD**"), including the exhibits and any amendments to the FDD.

B. Franchisee acknowledges that from time to time, Company may adopt and modify various policies relating to, without limitation, renewal, termination, assignment, system standards enforcement, and franchise relationships, and that such policies are solely for the internal use and guidance of Company's management and personnel, and are not contractual obligations of, or otherwise binding upon, Company.

C. No obligations or duties that contradict, or are inconsistent with, the express terms of this Agreement may be implied into this Agreement. No agreement of any kind relating to the matters covered by this Agreement will be binding upon either party unless and until it has been agreed to in writing and signed by Company and Franchisee.

29. Governing Law, Dispute Resolution, and Limitations.

A. This Agreement takes effect upon its acceptance and execution by Company, and shall be interpreted and construed exclusively under the laws of the state in which Company has its principal place of business (presently, Florida), which laws shall prevail if there is any conflict of law (without regard to, and without giving effect to, the application of Florida choice of law rules); provided, however, that if the covenants in Section 19 of this Agreement would not be enforceable under the laws of Florida, and the Franchised Restaurant is located outside of Florida, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Restaurant is located. Nothing in this Section 29.A is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of Florida to which this Agreement would not otherwise be subject.

B. Subject to Section 29.C below, the parties agree that any action brought by Franchisee against Company in any court, whether federal or state, shall be brought within such state and in the judicial district in which Company has its principal place of business at the time the action is commenced. Any action brought by Company against Franchisee in any court, whether federal or state, may be brought within the state and judicial district in which Company has its principal place of business at the time the action is commenced. The parties agree that this Section 29.B shall not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue shall be as set forth above. Franchisee hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Any such action shall be conducted on an individual basis, and not as part of a consolidated, common, or class action.

C. **Arbitration.**

i. Before any party may bring an action against the other, the parties must first meet to arbitrate the dispute (except as otherwise provided in Section 29.E below). Any such arbitration shall be non-binding. Notwithstanding anything to the contrary, this Section 29.C. shall not bar either party from obtaining injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in arbitration; including, without limitation, claims involving the Marks.

ii The non-binding arbitration provided for hereunder shall be commenced by the party requesting arbitration (the "**complainant**") providing written notice of the request for arbitration (the "**request**") to the party with whom arbitration is sought (the "**respondent**"). The request shall specify with reasonable particularity the matter or matters on which non-binding arbitration is sought. A copy of the request shall be given by the complainant simultaneously to Company if Company is not a complainant or respondent.

iii. Non-binding arbitration commenced hereunder shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. The non-binding arbitration shall be conducted pursuant to the then current rules of the American Arbitration Association ("AAA"), at the AAA office nearest to the Company's principal place of business (currently located in Boca Raton, Florida). All aspects of the arbitration process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of arbitration, and each shall bear one-half the cost of the arbitrator or arbitration service.

D. If Company is required to enforce this Agreement in a judicial proceeding, the prevailing party in such proceeding shall be entitled to reimbursement of its costs and expenses, including, without limitation, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees, cost of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of, any such proceeding. The prevailing party shall be the party prevails on its claims regardless of whether judgment is entered in its favor. If there are multiple claims, the costs and expenses shall be reimbursed accordingly. In any judicial proceeding, these costs and expenses shall be determined by the court and not by a jury.

E. Franchisee recognizes that his failure to comply with the material terms of this Agreement, including, without limitation, the failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to Company and the System. Therefore, Franchisee agrees that, in the event of a breach or threatened breach of any of the material terms of this Agreement by Franchisee, Company shall be entitled to injunctive relief (both preliminary and permanent) restraining that breach and/or to specific performance, without showing or proving actual damages and without posting any bond or security. Any equitable remedies sought by Company shall be in addition to, and not in lieu of, all remedies and rights that Company otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

F. WAIVER OF JURY TRIAL. COMPANY AND FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

G. LIMITATION OF ACTIONS. ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF FRANCHISEE AND COMPANY, OR FRANCHISEE'S OPERATION OF THE FRANCHISED RESTAURANT, BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER, MUST BE BROUGHT OR ASSERTED BEFORE THE EXPIRATION OF THE EARLIER OF (A) THE TIME PERIOD FOR BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS; (B) ONE (1) YEAR AFTER THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN ALLEGED CLAIM; OR (C) TWO (2) YEARS AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM; OR IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES THAT SUCH CLAIMS OR ACTIONS SHALL BE IRREVOCABLY BARRED. CLAIMS OF COMPANY ATTRIBUTABLE TO UNDERREPORTING OF SALES, AND CLAIMS OF THE PARTIES FOR FAILURE TO PAY MONIES OWED AND/OR INDEMNIFICATION SHALL BE SUBJECT ONLY TO THE APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS.

H. WAIVER OF DAMAGES. COMPANY AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

I. Liquidated Damages. If Company terminates this Agreement based on Franchisee's default, Franchisee must pay Company liquidated damages, calculated as follows: (a) the average of Franchisee's monthly royalty fees and Advertising Contribution payments due for the last thirty six (36) months before Company's delivery of notice of default (or, if the Restaurant has been open less than thirty six (36) months, the average of Franchisee's monthly royalty fees and Advertising Contribution payments due for the number of months the Restaurant has been open), (b) multiplied by the lesser of thirty six (36) or the number of months remaining in the term of this Agreement. The Parties acknowledge and agree that the actual damages to be suffered by Company in this circumstance are difficult, if not impossible, to determine, and that, under all the facts and circumstances, this calculation of Company's potential damages is a reasonable, good-faith estimate of those damages.

30. Effect of State Laws; Severability.

Each article, paragraph, subparagraph, term and condition of this Agreement, and any portions thereof, will be considered severable. If, for any reason, any portion of this Agreement is determined to be invalid, contrary to, or in conflict with, any applicable present or future law, rule or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with valid jurisdiction in a proceeding to which Company is a party, that ruling will not impair the operation of, or have any other effect upon, any other portions of this Agreement; all of which will remain binding on the parties and continue to be given full force and effect.

31. Notices.

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on the signature page of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

Notices to Company:

Miami Grill Franchising Corporation
901-A Clint Moore Road
Boca Raton, Florida 33487
Attn: President

With a copy to **(which shall not constitute notice):**

Bernard H. (Bob) Vogel, Esq.
Vogel & Associates, LLP.
500 N. Broadway, Suite 140
Jericho, New York 11753
Fax: 516-877-2340

Notices to Franchisee:

____
____
____
____

32. General Terms.

A. Gender and Number. All references to gender and number shall be construed to include such other gender and number as the context may require.

B. Captions. All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

C. Counterparts. This Agreement may be executed in counterparts, and each copy so executed and delivered shall be deemed an original.

D. Time. Time is of the essence of this Agreement for each provision in which time is a factor. Whenever this Agreement refers to a period of days or months, the first day or month to be counted shall be the day or month of the designated action, event or notice. Days shall be measured by calendar days, except that if the last day of a period is a Saturday, Sunday or national holiday, the period automatically shall be extended to the next day that is not a Saturday, Sunday or national holiday. Time references shall be made with references to local time at Company's headquarters.

E. Control During Crisis Situation. If an event occurs at the Franchised Restaurant that has or reasonably may cause harm or injury to guests or employees (*i.e.*, food spoilage/poisoning, food tampering/sabotage, slip and fall injuries, natural disasters, robberies, shootings, etc.) or may damage the Marks, the System or the reputation of Company (collectively "**Crisis Situation**"), Franchisee shall: ***(1)*** immediately contact appropriate emergency care providers to assist it in curing the harm or injury; and ***(2)*** immediately inform Company by telephone of the Crisis Situation. Franchisee shall refrain from making any internal or external announcements (*i.e.*, no communication with the news media) or divulging any information regarding the Crisis Situation (unless otherwise directed by Company or public health officials).

To the extent Company deems appropriate, Company shall have the right to control the manner in which the Crisis Situation is handled by the parties, including, without limitation, conducting all communication with the news media, providing care for injured persons and/or temporarily closing the

Franchised Restaurant. The parties acknowledge that, in directing the management of any Crisis Situation, Company may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as it deems appropriate. Franchisee and its employees shall cooperate fully with Company in its efforts and activities in this regard and shall be bound by all further Crisis Situation procedures developed by Company from to time hereafter. The indemnification under Section 26 shall include all losses and expenses that may result from Company's exercise of its management rights granted in this Section 32.E.

F. Variations. Company shall have the right to waive, defer, or permit variations from the standards of the System or this Agreement to any franchisee or prospective franchisee based on the peculiarities of a particular site, existing building configuration or circumstance, density of population, business potential, trade area population or any other condition or circumstances. Company shall have the right to deny any such requests Company believes would not be in the best interests of the System.

G. Opportunity to Consult. Franchisee acknowledges that it has read and understood this Agreement, the Exhibits attached to this Agreement, and all other agreements relating hereto, if any, and that Company has accorded Franchisee ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

33. Representations.

Franchisee represents, acknowledges and warrants to Company (and Franchisee agrees that these representations, acknowledgments and warranties shall survive termination of this Agreement) that:

A. This Agreement involves significant legal and business rights and risks. Company does not guarantee Franchisee's success. Franchisee has read this Agreement in its entirety, conducted an independent investigation of the business contemplated by this Agreement, has been thoroughly advised with regard to the terms and conditions of this Agreement by legal counsel or other advisors of Franchisee's choosing, recognizes that the nature of the business conducted by Miami Grill Restaurants may change over time, has had ample opportunity to investigate all representations made by or on behalf of Company, and has had ample opportunity to consult with current and former Company franchisees. The prospect for success of the business undertaken by Franchisee is speculative and depends to a material extent upon Franchisee's personal commitment, capability and direct involvement in the day-to-day management of the business.

B. Company's consent to the development of a site and its refusal to consent to the development of any sites is not a representation that the Franchised Location will achieve a certain sales volume or a certain level of profitability, or that the Franchised Location will have a higher sales volume or be more profitable than a site for which Company did not grant consent to develop. Company's consent merely means that the minimum criteria which Company has established for identifying suitable sites for proposed Miami Grill Restaurants have been met. Because real estate development is an art and not a precise science, Franchisee agrees that Company's consent, or refusal to consent to a proposed site, whether a site report is completed and/or submitted to Company or not, shall not impose any liability or obligation on Company. The decision to accept or reject a particular site is Franchisee's, subject to Company's consent, which consent shall not be unreasonably withheld. Preliminary consent of a proposed site by any representative of Company is not conclusive or binding, because his or her recommendations may be rejected by Company.

C. Company makes no express or implied warranties or representations that Franchisee will achieve any degree of success in the operation of the Franchised Restaurant and, while Company will provide Franchisee with training, advice, and consultation as provided in this Agreement, success in the operation of the Franchised Restaurant depends ultimately on Franchisee's efforts and abilities and on other factors, including, without limitation, market and other economic conditions, Franchisee's financial condition, and competition.

D. Company assumes no liability or responsibility for: ***(1)*** evaluation of the Franchised Location's soil for hazardous substances; ***(2)*** inspection of any structure on the Franchised Location for asbestos or other toxic or hazardous materials; or ***(3)*** compliance with the Americans with Disabilities Act of 1990 ("**ADA**"). It is Franchisee's sole responsibility to obtain satisfactory evidence and/or assurances that the Franchised Location (and any structures thereon) is free from environmental contamination. Franchisee shall comply with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA regarding the construction, design and operation of the Franchised Restaurant. Company does not own, control, lease, manage or operate the Franchised Restaurant, and it assumes no liability or responsibility for Franchisee's failure to comply with any applicable law, code or regulation. Franchisee and all guarantors of Franchisee shall indemnify Company for any liability, attorney's fees, costs and/or settlement payments which arise out of or in connection with Franchisee's failure to comply with any applicable law, code or regulation, including without limitation the ADA.

E. Company encourages Franchisee to comply with all laws, codes and regulations including without limitation the ADA. Company shall provide Franchisee with ADA compliance information published by the Department of Justice and recommends that Franchisee retain architects and ADA consultants to ensure that they fully comply with the ADA.

i. Company shall provide Franchisee with information on the appearance and "look" of a Miami Grill Restaurant, including without limitation, prototypical plans, finish schedules and specifications. This information is not intended to contain, address or satisfy the requirements of any federal, state, or local law, code, or regulation, including those concerning the ADA or similar rules governing public accommodations for persons with disabilities, nor is such information intended to contain, address or satisfy the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorizations to build a specific Miami Grill Restaurant.

ii. Company's review and approval of the Franchised Restaurant shall be limited to an assessment of whether Franchisee has complied with Company's standards for a Miami Grill Restaurant, including such items as trade dress, presentation of trademarks, and the provision to the potential customer of certain products and services that are central to the functioning of a Miami Grill Restaurant. Company's review and approval do not assure compliance with federal, state or local laws and regulations, including the ADA, as compliance with such laws is the sole responsibility of Franchisee.

iii. Company, including without limitation its employees and agents, are not architects, engineers, contractors, sub-contractors or agents of Franchisee, and Company expresses no opinions regarding matters within the exclusive responsibility of Franchisee and its architect including without limitation: ***(1)*** structural integrity of the Franchised Restaurant; ***(2)*** safety or construction procedures; and ***(3)*** building codes, ordinances, statutes, rules or regulations, whether federal, state, local or foreign to the extent applicable. Company assumes no liability or responsibility for architectural or engineering plans or judgments which are within the exclusive responsibility and control of Franchisee and its architect. Company's authorization to open the Franchised Restaurant is not a representation or warranty that the Franchised Restaurant has been constructed in accordance with any architectural, engineering or legal standards or requirements, including the ADA. Such authorization indicates only that Company is satisfied that Franchisee has met the minimum standards described above. Franchisee agrees that Company's authorization to open the Franchised Restaurant shall not impose any liability or responsibility on Company.

F. Franchisee shall not rely upon any opinion expressed by Company or any of its employees or agents regarding structural integrity, safety or construction procedures, building codes or ordinances or other matters properly within the responsibility of Franchisee and its architect. Company's construction representatives' duties are limited solely to ensuring that development plans and other requirements under this Agreement are met. Company and its employees do not act as an architect or agent of Franchisee. Company assumes no liability or responsibility for architectural or engineering plans or judgments outside the scope of the duties stated above. Company's authorization to open the Franchised Restaurant is not a representation or warranty that the Franchised Restaurant has been constructed in accordance with any architectural, engineering or legal standards for design or workmanship. It merely means that Company is satisfied that the minimum requirements which Company has established for consistency of design and layout have been met. Franchisee agrees that Company's authorization to open the Franchised Restaurant shall not impose any liability or responsibility on Company.

G. Franchisee acknowledges and agrees that Company may modify the offer of its franchises to other Miami Grill Restaurant franchisees in any manner and at any time, which offers have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement. Franchisee further acknowledges and agrees that Company has made no warranty or representation that all Miami Grill Restaurant Franchise Agreements previously issued or issued after this Agreement by Company do or will contain terms substantially similar to those contained in this Agreement. Company may, in its reasonable business judgment and its sole and absolute discretion, due to local business conditions or otherwise, waive or modify comparable provisions of other Miami Grill Restaurant Franchise Agreements previously executed or executed after the effective date with other Miami Grill Restaurant franchisees in a non-uniform manner.

H. All information provided to Company by Franchisee in connection with Franchisee's franchise application is truthful and accurate.

I. The Initial Franchise Fee is not refundable for any reason.

J. Company may change or modify the System, from time to time, including the Operating Manual, and Franchisee will be required to make such expenditures as such changes or modifications in the System may require.

K. During the term of this Agreement, Company may operate and license others to operate Miami Grill Restaurants in the Protected Area that are located in airports, train stations, bus stations, travel plazas, convenience stores, gas stations, supermarkets, "box" or chain stores, shopping malls, theaters, museums, art centers, stadiums, convention centers, military facilities, schools, colleges, universities, hospitals, amusement parks, contract feeders, and business cafeterias, or any similar captive market location.

L. During the term of this Agreement, Company may operate and license others to operate Miami Grill Restaurants at any location outside the Protected Area.

M. During the term of this Agreement, Company may operate or license others to operate in the Protected Area restaurants other than Miami Grill Restaurants.

N. After this Agreement terminates or expires, Company may operate or license others to operate Miami Grill Restaurants at any location whether in or outside the Protected Area

O. During the term of this Agreement, Company may merchandise and distribute goods and services identified by the Marks at any location through any method or channel of distribution other than restaurants (including catalog, mail order, toll free numbers for delivery, and current or future means of electronic commerce, including the Internet and any Websites Company may establish).

P. During the term of this Agreement, Company may sell or distribute goods identified by the Marks through any method or channel of distribution (including catalog, mail order, toll free numbers for delivery, and current or future means of electronic commerce, including the Internet and any Websites Company may establish) to restaurants other than Miami Grill Restaurants provided such restaurants are not licensed to use the Marks in connection with their retail sales.

Q. Even though this Agreement contains provisions requiring Franchisee to operate the Franchised Restaurant in compliance with the System: ***(1)*** Company does not have actual or apparent authority to control the day-to-day conduct and operation of Franchisee's business or employment decisions; and ***(2)*** Franchisee and Company do not intend for Company to incur any liability in connection with or arising from any aspect of the System or Franchisee's use of the System, whether or not in accordance with the requirements of the Operating Manual.

R. The persons signing this Agreement on behalf of Franchisee have full authority to enter into this Agreement. Execution of this Agreement by Franchisee does not and will not conflict with or interfere with, directly or indirectly, intentionally or otherwise, with the terms of any other agreement to which Franchisee or any person with an ownership interest in Franchisee is a party.

S. Franchisee acknowledges receipt of Company's Franchise FDD at least fourteen (14) business days prior to execution of this Agreement or payment of any monies to Company and that Franchisee received this Agreement in the form actually executed prior to the date of this Agreement, and with sufficient time within which to review the Agreement with advisors of its choosing.

T. Franchisee has not received from Company any representation as to the profitability of any existing Miami Grill Restaurants, or of Franchisee's potential sales, expenses, income, profit or loss, and has not received from either Company, or anyone acting on its behalf, any representation other than those contained in Company's FDD as inducements to enter this Agreement.

U. In the event of a dispute between Company and Franchisee, the parties have waived their right to a jury trial.

[Signatures Follow on Next Pages]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

Miami Grill Franchising Corporation ("MGFC")	______________________________
a Florida Profit Corporation	Franchisee Entity
By:______________________________	By:______________________________

Name:________________________________

Title:________________________________

Witness: ____________________________

Address for Notices:

901-A Clint Moore Road
Boca Raton, Florida 33487
Fax: ____________________
Attn: ____________________

Name:________________________________

Title:________________________________

Witness: ____________________________

Address for Notices:

____
____
Telephone:______________________________
Fax:____________________________________
Attn:___________________________________

MIAMI GRILL FRANCHISE AGREEMENT

EXHIBIT "A"
GUARANTY, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to Miami Grill Franchising Corporation ("**Company**") to execute the Miami Grill Franchise Agreement between Company and ________________("**Franchisee**") dated _______________, 20_ (the "**Agreement**"), the undersigned, jointly and severally, hereby unconditionally guarantee to Company and Company's successors and assigns that all of Franchisee's monetary obligations under the Agreement shall be punctually paid and performed.

Upon demand by Company, the undersigned shall immediately make each payment required of Franchisee under the Agreement. The undersigned hereby waive any right to require Company to: ***(a)*** proceed against Franchisee for any payment required under the Agreement; ***(b)*** proceed against or exhaust any security from Franchisee; or ***(c)*** pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Company may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and notice of demand for payment by Franchisee, and agree to be bound by any and all such amendments and changes to the Agreement.

The undersigned hereby agree to defend, indemnify and hold Company harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned hereby acknowledge and agree to be individually bound by all of the covenants and promises as if the undersigned were the "Franchisee" under the Agreement (including, but not limited to, provisions set forth in Sections 13 and 19 of the Agreement), but the undersigned shall not be entitled to exercise any of Franchisee's rights under the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors shall continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement and shall be interpreted and construed in accordance with Section 30 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of Florida. If there is any conflict of law, the laws of the State of Florida shall prevail (without regard to, and without giving effect to, the application of Florida conflict of law rules).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

GUARANTORS

(Seal) ____
In his/her individual capacity

Printed Name: ________________________________

Home Address: ________________________________

____

(Seal) ____
In his/her individual capacity

Printed Name: ________________________________

Home Address: ________________________________

____

(Seal) ____
In his/her individual capacity

Printed Name: ________________________________

Home Address: ________________________________

____

MIAMI GRILL FRANCHISE AGREEMENT

<u>EXHIBIT "B"</u>
FRANCHISED LOCATION, PROTECTED AREA, DEVELOPMENT INFORMATION, AND FRANCHISEE'S NOTICE ADDRESS

1. Franchised Location (Section 1.A): ____

2. Protected Area, if any (Section 1.B.): ____

Any political boundaries described above shall be considered fixed as of the date of this Agreement and shall not change for the purpose hereof notwithstanding a political reorganization or change to such boundaries or regions. All street boundaries shall be deemed to end at the street center line unless otherwise specified above.

3. Anticipated Opening Date (Sections 2, 5.B, 12.B, and 21.A): ___________________________

4. Financing Commitment Date (Sections 3 and 21.A): ________________________________

5. Submission Date for the Plans (Sections 4.A and 21.A):

6. Construction Commencement Date (Sections 4.B and 21.A):

7. Interests in non-Miami Grill Restaurants (Section 19.B.):

8. Franchisee's Notice Address and Facsimile Number (Section 31):

Initials

Company	Franchisee

MIAMI GRILL FRANCHISE AGREEMENT

EXHIBIT "C"
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)

____ (Name of Person or Legal Entity)
____ (ID Number)

The undersigned depositor ("**Depositor**") hereby authorizes Miami Subs Franchising Corporation ("**Company**") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("**Depository**") to debit or credit such account(s) pursuant to Company's instructions.

____________________	____________________	
Depository	Branch	
____________________,	__________	__________
City	State	Zip Code
____________________	____________________	
Bank Transit/ABA Number	Account Number	

This authority is to remain in full and force and effect until Depository has received joint written notification from Company and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Notwithstanding the foregoing, Depository shall provide Company and Depositor with thirty (30) days' prior written notice of the termination of this authority. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if: ***(a)*** within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry; or ***(b)*** forty-five (45) days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

____
Depositor

By:______________________________

Name:____________________________

Title:_____________________________

Date:_____________________________

MIAMI GRILL FRANCHISE AGREEMENT

<u>EXHIBIT "D"</u>
FRANCHISE AGREEMENT EXPIRATION DATE

Company authorized Franchisee to open a Franchised Restaurant located at ____ ___________ on _________________________. The initial term of the Franchise Agreement for the Franchised Restaurant will expire on _____________. If Franchisee wishes to acquire a successor franchise, Franchisee must give Company notice no earlier than ___________ (twenty-four (24) months before the expiration date of the Franchise Agreement) and no later than ____________ (twelve (12) months before the expiration date).

ATTEST:	**COMPANY:** **Miami Grill Franchising Corporation**
________________________________	________________________________
ATTEST/WITNESS:	**FRANCHISEE:**
________________________________	________________________________
________________________________	________________________________

MIAMI GRILL FRANCHISE AGREEMENT
<u>EXHIBIT "E"</u>
CORPORATE OWNERSHIP

The number of authorized shares of Franchisee that have been issued is _________ and the name, address, number of shares owned (legally or beneficially) and office held by each shareholder is as follows (attach additional sheets if necessary):

Name	Address	# of Shares	% of all Equity Interests	Office Held

PARTNERSHIP INTEREST

If Franchisee is a partnership, the name, address and partnership interest of each partner, whether general or limited, is as follows (attach additional sheets if necessary):

Name	Address	Partnership Interest

MEMBERSHIP INTEREST

If Franchisee is a limited liability company, the name, address and member/manager interest of each member/manager, is as follows (attach additional sheets if necessary):

Name	Address	Membership Interest

CONTROL GROUP

Franchisee's Control Group shall be comprised of the following persons (attach additional sheets if necessary):

____

____

____

FRANCHISEE:

By:____________________________________

Title:___________________________________ Date: ___________________________________

MIAMI GRILL FRANCHISE AGREEMENT

<u>EXHIBIT F</u>
LEASE RIDER

THIS LEASE RIDER is made and entered into as of __________________, 20____ BY AND AMONG ____________________________ (the "**Landlord**"), ________________________________ (the "**Tenant**"), and Miami Grill Franchising Corporation, a Florida corporation ("**MGFC**").

RECITALS:

A. This Lease Rider supplements and forms part of the attached Lease Agreement between the Landlord and the Tenant dated as of __________________, 20____ (the "**Lease**") for the premises situated at ____ (the "**Premises**") to be used by the Tenant as a Miami Grill Restaurant (the "**Restaurant**").

B. This Lease Rider is entered into in connection with MGFC's grant of a franchise to the Tenant pursuant to a Franchise Agreement dated _________________, 20____ (the "**Franchise Agreement**") and Tenant's desire to construct and operate a Miami Grill Restaurant at the Premises.

C. This Lease Rider is intended to provide MGFC the opportunity to reserve the Premises as a Miami Grill Restaurant under the circumstances set out below (including any subsidiary of MGFC).

D. The Landlord agrees that MGFC shall have the right but not the obligation to assume, assign or sublet the Lease of the Premises on the terms, covenants and conditions contained in this Lease Rider.

THE PARTIES HEREBY AGREE:

1. UPON DEFAULT OF TENANT UNDER THE LEASE

1.1 The Landlord agrees to send to MGFC copies of any Notice of Default that are given to the Tenant concurrently with the giving of such Notices to the Tenant. If the Tenant fails to cure any defaults within the period specified within the Notices, the Landlord shall promptly give to MGFC further written Notice specifying the defaults that the Tenant has failed to cure. MGFC shall have forty-five (45) days following receipt of the second written Notice to exercise its right to take the Lease by assignment, to sublet the same or to transfer the Lease to another of its Franchisees on the same terms as apply to the Lease by written notice to the Landlord and the Tenant and in the event that MGFC does exercise such right, then the circumstances described in clause 1.2 below shall apply.

1.2 The provisions of this clause 1.2 shall take effect if and when MGFC exercises its rights pursuant to clause 1.1 above. MGFC or its assigns shall begin paying rent upon the Landlord delivering possession of the Premises to MGFC.

2. UPON TERMINATION OF THE FRANCHISE AGREEMENT

If the Franchise Agreement is terminated for any reason during the term of the Lease or any extension or renewal of the Lease, and if MGFC shall desire to exercise its rights contained herein, MGFC shall promptly give the Landlord written notice to this effect.

3. UPON NON-RENEWAL OF THE LEASE TERM

If the Lease contains term renewal or extension right(s) and if the Tenant allows the term to expire without exercising such right(s), the Landlord shall give MGFC written notice to this effect and MGFC shall have the option, for thirty (30) days following receipt of such notice, to exercise the Tenant's renewal or extension right(s) on the same terms and conditions as are contained in the Lease. If MGFC elects to exercise such right(s) it shall notify the Landlord in writing whereupon the Landlord and MGFC shall promptly execute and exchange an agreement whereby MGFC assumes the Lease effective at the date of termination of any holding over period by the Tenant to the effect that such extension or renewal term shall have subtracted from it the number of days constituting such holding over period.

4. ADDITIONAL PROVISIONS

4.1 The Tenant agrees that termination of the Franchise Agreement shall be a default under the Lease. In the event of termination of the Franchise Agreement, or if the Tenant fails to timely cure any defaults under the Lease, the Tenant shall, within ten (10) days after written demand by MGFC, assign all of its right, title and interest in and to the Lease to MGFC. If the Tenant fails to do so within said ten (10) days, the Tenant hereby designates MGFC as its agent to execute any and all documents, agreements and to take all action as may be necessary or desirable to affect the assignment of the Lease and the relinquishment of any and all of the Tenant's rights thereunder. The Landlord hereby consents to such assignment subject to MGFC executing an assignment of the Lease. The Tenant further agrees to promptly and peaceably vacate the Premises and to remove its personal property at the written request of MGFC. Any property not so removed by the Tenant within ten (10) days following receipt of such written request shall be deemed abandoned by the Tenant and immediately and permanently relinquished to MGFC. MGFC acknowledges that where MGFC enters into an assignment or sub-letting as referred to in clause 4.4 below it will attempt to procure, if the assignee is a company (other than a listed public company) a Deed of Guarantee in customary form approved or prepared by the landlord from the principal shareholders of the assignee company and (if required by the landlord) by the Directors of the assignee company.

4.2 The Tenant shall be and remain liable to the Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to MGFC. MGFC shall be entitled to recover from the Tenant all amounts it pays to the Landlord to cure the Tenant's defaults under the Lease including interest thereon and MGFC's reasonable collection costs.

4.3 After MGFC assumes the Tenant's interest under the Lease, MGFC may, at any time, sublet the Premises to a Miami Grill franchisee without having to obtain the prior written consent of the Landlord, and it shall have no further obligations thereunder.

4.4 If the Lease or Franchise Agreement is terminated and MGFC fails to exercise its option as described above, the Tenant agrees, upon written demand by MGFC to de-identify the Premises as a Miami Grill Restaurant and to promptly remove signs, decor and other items which MGFC reasonably requests be removed as being distinctive and indicative of a Miami Grill Restaurant. MGFC may enter upon the Premises without being guilty of trespass or tort to affect de-identification if the Tenant fails to do so within ten (10) days after receipt of written demand from MGFC, following termination of the Franchise Agreement or Lease. The Tenant shall pay MGFC for its reasonable costs and expenses in effecting the de-identification. The Landlord shall not be obligated to MGFC for such costs unless the Landlord and the Tenant share one (1) or more common owners, partners, beneficiaries or shareholders (as the case may be). The Tenant agrees and accepts that its obligations to the Landlord in respect to the provisions of the Lease concerning the removal of signage and additions and alterations at the termination of the Lease subsist notwithstanding the right made available to MGFC pursuant to this clause.

4.5 If the Lease or Franchise Agreement is terminated and MGFC fails to exercise its option as described above, the Landlord agrees to allow third party vendors access to the Premises to remove their equipment.

4.6 BY EXECUTING THIS LEASE RIDER TO THE LEASE, MGFC DOES NOT ASSUME ANY LIABILITY WITH RESPECT TO THE PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE UNLESS AND UNTIL MGFC EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATION AS DESCRIBED ABOVE.

4.7 All notices pursuant to this Lease Rider shall be in writing and shall be personally delivered, sent by registered mail or reputable overnight delivery service or by other means which afford the sender evidence of delivery or rejected delivery to the addresses described above or to such other address as any party to this Deed may, either by written notice, instruct that notices be given.

EXECUTED by the parties as follows:

SIGNED by
as Landlord
in the presence of:

______________________________	By:________________________________
______________________________	Title:______________________________

SIGNED by
as Tenant
in the presence of:

______________________________	By:________________________________
______________________________	Title: ______________________________

SIGNED by Miami Grill Franchising
Corporation, by its duly authorized officer in
the presence of:

______________________________	By: ________________________________
______________________________	Title:______________________________

MIAMI GRILL FRANCHISE AGREEMENT

EXHIBIT G
SBA FINANCING AMENDMENT
TO
MIAMI GRILL FRANCHISE AGREEMENT

THIS AMENDMENT ("**Amendment**") is made as of the ______ day of _____________20___, by and between Miami Grill Franchising Corporation ("**MGFC**"), a Florida corporation ("**Company**"), and ____, ("**Franchisee**"), whose principal office address is: ____.

This Amendment is specifically entered into to amend the Franchise Agreement heretofore entered into between the parties on the ______ day of _______________, 20____. The purpose of this Amendment is so that the Franchisee can be qualified for and able to obtain SBA financing.

If the subject Franchisee does not obtain the applied for SBA financing, then this Amendment shall be considered null and void.

1) Section 17. (A) (4) (d) is hereby amended to eliminate the obligation of the transferring Franchisee to remain liable after the approved transfer of the subject Franchise has been affected and closed with a new Franchisee provided the new Franchisee has agreed to renovate as required by and subject to the approval of the company and is financially able to do so. However, in no event shall the Company, the Franchisor, give up its right and it shall continue to have the right to consent and to approve the subject transfer provided its consent will not be unreasonably withheld.

2) Sections 17. A. (2) & D. of the Franchise Agreement provides that the Franchisor (or any Third Party Assignee of the Franchisor) may elect pursuant to its Right of First Refusal to exercise said option when the franchisee decides to sell partial interest(s) in the business. This section is hereby amended to reflect that the Franchisor (nor any Third Party Assignee of the Franchisor) will not exercise the option for any partial sale of the franchisee's business. The Franchisor (Third Party Assignee of the Franchisor) may not become a partial owner of any SBA financed franchises.

3) Section 23. is hereby amended as follows: the Company's right to purchase the real estate is hereby eliminated and the paragraph amended to provide that its right to so purchase is deleted.

4) Notwithstanding anything to the contrary in Section 4.B of the Franchise Agreement, if the Franchisee owns the real property upon which the business is located, Franchisor (its assignees or affiliates) only have the right to lease the premises for the remaining term of the Franchise Agreement (excluding renewals) at fair market value.

5) Franchisee shall be required to renovate its store as required by and to the satisfaction of the company to create the Companies new look.

6) In all other respects the original Franchise Agreement between the parties shall remain in full force and effect.

7) Notwithstanding anything to the contrary in Section 10.B. of the Franchise Agreement, the franchisee shall have the discretion to set pricing for its products and services provided that, subject to applicable antitrust laws, such pricing: (1) is at or below any maximum price cap programs

established by the franchisor for its franchise system; or (2) is at or above any minimum price threshold programs established by the franchisor for its franchise system; or (3) conforms to any bona fide promotional programs or national or regional accounts programs established from time to time by the franchisor for its franchise system and said pricing is for a limited and trail period after giving at least thirty (30) day advance notice to Franchisor in writing.

MIAMI GRILL FRANCHISING CORPORATION,
Company

By: ____________________________________

Title: __________________________________

Franchisee

By: ____________________________________

Title:___________________________________

MIAMI GRILL FRANCHISE AGREEMENT

<u>EXHIBIT H</u>
STATE RIDERS
TO
MIAMI GRILL FRANCHISE AGREEMENT

CALIFORNIA RIDER TO FRANCHISE AGREEMENT

This California Rider to Franchise Agreement is signed on ___________, 20__ between Miami Grill Franchising Corporation ("Company") and______________________________ ("Franchisee") to amend the Franchise Agreement as follows:

1. **California Law**

The California Department of Financial Protection and Innovation requires that certain provisions contained in the Franchise Agreement be amended to be consistent with California law, including the California Franchise Investment Law. CAL. BUS. & PROF. CODE Section 31000 *et seq.* and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 *et seq.* To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, those provisions are amended as follows:

(a) **Nonrenewal and Termination**

California Business and Professions Code Sections 20000 through 20043 provide rights to Franchisee concerning termination, transfer or nonrenewal of the franchise. The Federal Bankruptcy Code also provides rights to Franchisee concerning termination of the Franchise Agreement upon the occurrence of certain bankruptcy-related events. If the Franchise Agreement contains a provision that is inconsistent with these laws, these laws will control.

(b) **Franchise Termination and Release Agreements**

Franchisee must sign a release if it renews or transfers its franchise. California Corporations Code Section 31512 voids a waiver of Franchisee's rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). California Business and Professions Code Section 20010 voids a waiver of Franchisee's rights under the Franchise Relations Act (California Business and Professions Code Sections 20000 through 20043).

(c) **Liquidated Damages**

If the Franchise Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damages clauses may be unenforceable.

(d) **Covenants Not to Compete**

If the Franchise Agreement contains a covenant not to compete that extends beyond the termination of the Franchise Agreement, the covenant may be unenforceable under California law.

(e) **Venue**

If the Franchise Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.

(f) **Governing Law**

If the Franchise Agreement requires that it be governed by a state's law other than the State of California, the requirement may be unenforceable.

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.

(g) **Arbitration**

The Franchise Agreement requires non-binding arbitration prior to litigation. The arbitration will occur in the AAA office nearest to the Franchisor's headquarters at the time of arbitration with each party bearing their own costs of arbitration and one-half of the arbitrator's fees. Disputes not resolved by non-binding arbitration must be litigated in the state and judicial district in which the Franchisor has its headquarters at the time of filing the action. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (including Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

2. **Alternate Channels of Distribution**

The Franchisor reserves the right to establish alternative channels of distribution within the Franchisee's Territory without compensation.

3. 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 application 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.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

MIAMI GRILL FRANCHISING CORPORATION,
Company

By: ______________________________________

Title: ____________________________________

Franchisee

By: ______________________________________

Title:_____________________________________

ILLINOIS RIDER TO FRANCHISE AGREEMENT

This Illinois Rider to Franchise Agreement is signed on ___________, 20__ between Miami Grill Franchising Corporation ("Company") and______________________________ ("Franchisee") to amend the Franchise Agreement as follows:

1. **General**. The Illinois Attorney's General's Office requires that certain provisions contained in the Franchise Agreement be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ch. 815 705/1 *et seq*. (West 2014) (the "Illinois Franchise Disclosure Act" or "Act").

2. **Termination and Non-Renewal**. Franchisee's rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act. To the extent that the Franchise Agreement contains provisions that are inconsistent with Sections 19 and 20 of the Act, the provisions are amended.

3. **Waivers Void**. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void.

4. **Governing Law and Jurisdiction**. Notwithstanding any provision of the Franchise Agreement to the contrary, the Franchise Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Franchise Agreement provides will be resolved by arbitration.

5. **Limitation of Claims**. No action will be maintained under Section 26 of the Illinois Franchise Disclosure Act to enforce any liability created by the Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Franchisee becomes aware of facts or circumstances reasonably indicating that Franchisee may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to Franchisee of a written notice disclosing the violation, whichever expires first.

This Rider is effective only to the extent that the jurisdictional requirements of the Act are met independent of this Rider. This Rider has no force and effect if the jurisdictional requirements are not met.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

MIAMI GRILL FRANCHISING CORPORATION,
Company

By: ______________________________________

Title: ____________________________________

Franchisee

By: ______________________________________

Title:_____________________________________

MARYLAND RIDER TO FRANCHISE AGREEMENT

This Maryland Rider to Franchise Agreement is signed on ___________, 20__ between Miami Grill Franchising Corporation ("Company") and_____________________________ ("Franchisee") to amend the Franchise Agreement as follows:

1. Section 20, **Successor Franchise**, and Section 17, **Transfers by Franchisee**, are amended to add the following:

A general release required as a condition of the renewal or transfer of the franchise will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. The Franchise Agreement is amended to add: the following

Notwithstanding any provision of the Franchise Agreement to the contrary, nothing in the Agreement or any related agreement requiring Franchisee to assent to a release, estoppel, or waiver of liability is intended to nor acts as a release, estoppel, or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

3. Section 21, **Termination**, is amended to add the following:

Bankruptcy as a ground for a termination of the Franchise Agreement may not be enforceable.

4. Section 29, **Governing Law, Dispute Resolution, and Limitations**, is amended to add the following:

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

5. Section 29, **Governing Law, Dispute Resolution, and Limitations**, is amended to add the following:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

MIAMI GRILL FRANCHISING CORPORATION,
Company

By: ____________________________________

Title: __________________________________

Franchisee

By: ____________________________________

Title:___________________________________

MINNESOTA RIDER TO FRANCHISE AGREEMENT

This Minnesota Rider to Franchise Agreement is signed on ___________, 20__ between Miami Grill Franchising Corporation ("Company") and______________________________ ("Franchisee") to amend the Franchise Agreement as follows:

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in the Franchise Agreement be amended to be consistent with the Minnesota Franchise Act, Minn. Stat. §§ 80.01 *et seq.,*(the "Minnesota Franchise Act" or "Act") and of the Rules and Regulations promulgated under the Minnesota Franchise Act (the "Rules"). To the extent that the Franchise Agreement contains provisions that are inconsistent with the Act or Rules, the provisions are amended:

(a) Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(b) With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

(c) The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

(d) Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

(e) Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

(f) The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

(g) The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore Subsection 29(G)., Limitation of Claims, is amended to state: "No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than 3 years after the cause of action accrues."

2. Each provision of this Rider is effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Rider. This Rider has no force or effect if the jurisdictional requirements are not independently met.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

MIAMI GRILL FRANCHISING CORPORATION,
Company

By: ______________________________________

Title: ____________________________________

Franchisee

By: ______________________________________

Title:_____________________________________

NEW YORK RIDER TO FRANCHISE AGREEMENT

This New York Rider to Franchise Agreement is signed on ___________, 20__ between Miami Grill Franchising Corporation ("Company") and_____________________________ ("Franchisee") to amend the Franchise Agreement as follows:

1. **New York Law Modifications**

The New York Department of Law requires that certain provisions contained in the Franchise Agreement be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following provisions those provisions are amended as follows:

(a) **Release of Claims**

If Franchisee is required in the Franchise Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, representation or action that would violate the General Business Law, regulation, rule or order under the Law, the release must exclude claims arising under the New York General Business Law, Article 33, Sections 680 through 695 and its regulations, and any acknowledgments are void. It is the intent of this provision that the non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.

(b) **Governing Law**

If the Franchise Agreement requires that it be governed by a state's law other than the State of New York, the choice of law provision will not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.

2. **Jurisdictional Requirements**

Each provision of this Rider is effective only to the extent that the jurisdictional requirements of the New York law applicable to the provision are met independent of this Rider. This Rider has no force or effect if the jurisdictional requirements are not independently met.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

MIAMI GRILL FRANCHISING CORPORATION,
Company

By: _____________________________________

Title: ___________________________________

Franchisee

By: _____________________________________

Title:____________________________________

NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT

This North Dakota Rider to Franchise Agreement is signed on ___________, 20__ between Miami Grill Franchising Corporation ("Company") and_____________________________ ("Franchisee") to amend the Franchise Agreement as follows:

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that the Franchise Agreement contains provisions that are inconsistent with the North Dakota law, those provisions are amended as follows:

(a) If Franchisee is required in the Franchise Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, the release excludes claims arising under the North Dakota Franchise Investment Law, and any acknowledgments are void as to claims under the Law.

(b) Covenants not to compete during the term or upon termination or expiration of the Franchise Agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete, which is inconsistent with North Dakota law, the covenant may be unenforceable.

(c) If the Franchise Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void as to any claims under the North Dakota Franchise Investment Law.

(d) If the Franchise Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that the law conflicts with the North Dakota Franchise Investment Law, the North Dakota Franchise Investment Law will control.

(e) If the Franchise Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon before the arbitration or if the parties cannot agree on a location, the arbitrator will determine the location.

(f) If the Franchise Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

(g) Any provision in the Franchise Agreement which requires Franchisee to consent to a waiver of exemplary and punitive damages will not apply to any claims brought under the North Dakota Franchise Investment Law.

2. Each provision of this Rider is effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law as to each provision are met independent of this Addendum. A provision of this Rider has no force or effect if the jurisdictional requirements are not met independent of this Rider. If this Rider is inconsistent with any terms of the Franchise Agreement, the terms of this Rider govern.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

MIAMI GRILL FRANCHISING CORPORATION,
Company

By: ______________________________________

Title: ____________________________________

Franchisee

By: ______________________________________

Title:_____________________________________

RHODE ISLAND RIDER TO FRANCHISE AGREEMENT

This Rhode Island Rider to Franchise Agreement is signed on ___________, 20__ between Miami Grill Franchising Corporation ("Company") and_____________________________ ("Franchisee") to amend the Franchise Agreement as follows:

1. The Rhode Island Securities Division requires that certain provisions contained in the Franchise Agreement be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R. I. Gen. Law Ch. 395 Sec. 19-28.1-1 to 19-28.1-34 (the "Act"). To the extent that the Franchise Agreement contains provisions that are inconsistent with the Act, the provisions are amended:

(a) **Venue**

If the Franchise Agreement requires litigation or arbitration to be conducted in a forum other than the State of Rhode Island, the requirement is void under the Act.

(b) **Governing Law**

If the Franchise Agreement requires that it be governed by a state's law, other than the State of Rhode Island, to the extent that this law conflicts with the Act, the Act will control.

2. Each provision of this Rider is effective only to the extent that the jurisdictional requirements of the Act applicable to the provision are met independent of this Rider. This Rider has no force or effect if the jurisdictional requirements are not independently met.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

MIAMI GRILL FRANCHISING CORPORATION,
Company

By: ______________________________________

Title: ____________________________________

Franchisee

By: ______________________________________

Title:_____________________________________

WASHINGTON RIDER TO FRANCHISE AGREEMENT

This Washington Rider to Franchise Agreement is signed on ___________, 20__ between Miami Grill Franchising Corporation ("Company") and_____________________________ ("Franchisee") to amend the Franchise Agreement as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in Franchisee's relationship with the Company including the areas of termination and renewal rights of the Franchise. There may also be court decisions that may supersede the Franchise Agreement in Franchisee's relationship with the Company including the areas of termination and renewal by the Company.

2. In any arbitration involving a franchise purchased in Washington, the arbitration site must be either in the State of Washington, or in a place mutually agreed upon when the dispute arises, or as determined by the arbitrator.

3. Upon a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW prevails.

4. A release or waiver of rights Franchisee signs will not include rights under the Washington Franchise Investment Protection Act except when signed as part of a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act or the right to a jury trial or other similar waivers of rights specifically granted under the Act are not be enforceable.

5. Transfer fees are collectable to the extent that they may reflect our reasonable estimated or actual costs in effecting a transfer.

6. If the Franchise Agreement contains a choice of law provision applying a state law which conflicts with the Washington Franchise Investment Protection Act shall control.

IN WITNESS WHEREOF, the parties have signed and delivered this Rider on the day and year first written.

MIAMI GRILL FRANCHISING CORPORATION,
Franchisor

By: ______________________________________

Title: ____________________________________

Franchisee

By: ______________________________________

Title:_____________________________________

EXHIBIT “F”
TO THE DISCLOSURE DOCUMENT

MULTI-UNIT DEVELOPER AGREEMENT AND EXHIBITS

MULTI-UNIT DEVELOPMENT AGREEMENT

____

MULTI-UNIT DEVELOPER

____

DATE OF AGREEMENT

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ATTACHMENTS:

MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT ("**Agreement**") is made and entered into the _______ day of _____________, 20__, between Miami Grill Franchising Corporation, a Florida corporation, ("**we**", "**us**" "**our**", "**MGFC**" or "**Company**"),) and ___________________________ a [resident of] [corporation organized in] [limited liability company organized in]____________________ (hereinafter "**you**" or "**your**" or "**Multi-Unit Developer**").

W I T N E S S E T H:

WHEREAS, as the result of the expenditure of time, skill, effort and money, we have developed and own a unique and distinctive system (hereinafter "**System**") relating to the establishment and operation of a quick service restaurant operating under the name "Miami Grill" which principally offer quality food prepared fresh and cooked to order, including submarine sandwiches, pita sandwiches, cheese steaks, wings, hot dogs, fish, burgers, chicken, desserts, ice cream, beverages and other food products ("**Products**") for consumer consumption through on-premises, drive-thru, and carry-out sales ("**Restaurant**" or "**Franchised Business**");

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, décor, color scheme, and furnishings; proprietary products and ingredients; proprietary recipes and special menu items; uniform standards, specifications, and procedures for operations; quality and uniformity of products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by us from time to time;

WHEREAS, pursuant to a license agreement between MGFC and its affiliate, Miami Subs of Delaware, Inc., a Delaware corporation ("**Licensor**"), MGFC has the right to use and license the use of certain trademarks, service marks and trade dress, including the "Miami Grill" trademarks and associated logos, and those additional trademarks, service marks and trade dress (collectively, the "**Proprietary Marks**" or "**Marks**"), which Licensor may hereafter adopt, in connection with the operation of Miami Grill Restaurants. Miami Grill Restaurants operate under MGFC's distinctive image, designs, business formats, methods, procedures, specifications and the Proprietary Marks (collectively, the "**System**"), all of which may be further developed or otherwise modified by MGFC or Licensor from time to time;

WHEREAS, MGFC continues to develop, use and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service; and

WHEREAS, you wish to obtain certain development rights to open and operate Restaurants operating under the Marks and the System within the Exclusive Area described in this Agreement.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows:

SECTION 1
GRANT

1.1 We hereby grant to you, pursuant to the terms and conditions of this Agreement, certain development rights ("**Development Rights**") to establish and operate _________ (_____) franchised Restaurants, and to use the Marks and System solely in connection therewith, at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3.1 hereof, and pursuant to the schedule established in Attachment "D" of this Agreement (hereinafter “**Minimum Performance Schedule**”). Each Restaurant developed hereunder shall be located in the area described in Attachment "E" of this Agreement (hereinafter “**Exclusive Area**”).

1.2 Each Restaurant for which a Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between you and us in accordance with Section 3.1 hereof.

1.3 Except as otherwise provided in this Agreement, we shall not establish, nor franchise anyone other than you to establish, a Restaurant in the Exclusive Area during the term of this Agreement, provided you are not in default hereunder.

1.4 This Agreement is not a Franchise Agreement and does not grant to you any right to use the Marks or System.

1.5 You shall have no right under this Agreement to franchise others under the Marks or System.

SECTION 2
FEES

In consideration of the Development Rights granted herein, for the development of three (3) Restaurants pursuant to this Agreement, you shall pay to us a “Development Fee” of One Hundred Twenty-Five Thousand Dollars ($125,000.00) payable in a lump sum upon execution of this Agreement. If you want to develop more than three (3) Restaurants, you shall pay us Forty Thousand Dollars ($40,000) for each additional Restaurant to be developed.

You acknowledge and agree that the Development Fee and all Initial Franchise Fees shall be fully earned by us upon execution of this Agreement, are not refundable, and will not be credited against any other fees you may pay to us pursuant to this Agreement or any Franchise Agreement.

SECTION 3
SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1 You shall assume all responsibility and expense for locating potential sites for Restaurants and shall submit to us for our evaluation and approval, in the form specified by us, a description of the site, the terms of the lease or purchase, a market feasibility study for the site and such other information and materials as we may reasonably require, together with a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. We shall have thirty (30) days after receipt of such information and materials from you to accept or decline the site in our sole discretion. We shall have no obligation to approve sites which do not meet our criteria for you to meet the Minimum Performance Schedule. If the site is accepted, you will then be presented with the Franchise Agreement for execution.

3.2 Recognizing that time is of the essence, you agree to exercise each of the Development Rights granted hereunder in the manner specified herein, and in accordance with the Minimum Performance Schedule. Your failure to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Section 9.1 hereof. Under no circumstances may you open a Restaurant for business unless and until there is a fully executed Franchise Agreement in place for such Restaurant, and we have been paid all amounts payable to us upon execution of such Agreement.

3.3 You shall exercise each Development Right granted herein only by executing a Franchise Agreement for each Restaurant at a site approved by us in the Exclusive Area as hereinafter provided within ten (10) days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution. The Franchise Agreement for the first Development Right exercised hereunder has been executed contemporaneously with this Agreement. The Franchise Agreement for each additional Development Right exercised hereunder shall be the then-current Franchise Agreement, except that the Royalty and Brand Development Fees shall not increase and shall be the same as stated in the first Franchise Agreement executed, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time. In the event we do not receive the properly executed Franchise Agreement with the appropriate number of copies within said ten (10) days from delivery thereof to you, our approval of the site shall be void, and you shall have no rights with respect to said site.

3.4 You acknowledge that the approval of a particular site for a Restaurant by us shall not be deemed to be an assurance or guaranty that the Restaurant will operate successfully or at a profit from such site.

3.5 You shall be required to execute each Franchise Agreement and own a minimum of fifty-one percent (51%) of the issued and outstanding stock for each Restaurant to be opened pursuant to said Franchise Agreement. In no event shall you relinquish control over each or any entity operating each Restaurant except pursuant to an authorized transfer, as described in Section 11.

SECTION 4
DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1 Subject to the provisions of this Agreement, we grant to you the Development Rights, as described in Section 1.1. Notwithstanding any other provision of this Agreement, Development Rights under this Agreement may or may not, in our sole discretion, include the right to develop Restaurants at any "Non-Traditional Sites". Non-Traditional Sites include without limitation enclosed shopping malls; gas stations or convenience stores; transportation facilities, including airports, train stations, subways and rail and bus stations; military bases and government offices; sports facilities, including stadiums and arenas; amusement parks, zoos and convention centers; car and truck rest stops and travel centers; educational facilities; recreational theme parks; hospitals; hotels; business or industrial foodservice venues; venues in which foodservice is or may be provided by a master concessionaire or contract foodservice provider; Indian reservations; casinos; or any similar captive market location not reasonably available to you, whether currently existing or constructed or established subsequent to the date hereof. If a Non-Traditional Site becomes available within the Exclusive Area during the term of this Agreement, we may, in our sole discretion, offer you the opportunity to develop a Restaurant at the Non-Traditional Site. You will have thirty (30) days after we notify you that the site is available to accept this right of first refusal.

4.2 Provided you are in full compliance with all the terms and conditions of this Agreement, including without limitation your development obligations described in Section 3.2 and the Minimum Performance Schedule, and you are in full compliance with all of your obligations under all franchise agreements executed pursuant to this Agreement, then during the term of this Agreement, neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Restaurants within the Exclusive Area, except the franchises that are granted to you pursuant to this Agreement and except as otherwise expressly provided in this Agreement.

4.3 Upon the termination or expiration of this Agreement, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Restaurants within the Exclusive Area subject only to the territorial rights granted to you with respect to Restaurants operated by you pursuant to the Franchise Agreements and subject, further, to the right of first refusal described in Section 6 below.

4.4 Except as expressly limited by Section 3.2 above, we and our affiliates retain all rights with respect to Restaurants, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right:

4.4.1 to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Restaurants and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside the Exclusive Area, and under any terms and conditions we deem appropriate. "Alternative distribution channels" include, but are not limited to, the Internet, catalog sales, grocery stores, club stores, telemarketing or other direct marketing sales;

4.4.2 to operate and to grant others the right to operate Restaurants located outside the Exclusive Area under any terms and conditions we deem appropriate and regardless of proximity to a Restaurant;

4.4.3 to operate and to grant others the right to operate Restaurants at Non-Traditional Sites within and outside the Exclusive Area under any terms and conditions we deem appropriate; and

4.4.4 to acquire and operate a business operating one or more restaurants or food service businesses located or operating in the Exclusive Area.

SECTION 5
TERM AND RENEWAL

5.1 The term of this Agreement shall be the length of the Minimum Performance Schedule. The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the last Miami Grill Restaurant to be developed hereunder.

5.2 This Agreement shall not be subject to renewal; however, if you wish to purchase a new Exclusive Area and continue to develop Restaurants, we will, in good faith, negotiate a new Multi-Unit Development Agreement with you.

SECTION 6
TERM AND RIGHT OF FIRST REFUSAL

6.1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the date the last Restaurant is opened pursuant to the Minimum Performance Schedule established in Attachment D.

6.2 If, during the term of this Agreement, a Non-Traditional Site becomes available in your Exclusive Area, then we may, in our sole discretion, offer to you the opportunity to develop a Restaurant at such Non-Traditional Site. You shall have thirty (30) days after receipt of our notice in which to accept or decline this right of first refusal. Your failure to notify us within such thirty (30) day period shall be interpreted that you have declined the right of first refusal. Nothing in this Agreement shall require us to provide you with a right of first refusal for a Non-Traditional Site.

6.3 Upon completion of the Minimum Performance Schedule, if we determine that it is desirable to operate one or more additional Restaurants in the Exclusive Area, and provided you have timely complied with the Minimum Performance Schedule and are then in compliance with all terms and conditions of all Franchise Agreements, you shall have a right of first refusal to obtain the Development Rights to such additional Restaurants upon such reasonable terms and conditions as are then determined by us including, but not limited to, the payment of the then-current initial fees upon execution of the then-current Franchise Agreement. In such case, we shall advise you in writing of the terms and conditions for the acquisition of the Development Rights for such additional Restaurants. You must notify us in writing within sixty (60) days of the receipt of such notice whether you wish to acquire the Development Rights to one or all of such additional Restaurants. If you do not exercise this right of first refusal, in whole, we may, following the expiration of the sixty (60) day period, grant the Development Rights to such additional Restaurants to any other person or persons on the same terms and conditions or we may elect to develop and construct any of such additional Restaurants.

SECTION 7
YOUR OBLIGATIONS

7.1 You acknowledge and agree that:

7.1.1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Restaurants and to submit the same to us for our approval in accordance with the terms of this Agreement. This Agreement does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Restaurants within the Exclusive Area. You shall obtain the license to use such additional rights at each Restaurant upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

7.1.2 The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section 11 hereof.

7.1.3 Except as provided in Sections 6.1 and 6.2 hereof, the Development Rights granted hereunder are non-exclusive, and we retain the right, in our sole discretion:

(a) To continue to construct and operate other Restaurants and to use the System and the Marks at any location outside the Exclusive Area, and to license others to do so.

(b) To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein.

(c) To develop, merchandise, sell and license others to sell any of our products, proprietary or otherwise, presently existing or to be developed in the future, to the public through alternative distribution channels outside or inside of the Exclusive Area and to use the Marks in connection therewith.

7.1.4 You have sole responsibility for the performance of all obligations arising out of the operation of your business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.1.5 In all public records, in your relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your business and that the operations of said business are separate and distinct from the operation of a Miami Grill Restaurant.

7.1.6 You shall at all times preserve in confidence any and all materials and information furnished or disclosed to you by us and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.1.7 You shall comply with all requirements of federal, state and local laws, rules and regulations.

7.1.8 You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

7.1.9 In no event shall any Restaurant be opened for business unless and until a Franchise Agreement for such Restaurant has been fully executed and the initial fee for such Restaurant has been paid.

SECTION 8
OUR SERVICES

We shall, at our expense, provide the following services:

8.1 Review your site selection for conformity to our standards and criteria for selection and acquisition of sites upon our receipt of your written request for approval thereof.

8.2 Assist you in determining the layout and configuration of each Restaurant once the location has been approved. After you and we have determining the layout and configuration of each Restaurant, you must arrange for site plan and build-out plans and specifications to be prepared and submitted to us for our review.

8.3 Review of your site plan and final build-out plans and specifications for conformity to the construction standards and specifications of the System, upon our receipt of your written request for approval thereof.

8.4 Provide such other resources and assistance as may hereafter be developed and offered by us to our other Multi-Unit Developers.

SECTION 9
DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law:

9.1.1 If you shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2 If you shall purport to effect any assignment other than in accordance with Section 11 hereof.

9.1.3 Except as provided in Section 11 hereof, if you attempt to sell, assign, transfer or encumber this Agreement prior to the time that at least twenty-five percent (25%) of the Restaurants to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

9.1.4 If you make, or have made, any material misrepresentation to us in connection with obtaining this Agreement, any site approval hereunder, or any Franchise Agreement.

9.1.5 If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

9.1.6 If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Restaurant, and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.7 If you or an owner of yours owning a twenty-five percent (25%) or more interest in you is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one (1) year.

9.1.8 If you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.9 If you, or any shareholder or principal, if you are corporate entity, or any of your affiliates cease to operate all of the Restaurants developed pursuant to the terms of this Agreement.

9.2 Upon occurrence of any of the events stated in this Section 9.2, we may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement. Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1 If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.2.2 If you, or persons controlling, controlled by or under common control with you, shall have any interest, direct or indirect, in the ownership or operation of any food service business engaged in the sale of products similar to those permitted to be sold by you within the Exclusive Area or in any food service business which looks like, copies or imitates the Restaurant or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement with us.

9.2.3 If you shall fail to remit to us any payments pursuant to Section 2 when same are due.

9.2.4 If you shall begin work upon any Restaurant at any site unless all the conditions stated in Section 3 hereof have been met.

9.2.5 If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement.

9.2.6 If you default in the performance of any other obligation under this Agreement.

9.2.7 If you open any Restaurant for business before a Franchise Agreement for such Restaurant has been fully executed and the initial fee due to us has been paid.

SECTION 10
OBLIGATIONS FOLLOWING TERMINATION

10.1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

10.1.1 To cease immediately any attempts to select sites on which to establish Restaurants.

10.1.2 To cease immediately to hold yourself out in any way as a Multi-Unit Developer of ours or to do anything which would indicate a relationship between you and us.

10.1.3 To immediately and permanently cease to use the Proprietary Marks and distinctive forms, slogans, signs, and symbols associated with the Multi-Unit Developer program and the System. Multi-Unit Developer shall also cease to use, without limitation, all signs, advertising materials, stationery, forms, and any other articles that display the Proprietary Marks.

10.1.4 To promptly pay all sums owing to MGFC, and its affiliates and subsidiaries under this Agreement. In the event of termination for any default of Multi-Unit Developer, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees and expenses, incurred by MGFC or such affiliates or subsidiaries as a result of the default, which obligation shall give rise to and remain, until paid in full, a lien in favor of MGFC against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Multi-Unit Developer and on the premises used in the Multi-Unit Developer business. MGFC shall have the right to set-off any amounts which it deems are payable to it by Multi-Unit Developer.

10.1.5 Multi-Unit Developer shall comply with the covenants contained in Section 12 of this Agreement.

10.2 No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

SECTION 11
TRANSFER OF INTEREST

11.1 This Agreement is personal to you and you shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Section shall constitute a material breach of this Agreement.

11.2 In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guarantees by one or more equity owners of all of the obligations of said corporate entity or assignee corporate entity to us and other parties designated by us. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Restaurants pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation of the Restaurants shall be held by the corporate entity or assignee corporate entity. There shall be no transfer fee charged by us for a one (1) time assignment to a corporate entity.

11.3 If you are a corporation or if your rights hereunder are assigned to a corporate entity, you or those individuals disclosed on Attachment "B" attached hereto shall be the legal and beneficial owner of not less than fifty-one percent (51%) of the outstanding equity of said entity and shall act as such entity's principal officer. The assignment to a corporate entity will not relieve you of personal liability to us for performance of any of the obligations under this Agreement. Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity of the entity or assignee entity shall be subject to our prior written approval. We agree that we will not unreasonably restrict the issuance or transfer of equity, provided that you comply with the provisions of this Section 11, and provided that in no event shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of ours. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

> **"The transfer of this certificate is subject to the terms and conditions of a Multi-Unit Development Agreement with Miami Subs Franchising Corporation dated __________. Reference is made to said Multi-Unit Development Agreement and related Franchise Agreements and to restrictive provisions of the governing documents of this entity."**

11.4 The entity or assignee entity's records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section 11. In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded. You are strictly prohibited from offering your securities through a public offering or private placement.

11.5 In the event of your death, disability or permanent incapacity, we shall consent to the transfer of all of the interest of you to your spouse, heirs or relatives, by blood or marriage, or if this

Agreement was originally executed by more than one party, then to the remaining party(ies) who originally executed this Agreement, whether such transfer is made by your Last Will and Testament or by operation of law, provided that the requirements of Section 11 hereof have been met. In the event that your heirs do not obtain our consent as prescribed herein, your personal representative shall have a reasonable time to dispose of your interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement.

11.6 You have represented to us that you are entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this Agreement, prior to the time that at least twenty-five percent (25%) of the Restaurants to be constructed hereunder are opened or under construction, except pursuant to Sections 11.2 and 11.3 hereof, shall be deemed to be an event of default.

11.7 Except as provided in Section 11.6, if you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within thirty (30) days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.7, to purchase such business, Development Rights and interests, including your right to develop sites within the Exclusive Area, on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline or do not accept the offer in writing within thirty (30) days, you may, within thirty (30) days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Section 11. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Section 11.7 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section with respect to the proposed transfer.

11.8 You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit developers and franchisees. Any assignment or transfer permitted by this Section 11 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

11.9 Except as provided in Section 11.6 hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.9.1 All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.9.2 All ascertained or liquidated debts of you to us or our affiliated or subsidiary corporations are paid.

11.9.3 You are not in default hereunder.

11.9.4 We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.9.5 Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of Multi-Unit Development Agreement, Franchise Agreements for all Restaurants open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit developers on the date of transfer.

11.9.6 You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us.

11.9.7 You or transferee pay to us a transfer fee in an amount of Twenty Thousand Dollars ($20,000) to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.10 Upon the death or mental incapacity of any person with an interest of more than fifty percent (50%) in this Agreement or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within twelve (12) months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date said personal representative is appointed, to dispose of the deceased's interest in you or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. It is understood and agreed, however, that notwithstanding the foregoing, the Minimum Performance Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, we shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon ninety (90) days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative.

11.11 Our consent to a transfer of any interest in you or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee.

11.12 We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (a) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (b) the assignee shall expressly assume and agree to perform such obligations.

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of “Miami Subs Franchising Corporation” as Franchisor. Nothing contained in this Agreement shall require us to remain in the restaurant business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

SECTION 12
COVENANTS

12.1 You covenant that during the term of this Agreement, except as otherwise approved in writing by MGFC, you (or if Multi-Unit Developer is a corporation or partnership, the Operating Partner) or Multi-Unit Developer’s manager shall devote full time, energy, and best efforts to the management and operation of the Multi-Unit Developer Business.

12.2 Multi-Unit Developer covenants that during the term of this Agreement it shall not, either directly or indirectly, for itself, or in conjunction with others:

12.2.1 Divert or attempt to divert any business or customer of any franchised business operated under the System to any competitor or do any other act injurious or prejudicial to the goodwill associated with the System.

12.2.2 Solicit or Induce any person employed by any Franchisee or MGFC to violate a confidentiality, non-disclosure or noncompetition agreement or any Franchisee to violate a franchise agreement.

12.2.3 Own, maintain, operate, affiliate with, or have an interest in any business (whether directly operating such a business or as a franchisee, area representative, developer, or otherwise) that offers or sells freshly prepared submarine sandwiches, pita sandwiches, cheese steaks, wings, hot dogs, fish, burgers, and/or chicken as a primary menu item.

12.3 Multi-Unit Developer covenants that, except as otherwise approved in writing by MGFC, it shall not, for a continuous uninterrupted period of two (2) years from the date of: (a) a Transfer permitted under Section 11, above; (b) expiration or termination of this Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 12.3; either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any persons or entity, own, maintain, operate, engage in, develop or acquire any interest in any full-service or quick-service restaurant business, sandwich shop, or carry-out food service business or other channel of distribution: (a) which offers freshly prepared submarine sandwiches, pita sandwiches, cheese steaks, wings, hot dogs, fish, burgers, and chicken; and/or (b) whose method of operation or trade dress is similar to that employed in the System, and which business is, or is intended to be, located (a) within the Territory; (b) within one (1) mile of the border of the Territory; and (c) within three (3) miles of any then-existing Miami Grill Restaurant.

12.4 Sections 12.2 and 12.3 above shall not apply to ownership by Multi-Unit Developer of an interest in any business operated under the System under a franchise granted by MGFC or of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly held entity.

12.5 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which MGFC is a party, Multi-Unit Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 12.

12.6 Multi-Unit Developer understands and acknowledges that MGFC shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Sections 12.2 and 12.3 of this Agreement, or any portion thereof, without Multi-Unit Developer's consent, effective immediately upon receipt by Multi-Unit Developer of written notice thereof; and Multi-Unit Developer agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

12.7 Multi-Unit Developer expressly agrees that the existence of any claims it may have against MGFC, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by MGFC of the covenants in this Section 12. Multi-Unit Developer agrees to pay all costs and expenses (including reasonable attorneys' fees and expenses) incurred by MGFC in connection with the enforcement of this Section 12.

12.8 Multi-Unit Developer shall require and obtain execution of covenants, in a form reasonably acceptable to MGFC, of confidentiality and non-competition similar to those set forth elsewhere in this Agreement (including covenants applicable upon the termination of a person's relationship with Multi-Unit Developer) from any or all of the following persons: (a) all managers of Multi-Unit Developer; (b) all officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of Multi-Unit Developer, and of any entity directly or indirectly controlling Multi-Unit Developer, if Multi-Unit Developer is an entity; and (c) the general partners and any limited partners (including any entity, and the officers, directors, members, and holders of a beneficial interest of five percent (5%) or more of the securities of any entity that controls, directly or indirectly, any general or limited partner), if Multi-Unit Developer is a partnership. The covenants required by this Section 12 shall be in a form specified by MGFC, including, without limitation, specific identification of MGFC as a third-party beneficiary of such covenants with the independent right to enforce them.

12.9 Multi-Unit Developer and its Owners (as defined below) agree to comply with and/or to assist MGFC to the fullest extent possible in MGFC's efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, Multi-Unit Developer and its Owners certify, represent, and warrant that none of their respective property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that neither Multi-Unit Developer nor any of its Owners are otherwise in violation of any of the Anti-Terrorism Laws.

12.9.1 For the purposes of this Section 12.9, the following terms have the following meanings:

12.9.1.1"Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States ("Executive Order 13224"), the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control, and any other government agency with jurisdiction over the parties to this Agreement and/or their actions) addressing or in any way relating to terrorist acts and/or acts of war.

12.9.1.2"Owner" means any person, partner, member, or shareholder who owns any direct or indirect interest in Multi-Unit Developer.

12.9.2 Multi-Unit Developer and its Owners certify that none of them, their respective employees, or anyone associated with any of them is listed in the Annex to Executive Order 13224 (the "Annex"), which is available at: *http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html.*

Multi-Unit Developer agrees not to knowingly hire any individual who is listed in the Annex (or, if he or she is already employed, retain the employment of that individual). Multi-Unit Developer also agrees not to knowingly: (a) establish a new relationship with a person as an employee, Owner, banker, or otherwise who is listed in the Annex (whether or not MGFC has consented to a Transfer involving such new Owner); and (b) maintain a business relationship (whether with an employee, an Owner, banker, or otherwise) with a person who is added to the Annex.

12.9.3 Multi-Unit Developer certifies that it has no knowledge or information that, if generally known, would result in Multi-Unit Developer and/or its Owners, its employees, or anyone else associated with Multi-Unit Developer to be listed in the Annex to Executive Order 13224.

12.9.4 Multi-Unit Developer understands that it is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Multi-Unit Developer specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement also apply to Multi-Unit Developer's obligations under this Section 12.9.

12.9.5 Any misrepresentation by Multi-Unit Developer under this Section or any violation of the Anti-Terrorism Laws by Multi-Unit Developer, its Owners, its employees, and/or their respective affiliates shall constitute grounds for immediate termination of this Agreement and any other agreement Multi-Unit Developer has entered into with MGFC or one of MGFC's affiliates.

SECTION 13
NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party:

Notices to Franchisor:	Miami Grill Franchising Corporation 901-A Clint Moore Road Boca Raton, Florida 33487 Attn: President Facsimile: (954) 973-7616
COPY TO:	Vogel & Associates, P.A. 500 North Broadway Suite 140 Jericho, NY 11753 Attn: Bernard H. Vogel Facsimile: (516) 877-2340
Notices to the Multi-Unit Developer:	______________________________ ______________________________ ______________________________

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

SECTION 14
INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1 It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

14.2 You shall hold yourself out to the public to be an independent contractor operating pursuant to this Agreement. You agree to take such actions as shall be necessary to that end.

14.3 You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

SECTION 15
APPROVALS

15.1 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2 We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

SECTION 16
NON-WAIVER

No failure of ours to exercise any power reserved to us under this Agreement or to insist upon compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this Agreement. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

SECTION 17
SEVERABILITY AND CONSTRUCTION

17.1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement. The provisions of this Agreement shall be deemed severable.

17.2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement.

17.3 Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section 11 hereof, any rights or remedies under or by reason of this Agreement.

17.4 All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf.

17.6 This Agreement may be executed in multiple copies, each of which shall be deemed an original.

SECTION 18
ENTIRE AGREEMENT; APPLICABLE LAW

18.1 This Agreement, the documents referred to herein and the Attachments attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

18.2 This Agreement takes effect upon its acceptance and execution by us, and shall be interpreted and construed exclusively under the laws of the state in which we have our principal place of business (presently, Florida), which laws shall prevail if there is any conflict of law (without regard to, and without giving effect to, the application of Florida choice of law rules); provided, however, that if the covenants in Section 19 of this Agreement would not be enforceable under the laws of Florida, and the Franchised Restaurant is located outside of Florida, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Restaurant is located. Nothing in this Section is intended by the parties to subject this Agreement to any franchise or similar law, rule, or regulation of the State of Florida to which this Agreement would not otherwise be subject.

18.3 Subject to the Arbitration provision below, the parties agree that any action brought by you against us in any court, whether federal or state, shall be brought within such state and in the judicial district in which we have our principal place of business at the time the action is commenced. Any action brought by Company against Franchisee in any court, whether federal or state, may be brought within the state and judicial district in which we have our principal place of business at the time the action is commenced. The parties agree that this Section shall not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue shall be as set forth above. You hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Any such action shall be conducted on an individual basis, and not as part of a consolidated, common, or class action.

SECTION 19
DISPUTE RESOLUTION

19.1 Before any party may bring an action in court against the other, the parties must first meet to arbitrate the dispute (except as otherwise provided in Section 19.2 below). Any such arbitration shall be non-binding and shall be conducted by the American Arbitration Association (AAA) in accordance with its then-current rules for mediation of commercial disputes, to be conducted at the AAA office closest to MGFC's corporate offices (currently in Boca Raton, Florida). Notwithstanding anything to the contrary, this Section shall not bar either party from obtaining injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation.

19.2 Nothing contained in this Agreement shall bar MGFC's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

19.3 No right or remedy conferred upon or reserved to MGFC or Multi-Unit Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

19.4 MGFC AND MULTI-UNIT DEVELOPER IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

19.5 ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF MULTI-UNIT DEVELOPER AND MGFC, OR MULTI-UNIT DEVELOPER'S OPERATION OF THE MULTI-UNIT DEVELOPMENT BUSINESS, BROUGHT BY ANY PARTY HERETO AGAINST THE OTHER, SHALL BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR, IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES, SUCH CLAIM OR ACTION SHALL BE IRREVOCABLY BARRED.

19.6 MGFC AND MULTI-UNIT DEVELOPER HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

19.7 Multi-Unit Developer shall pay to MGFC all damages, costs and expenses (including without limitation reasonable attorneys' fees) that MGFC incurs subsequent to the termination or expiration of the license granted under this Agreement in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement; and/or (b) successfully defending a claim that MGFC defrauded Multi-Unit Developer into signing this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement do not govern the parties' relationship.

SECTION 20
TIMELY PERFORMANCE

You hereby acknowledge that your timely development of the Restaurants in the Exclusive Area in accordance with the Minimum Performance Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Restaurants within the Exclusive Area in accordance with the Minimum Performance Schedule, to operate such Restaurants pursuant to the terms of the Franchise Agreements and to maintain all such Restaurants in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage. Force Majeure shall not include your lack of financing.

SECTION 21
ACKNOWLEDGMENTS

21.1 Multi-Unit Developer acknowledges and agrees that MGFC shall have the right to operate the System as MGFC determines is appropriate, including but not limited to making decisions of whether to enter into an agreement of any sort with any party (such as a prospective Franchisee), determining the terms of any agreement that MGFC will enter into with any party (such as the provisions of a Franchise Agreement), determining whether and how to enforce its agreements (such as whether and when to bring actions to require payment in full by all parties, including Franchisees), and all other matters whatsoever pertaining to the System. Multi-Unit Developer understands that it shall not have any right whatsoever to enforce or to require MGFC to do business with any particular party, enter into any particular agreement, or to enforce the terms of any particular Franchise Agreement.

21.2 Multi-Unit Developer acknowledges that it has read and understood this Agreement, the documents referred to in this Agreement and agreements relating thereto, if any; and that MGFC has accorded Multi-Unit Developer ample time and opportunity to consult with advisors and/or attorneys of Multi-Unit Developer's own choosing about the potential benefits and risks of entering into this Agreement.

21.3 Multi-Unit Developer acknowledges and agrees that MGFC has in the past, and may in the future, modify the offer of its licenses to other multi-unit developers in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that differ from the terms, conditions, and obligations in this Agreement.

21.4 Multi-Unit Developer acknowledges that it received the franchise disclosure document (FDD) required by the Federal Trade Commission Franchise Rule at least fourteen (14) calendar days prior to the date on which this Agreement was executed or any consideration was paid to MGFC.

22.5 Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

22.6 Multi-Unit Developer acknowledges that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon Multi-Unit Developer's ability as an independent businessperson, his/her active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. MGFC does not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

SECTION 23
EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by us.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written.

MIAMI GRILL FRANCHISING CORPORATION

________________________________	By:____________________________
WITNESS	Name:__________________________
	Title:__________________________
	Date:__________________________

MULTI-UNIT DEVELOPER:

________________________________	By:____________________________
WITNESS	Name:__________________________
	Title:__________________________

MIAMI GRILL FRANCHSING CORPORATION
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "A"
CERTIFICATION BY MULTI-UNIT DEVELOPER

The undersigned, personally and as an officer or partner, as applicable, of __________________ ("Multi-Unit Developer") does hereby certify that he has conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and the Miami Grill Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated "Miami Grill " Restaurants, except as may be included in Item 19 of the Franchise Disclosure Document heretofore provided to Multi-Unit Developer. The undersigned further certified that he understands the risks involved in this investment and Miami Grill Franchising Corporation makes no representation or guaranty, explicit or implied, that the Multi-Unit Developer will be successful or will recoup his investment.

IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered this Certificate this _____ day of ________, 20__.

______________________________ WITNESS	______________________________
______________________________ WITNESS	______________________________
______________________________ WITNESS	______________________________

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Developer hereunder.

______________________________ WITNESS	______________________________
______________________________ WITNESS	______________________________
______________________________ WITNESS	______________________________

MIAMI GRILL FRANCHSING CORPORATION
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "B"
GUARANTY

(TO BE EXECUTED ONLY IF MULTI-UNIT DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP)

In consideration of the execution by Miami Grill Franchising Corporation of the annexed Multi-Unit Development Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, being all of the shareholders, directors, and officers of ________________ ("Multi-Unit Developer"), agree to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Multi-Unit Development Agreement and any amendments thereto or renewals thereof, and do hereby execute this Multi-Unit Development Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Multi-Unit Development Agreement and any amendments thereto or renewals thereof.

The guarantors hereunder hereby waive notice of termination or default under the Multi-Unit Development Agreement.

SIGNATURES OF ALL SHAREHOLDERS, DIRECTORS, OFFICERS, MEMBERS AND PARTNERS, AS APPLICABLE

__________________________________ __________________________________
WITNESS

__________________________________ __________________________________
WITNESS

__________________________________ __________________________________
WITNESS

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Multi-Unit Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Multi-Unit Developer hereunder.

__________________________________ __________________________________
WITNESS

__________________________________ __________________________________
WITNESS

__________________________________ __________________________________
WITNESS

MIAMI GRILL FRANCHSING CORPORATION
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "C"
TRANSFER OF A FRANCHISE TO
A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement shall amend that certain Multi-Unit Development Agreement between ____________ ("Multi-Unit Developer") and Miami Grill Franchising Corporation ("Franchisor").

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Multi-Unit Developer of the Restaurants under a Multi-Unit Development Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Exclusive Area set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Multi-Unit Developer constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Multi-Unit Development Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section 11 of the Multi-Unit Development Agreement, agree as follows:

1. The undersigned Multi-Unit Developer shall remain personally liable in all respects under the Multi-Unit Development Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Multi-Unit Development Agreement including the restrictive covenants contained in Section 12 thereof, to the same extent as if each of them were the Multi-Unit Developer set forth in the Multi-Unit Development Agreement and they jointly and severally personally guarantee all of the Multi-Unit Developer's obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

> "The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated ____________, 20__ between ____________________ and Miami Grill Franchising Corporation"
>
> or
>
> "The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated ____________, 20__ between ____________________ and Miami Grill Franchising Corporation"

3. ____________________ or his designee shall devote his best efforts to the day-to-day operation and development of the Restaurants.

4. ____________________ hereby agrees to become a party to and to be bound by all of the provisions of the Multi-Unit Development Agreement executed on the date set forth below between Multi-Unit Developer and Franchisor, to the same extent as if it were named as the Multi-Unit Developer therein.

Date of Multi-Unit Development Agreement: ____________________________________

Exclusive Area for Restaurants: ____

WITNESS:

____

____

As to Paragraph 3:

____
[Name]

As to Paragraph 4:

____
[Name]

ATTEST:

____

____
Name of Corp. or Limited Liability Company

By:_______________________________
Title:_____________________________

In consideration of the execution of the above Agreement, Miami Grill Franchising Corporation hereby consents to the above referred to assignment on this _____ day of __________________, 20__.

MIAMI GRILL FRANCHISING CORPORATION

By:_______________________________
Name:_____________________________
Title:_____________________________

MIAMI GRILL FRANCHSING CORPORATION
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "D"
Minimum Performance Schedule

The Agreement authorizes and obliges Multi-Unit Developer to establish and operate ______________ (___) "Miami Grill" Restaurants pursuant to a Franchise Agreement for each Restaurant. The following is Multi-Unit Developer's Minimum Performance Schedule:

Minimum Cumulative Number of Franchise Agreements for Restaurants to be located and Operating Within the Exclusive Area	By this Date
____________________	____________________
____________________	____________________
____________________	____________________
____________________	____________________
____________________	____________________

Total: ______

The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the final Restaurant to be developed pursuant to this Agreement.

APPROVED:

MULTI-UNIT DEVELOPER	**MIAMI GRILL FRANCHISING CORPORATION**
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:____________________________	Title:____________________________

MIAMI GRILL FRANCHSING CORPORATION
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT "E"
Exclusive Area

The following describes the Exclusive Area within which Multi-Unit Developer may locate "Miami Grill" Restaurants under this Agreement:

APPROVED:

MULTI-UNIT DEVELOPER	MIAMI GRILL FRANCHISING CORPORATION
By:______________________________	By:______________________________
Name:____________________________	Name:____________________________
Title:_____________________________	Title:_____________________________

MIAMI GRILL FRANCHSING CORPORATION
MULTI-UNIT DEVELOPMENT AGREEMENT

ATTACHMENT “F”
State Addenda

CALIFORNIA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

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 application 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.

Agreed to by:

MULTI-UNIT DEVELOPER:	COMPANY:
______________________________	MIAMI GRILL FRANCHISING CORPORATION
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

ILLINOIS RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated ________________________ (the "**Agreement**"), between Miami Grill Franchising Corporation ("Company") and____________________________ ("Multi-Unit Developer").

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The **"Illinois Act**" means the Illinois Franchise Disclosure Act of 1987.

2. **Governing Law and Jurisdiction.** Notwithstanding any provision of the Agreement to the contrary, the Agreement is governed by Illinois law. The parties irrevocably submit to the jurisdiction and venue of the federal and state courts in Illinois, except for matters which the Agreement provides will be resolved by arbitration.

3. **Limitation of Claims.** No action can be maintained to enforce any liability created by the Illinois Act unless brought before the expiration of 3 years from the act or transaction constituting the violation upon which it is based, the expiration of 1 year after Multi-Unit Developer became aware of facts or circumstances reasonably indicating that Multi-Unit Developer may have a claim for relief in respect to conduct governed by the Illinois Act, or 90 days after delivery to the Multi-Unit Developer of a written notice disclosing the violation, whichever shall first expire.

4. **Waivers Void.** Notwithstanding any provision of the Agreement to the contrary, any condition, stipulation, or provision purporting to bind Multi-Unit Developer to waive compliance with any provision of the Illinois Act or any other law of the State of Illinois is void. This Section shall not prevent Multi-Unit Developer from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the litigation of any claim pursuant to the provisions of Title 9 of the United States Code.

5. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

MULTI-UNIT DEVELOPER:	COMPANY:
________________________________	MIAMI GRILL FRANCHISING CORPORATION
By: ____________________________	By: ____________________________
Name: __________________________	Name: __________________________
Title: ___________________________	Title: ___________________________
Date: ___________________________	Date: ___________________________

INDIANA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated ________________________ (the "**Agreement**"), between Miami Grill Franchising Corporation ("Company") and____________________________ ("Multi-Unit Developer").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "**Indiana Acts**" means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

2. Certain Provisions Modified. Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the exclusive territory granted the franchisee by the franchise agreement; or, if no exclusive territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the exclusive area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

MULTI-UNIT DEVELOPER:	COMPANY:
______________________________	MIAMI GRILL FRANCHISING CORPORATION
By: ____________________________	By: ____________________________
Name: __________________________	Name: __________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

MARYLAND RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated ________________________ (the "**Agreement**"), between Miami Grill Franchising Corporation ("Company") and_____________________________ ("Multi-Unit Developer") to amend

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "**Maryland Franchise Law**" means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. **Releases, Estoppels and Waivers of Liability.** 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 incurred under the Maryland Franchise Law.

3. **Statute of Limitations.** Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Developer must bring an action under such law within three years after the grant of the franchise.

4. **Jurisdiction.** Multi-Unit Developer does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

5. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

MULTI-UNIT DEVELOPER:	COMPANY:
______________________________	MIAMI GRILL FRANCHISING CORPORATION
By: __________________________	By: __________________________
Name: ________________________	Name: ________________________
Title: ________________________	Title: ________________________
Date: ________________________	Date: ________________________

MINNESOTA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated ________________________ (the "**Agreement**"), between Miami Grill Franchising Corporation ("Company") and______________________________ ("Multi-Unit Developer").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "**Minnesota Act**" means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. Amendments. The Agreement is amended to comply with the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statues, Section 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state "No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues."

3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

MULTI-UNIT DEVELOPER:	COMPANY:
________________________________	MIAMI GRILL FRANCHISING CORPORATION
By: ____________________________	By: ____________________________
Name: __________________________	Name: __________________________
Title: __________________________	Title: __________________________
Date: __________________________	Date: __________________________

NEW YORK RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated ________________________ (the "**Agreement**"), between Miami Grill Franchising Corporation ("Company") and____________________________ ("Multi-Unit Developer").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Waivers Not Required. Notwithstanding any provision of the Agreement to the contrary, Developer is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve J.S. Subs or any other person from any duty or liability imposed by New York General Business Law, Article 33.

3 Waivers of New York Law Deleted. Any condition, stipulation, or provision in the Agreement purporting to bind Developer to waive compliance by Franchisor with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

4. Governing Law. Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

5. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

MULTI-UNIT DEVELOPER:	COMPANY:
_________________________________	MIAMI GRILL FRANCHISING CORPORATION
By: _____________________________	By: _____________________________
Name: ___________________________	Name: ___________________________
Title: ____________________________	Title: ____________________________
Date: ____________________________	Date: ____________________________

NORTH DAKOTA RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated ________________________ (the "**Agreement**"), between Miami Grill Franchising Corporation ("Company") and____________________________ ("Multi-Unit Developer") to amend

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Amendments. The Agreement (and any Guaranty Agreement) is amended to comply with the following:

(1) Restrictive Covenants: Every contract by which Multi-Unit Developer, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.

(2) Situs of Arbitration or Litigation Proceedings: Multi-Unit Developer and any Guarantor are not required to agree to the arbitration or litigation of disputes at a location that is remote from the site of Multi-Unit Developer's business.

(3) Restrictions on Forum: Multi-Unit Developer and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.

(4) Liquidated Damages and Termination Penalties: Multi-Unit Developer is not required to consent to liquidated damages or termination penalties.

(5) Applicable Laws: The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.

(6) Waiver of Trial by Jury: Multi-Unit Developer and any Guarantor do not waive a trial by jury.

(7) Waiver of Exemplary and Punitive Damages: The parties do not waive exemplary and punitive damages.

(8) General Release: Multi-Unit Developer and any Guarantor are not required to sign a general release upon renewal of the Agreement.

(9) Limitation of Claims: Multi-Unit Developer is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

(10) Enforcement of Agreement: The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

3. **Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

MULTI-UNIT DEVELOPER:	COMPANY:
________________________________	MIAMI GRILL FRANCHISING CORPORATION
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title: _____________________________
Date: _____________________________	Date: _____________________________

RHODE ISLAND RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

This Rider amends the Multi-Unit Development Agreement dated ________________________ (the "**Agreement**"), between Miami Grill Franchising Corporation ("Company") and____________________________ ("Multi-Unit Developer").

1. Definitions. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. Jurisdiction and Venue. Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

3. Effective Date. This Rider is effective as of the Effective Date.

Agreed to by:

MULTI-UNIT DEVELOPER:	COMPANY:
_________________________________	MIAMI GRILL FRANCHISING CORPORATION
By: ______________________________	By: ______________________________
Name: ____________________________	Name: ____________________________
Title: _____________________________	Title: _____________________________
Date: _____________________________	Date: _____________________________

WASHINGTON RIDER TO MULTI-UNIT DEVELOPMENT AGREEMENT

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

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

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

Agreed to by:

MULTI-UNIT DEVELOPER:	COMPANY:
______________________________	MIAMI GRILL FRANCHISING CORPORATION
By: ___________________________	By: ___________________________
Name: _________________________	Name: _________________________
Title: _________________________	Title: _________________________
Date: _________________________	Date: _________________________

EXHIBIT "G"
TO THE DISCLOSURE DOCUMENT

STATE ADDENDA TO DISCLOSURE DOCUMENT

EXHIBIT "G"
TO THE DISCLOSURE DOCUMENT

STATE ADDENDA TO DISCLOSURE DOCUMENT

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement or Area Development Agreement contains provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement and Area Development Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker 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. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The Franchise Agreement requires binding arbitration. The arbitration will occur at Florida with the costs being borne by Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

7. The Franchise Agreement and Area Development Agreement require application of the laws of Florida. This provision may not be enforceable under California law.

8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

9. 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.

10. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

11. OUR WEBSITE, www.mymiamigrill.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION at www.dfpi.ca.gov.

12. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner of the Department of Financial Protection and Innovation.**

13. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the 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 agent make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

14. 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 application 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 REQUIRED BY THE STATE OF ILLINOIS

1. The following item must be included within the Disclosure Document and shall replace the language that is in the Disclosure Document itself:

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State." This Section of the Act replaces any contradictory language contained in the Franchise Agreement and Development Agreement.

2. Illinois law governs the Franchise Agreement and Area Development Agreement.

3. Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code."

4. Under Illinois law at 200.608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois. The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state “Illinois law”. The appropriate sections of the Franchise Agreement and Development Agreement are amended accordingly.

5. Section 29 of the Franchise Agreement and Section 12 of the Area Development Agreement are amended to comply with Section 27, Periods of Limitation, of the Act to allow any and all claims and actions arising out of or relating to these Agreements, the relationship of Franchisor and Franchisee, or your operation of the Franchise brought by you against us shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred.

6. Item 17(g) of the Disclosure Document, Section 21 of the Franchise Agreement and Section 12of the Development Agreement are amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee’s exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. This amends Section 29 of the Franchise Agreement and Section 22 of the Area Development Agreement.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for Miami Grill Franchising Franchise Disclosure Document and for its Franchise and Multi-Unit Development Agreements. The amendments included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Area Development Agreement which provide for termination upon bankruptcy of the franchisee/ developer may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The appropriate sections of the Franchise Agreement and Multi-Unit Development Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

7. The appropriate sections of the Franchise Agreement and Area Development Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. The Franchise Agreement, Area Development Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees to assent to a release, estoppels or waiver of liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law."

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document effectively amends and revises said Disclosure Document and Franchise Agreement and Area Development Agreement as follows:

1. Item 13 of the Disclosure Document and Section 29 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Disclosure Document and Sections 22 and 29 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes 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 for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld."

3. Item 17 of the Disclosure Document and Section 29 of the Franchise Agreement and Section 22 of the Area Development Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

"Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. Item 17 of the Disclosure Document and Section 29 of the Franchise Agreement and Section 22 of the Area Development Agreement are amended by the addition of the following language to the original language that appears therein:

"Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

5. Any reference to liquidated damages in the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits requiring you to consent to liquidated damages.

6. Section 29 of the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

7. Section 29 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

8. Under Minn. Rule 2860.4400J, franchisees cannot be required to waive their rights under RICO. Therefore, Section 29 of the Franchise Agreement is hereby deleted.

9. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of $30 on a NSF check. This applies to everyone in Minnesota who accepts checks except banks.

10. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. Section 29 of the Franchise Agreement is hereby amended accordingly.

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF 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 THAT 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 CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH RE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

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

Except as provided above, with regard 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 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 upon 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 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 om 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 REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Operator Agreement and Development Agent Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Articles 16 and 17 of the Franchise Agreement and Article 10 of the Multi-Unit Operator Agreement and Articles 2 and 8 of the Development Agent Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 19 of the Franchise Agreement and Article 12 of the Multi-Unit Operator Agreement and Article 10 of the Development Agent Agreement are amended accordingly.

3. Item 6 and Item 17(i) of the Disclosure Document and Article 19 of the Franchise Agreement requires the franchisee to consent to termination or liquidated damages. Since the Commissioner has determined this to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, these provisions are hereby deleted in each place they appear in the Disclosure Document and Franchise Agreement used in North Dakota.

4. Item 17(u) of the Disclosure Document, Article 20 of the Franchise Agreement and Article 14 of the Multi-Unit Operator Agreement and Article 22 of the Development Agent Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 24 of the Franchise Agreement and Article 15 of the Multi-Unit Operator Agreement and Article 21 of the Development Agent Agreement which require jurisdiction of courts in Washington, DC are deleted.

6. Item 17(w) of the Disclosure Document, Article 24 of the Franchise Agreement and Article 15 of the Multi-Unit Operator Agreement and Article 21 of the Development Agent Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 24 of the Franchise Agreement and Article 15 of the Multi-Unit Operator Agreement and Article 21 of the Development Agent Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 24 of the Franchise Agreement and Article 15 of the Multi-Unit Operator Agreement and Article 21 of the Development Agent Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that:
> "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

ADDENDUM REQUIRED BY THE 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 Miami Grill Franchising for use in the Commonwealth of Virginia shall be amended as follows:

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

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19.100.180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

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

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

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

EXHIBIT "H"
TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

Miami Grill Corporation Guaranty of Performance

FINANCIAL STATEMENTS
AND REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

MIAMI SUBS CORPORATION & SUBSIDIARIES
(a wholly-owned subsidiary of Miami Subs Capital Partners I, Inc.)

December 31, 2023 and December 31, 2022

CONTENTS

TARKIN CPA PC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Miami Subs Corporation

Opinion

We have audited the accompanying consolidated financial statements of Miami Subs Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the related consolidated statements of earnings, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Miami Subs Corporation and its 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.

Emphasis of Matter

Change in Accounting Principle
As discussed in Note A of the financial statements, in 2022 the company adopted new accounting guidance for leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that 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 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 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 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 Miami Subs Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Miami Subs Corporation's ability to continue as a going concern for a reasonable period of time.

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

Tarkin CPA PC

April 26, 2024

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31,

	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,220,819	$ 1,848,795
Trade and notes receivable, net	373,104	384,367
Prepaid expenses and other current assets	-	227
Total current assets	1,593,923	2,233,389
Property and equipment, net	2,290	5,143
Notes receivable, net	-	109,388
Intangible assets, net	41,000	41,000
Operating leases assets, net	2,709,507	3,115,989
Deferred income taxes, net	85,694	27,042
Receivable from affiliates	1,868,016	1,457,129
Other assets, net	-	-
Total assets	6,300,430	6,989,080
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable and accrued expenses	320,086	207,499
Franchise deposits and deferred fees	428,203	309,050
Current portion of long term debt	-	144,267
Total current liabilities	748,289	660,816
Notes payable, net of current portion	-	82,130
Other deferral and liabilities	-	84,587
Operating lease liabilities, net	2,709,507	3,115,989
Commitments and contingencies	-	-
Total liabilities	3,457,796	3,943,522
Stockholder's equity		
Common stock, $.01 par value;1,000 authorized; 200 shares issued and outstanding	2	2
Additional paid-in capital	12,467,854	12,467,854
Accumulated deficit	(9,625,222)	(9,422,298)
Total stockholder's equity	2,842,634	3,045,558
Total liabilities and stockholder's equity	$ 6,300,430	$ 6,989,080

See accompanying notes to the financial statements

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Earnings

For the years ending December 31,

	2023	2022
Revenues		
Franchise fees and royalties	$ 2,362,599	$ 2,878,721
Franchise marketing fund contributions	1,061,629	1,153,838
Other income	642,748	843,477
Total revenue	4,066,976	4,876,036
Costs and expenses		
General and administrative	2,867,839	2,505,371
Franchise marketing fund expenses	1,439,323	1,157,121
Depreciation and amortization	5,280	6,797
Interest expense	16,110	24,291
Total costs and expenses	4,328,552	3,693,580
Income from operations before provision for income taxes	(261,576)	1,182,456
Provision for income tax expense (benefit)	(58,652)	213,754
Net Income	$ (202,924)	$ 968,702

See accompanying notes to the financial statements

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Stockholder's Equity

For the years ending December 31,

	Common stock		Additional paid-in	Accumulated	Total stockholder's
	Shares	Amount	Capital	deficit	equity
Balance, December 31, 2021	200	$ 2	$ 12,467,854	$ (3,498,050)	$ 8,969,806
Net income	-	-	-	968,702	968,702
Dividends paid				(6,892,950)	(6,892,950)
Balance, December 31, 2022	200	$ 2	$ 12,467,854	$ (9,422,298)	$ 3,045,558
Net income	-	-	-	(202,924)	(202,924)
Dividends paid					-
Balance, December 31, 2023	200	$ 2	$ 12,467,854	$ (9,625,222)	$ 2,842,634

See accompanying notes to the financial statements

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ending December 31,

	2023	2022
Cash flows from operating activities		
Net income	$ (202,924)	$ 968,702
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	5,280	6,797
Amortization of intangibles	-	-
Deferred income taxes	(58,652)	213,754
Changes in operating assets and liabilities		
Trade notes and accounts receivable, net	120,651	331,487
Prepaid expenses and other current assets	227	(63)
Other assets, net	-	-
Accounts payable, accrued expenses and other liabilities	112,587	56,409
Franchise deposits and deferred revenue	119,153	(260,850)
Other deferral and liabilities	(84,587)	(182,692)
Commitments and contingencies	-	-
Receivable from affiliates	(410,887)	(424,262)
Net cash provided (used) by operating activities	(399,152)	709,282
Cash flows from investing activities		
Purchase of property and equipment	(2,427)	(1,742)
Net cash provided (used) by investing activities	(2,427)	(1,742)
Cash flows from financing activities		
Repayments of term debt	(226,397)	(453,010)
Borrowing of term debt	-	-
Dividend paid		(109,000)
Net cash provided (used) by financing activities	(226,397)	(562,010)
Net income increase (decrease) in cash	(627,976)	145,530
Cash at beginning of year	1,848,795	1,703,265
Cash at end of year	$ 1,220,819	$ 1,848,795
Supplemental disclosures of cash flow information:		
Cash paid during the period for		
Interest	$ 16,110	$ 24,291
Income Taxes	$ 669	$ 2,000

See accompanying notes to the financial statements

NATURE OF BUSINESS AND ORGANIZATION

Miami Subs Corporation (the "Company" or "Miami Grill") is incorporated in the State of Florida and is a wholly-owned subsidiary of Miami Subs Capital Partners I Inc. Miami Subs Corporation is a holding entity which does not have assets or generate revenue on its own. Through its subsidiaries, the Company, operates a franchise system of quick service restaurants under the names "Miami Grill", "Miami Subs Grill", “Miami Subs Pizza & Grill”, “Miami Subs Franchising Corp.”, and "Miami Subs Plus". Miami Subs features a wide variety of lunch, dinner and snack foods, including hot and cold sandwiches and various ethnic foods. At December 31 2023, there were 28 restaurants operating in the Miami Grill system.

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The following significant accounting policies have been applied in the preparation of the consolidated financial statements:

1. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

2. Use of Estimates

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management in preparing the consolidated financial statements include revenue recognition, the allowance for doubtful accounts, the allowance for impaired notes receivable, impairment charges on long lived assets, lease termination reserves and the deferred tax asset valuation allowance.

3. Revenue Recognition - Franchising Operations

In connection with its franchising operations, the Company receives initial franchise fees, development fees, royalties, contributions to marketing funds, and in certain cases, revenue from sub-leasing restaurant properties to franchisees.

The Company has elected to account for the pre-opening expenses as a single performance obligation. Franchise and area development fees, which are typically received prior to completion of the revenue recognition process, are initially recorded as deferred revenue. A portion of the initial franchise fees, all of which are non-refundable, are recognized as income when substantially all services to be performed by Miami Grill and conditions relating to pre-opening of the franchise have been performed or satisfied.

The following services are typically provided by the Company prior to the opening of a franchised restaurant:

- Approval of all site selections to be developed.
- Provision of architectural plans suitable for restaurants to be developed.
- Assistance in establishing building design specifications, reviewing construction compliance and equipping the restaurant.
- Provision of appropriate menus to coordinate with the restaurant design and location to be developed.
- Provision of management training for the new franchisee and selected staff.
- Assistance with the initial operations of restaurants being developed.

NOTE A (continued)

The Company is also obligated to provide franchisees access to certain proprietary programs, written materials, trademarks, tools, and support associated with their franchise business. This portion of the initial franchise fee is recognized over the franchise term on a straight-line basis.

At December 31, 2023 and 2022 there was $25,1825 and $184,050 in deferred franchise fees and deposits payable respectively. For the years ending December 31, 2023 and 2022 the Company earned franchise fees from the franchising of new unit openings, transfers, and/or completed franchise obligations of $142,225 and $333,350 respectively.

Area development fees are nonrefundable and the related agreements require the franchisee to open a specified number of restaurants in the development area within a specified time period or the agreements may be canceled by the Company. Revenue from area development agreements is initially deferred and recognized in accordance with generally accepted accounting principles. For the year ending December 31, 2023 the Company recognized earned area development fees of $0 and had $0 deferred. For the year ending December 31, 2022 the Company recognized earned area development fees of $160,000 and had $0 deferred.

The following is a summary of franchise openings and closings for the year ended December 31, 2023:

Franchised restaurants operating at the beginning of the period	28
Franchised restaurants opened during the period	6
Franchised restaurants closed/terminated during the period	(5)
Franchised restaurants reacquired by franchisor	(1)
Franchised restaurants operating at the end of the period	28

Four Ghost Kitchen concepts were tested in 2022 and are excluded from the counts above.

The Company recognizes franchise royalties, which are generally based upon a percentage of sales made by the Company's franchisees, when they are earned and deemed collectible. Franchise fees and royalties that are not deemed collectible are not recognized as revenue until paid by the franchisee or until collectability is deemed to be reasonably assured.

Revenue from subleasing properties, primarily to franchisees, is recognized as income as the revenue is earned and becomes receivable and deemed collectible. Sublease rental income is presented net of associated lease costs in the accompanying consolidated statement of earnings.

4. Allowance for Doubtful Accounts

The Company evaluates the collectability of its trade accounts receivable from franchisees based on a combination of factors, including the length of time the receivables are past due and the probability of collection from litigation or default proceedings, where applicable. The Company records a specific allowance for doubtful accounts in an amount required to adjust the carrying values of such balances to the amount that the Company estimates to be net realizable value. The Company writes off a specific account when (a) the Company enters into an agreement with a franchisee that releases the franchisee from outstanding obligations, (b) franchise agreements are terminated and the projected costs of collections exceed the benefits expected to be received from pursuing the balance owed through legal action, or (c) franchisees do not have the financial where withal or unprotected assets from which collection is reasonably assured.

Notes receivable represent loans made to franchisees arising from re-franchising of Company restaurants, sales of property, and in certain cases when past due trade receivables from franchisees are restructured into an interest-bearing note. Notes receivable with a carrying value greater than zero are written down to net realizable value when it is probable or likely that the Company is unable to collect all amounts due under the contractual terms of the loan agreement.

NOTE A (continued)

5. Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation and amortization. Major improvements are capitalized and minor replacements, maintenance and repairs are charged to expense as incurred. Depreciation and amortization are calculated primarily on the straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the estimated useful life or the lease term of the related asset. The estimated useful lives are as follows:

Building and improvements	5 - 25 years
Machinery, equipment, furniture and fixtures	5 - 8 years
Leasehold improvements	5 - 20 years

6. Assets Held for Sale

The Company classifies assets as held for sale when we commit to a plan to dispose of the assets by refranchising specific restaurants in their current condition at a price that is reasonable, and we believe completing the plan of sale within one year is probable without significant changes. Assets held for sale are recorded at the lower of their carrying value or fair value, less costs to sell and we cease depreciation on assets at the time they are classified as held for sale. We classify impairment losses associated with restaurants held for sale as losses on refranchisings.

7. Intangible Assets

Intangible assets consist of trademarks and trade names and certain identifiable intangible assets resulting from acquisitions in 2000.

The table below presents amortized and unamortized intangible assets:

	December 31, 2023			December 31, 2022		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Unamortized intangible assets:						
Trademarks and trade names	$ 41,000		$ 41,000	$ 41,000		$ 41,000
Total			$ 41,000			$ 41,000

The Company has determined that its trademarks and trade names have indefinite lives, and, as such, are not amortized, but are tested for impairment at least annually or more often if impairment indicators exist.

As of December 31, 2023 and December 31, 2022, the Company has performed its required annual impairment testing and has determined that no impairment is deemed to exist.

8. Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Impairment is measured by comparing the carrying value of the long-lived assets to the estimated undiscounted future cash flows expected to result from use of the assets and their ultimate disposition. In instances where impairment is determined to exist, the Company writes down the asset to its fair value based on the present value of estimated future cash flows.

NOTE A (continued)

9. Fair Value of Financial Instruments

The carrying amounts of accounts receivable and accounts payable approximate fair value due to the short-term maturities of the instruments. The carrying amounts of notes receivable approximate their fair values as the current interest rates on such instruments approximates current market interest rates on similar instruments.

10. Interest Income

Interest income is recorded when it is earned and deemed realizable by the Company.

11. Concentrations of Credit Risk

The Company's accounts receivable consist principally of receivables from franchisees for royalties. At December 31, 2023 and 2022 no franchisee represented 10% or greater of accounts receivable. No franchisee accounted for 10% or greater of revenues during the years ended December 31, 2023 and December 31, 2022.

12. Advertising

The Company administers various marketing funds on behalf of its restaurant system to coordinate the marketing efforts of the Company. Under these arrangements, the Company collects and disburses fees paid by franchisees for national and regional advertising, promotional and public relations programs. Contributions are generally based on up to 3% of net sales, as defined. In accordance with ASC 606 the contributions of franchisees and other fees related to the marking funds are recognized as revenue and expenses. Prior to adaptation of ASC 606 advertising fees net of expenses were recorded as a liability against which related costs were charged.

13. Income Taxes

The Company files consolidated Federal income tax returns with its parent company and certain state income tax returns on a stand-alone basis. Miami Grill determines its provision for income taxes using the separate return method. The allocation of tax expense is based on what Miami Grill current and deferred tax expense would be had it filed separate tax returns. Current Federal tax liabilities are recorded through the receivable from affiliate accounts.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. A valuation allowance has been established to reduce deferred tax assets attributable to net operating losses and credits to an amount that is more likely than not to be realizable.

14. Leases

Beginning January 1, 2022 the company adopted ASU 842. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The company has elected to use the package of practical expedients, which includes no reassessment of lease classification, no re-evaluation of embedded leases, and no reassessment of initial direct costs.

NOTE A (continued)

The company has also elected to not recognize lease liabilities and right of use assets for short-term leases
In leases where the company is the lessee, we recognize a right-of-use ("ROU") asset and lease liability at lease commencement, which are measured by discounting lease payments using our incremental borrowing rate as the discount rate. We determine the incremental borrowing rate applicable to each lease by reference to our outstanding secured borrowings and implied spreads over the risk-free discount rates that correspond to the term of each lease, as adjusted for the currency of the lease. Subsequent amortization of the ROU asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Variable lease cost are recognized in the period when changes in facts and circumstances on which the variable lease payments are based occur.

The Company has operating leases which are subleased under the same terms of the head lease and the company does not earn any rental income and doesn't not receive any rental payments. As such no rental income or expense is recorded in relation to these arrangements.

NOTE B: TRADE AND NOTES RECEIVABLE, NET

Trade and notes receivable, net, consists of the following:

	2023	**2022**
Trade accounts receivable	$ 341,337	$ 315,266
Notes receivable, current portion	77,500	87,064
Other	-	-
Less: provision for doubtful accounts	(45,733)	(17,963)
Total, net	$ 373,104	$ 384,367

Notes receivable, net consists of the following:

	2023	**2022**
Total recorded notes receivable	$ -	$ 109,388
Less: provision for impaired notes	-	-
Total, notes net	$ -	$ 109,388

NOTE C: PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consist of the following:

	2023	**2022**
Machinery, equipment, furniture and fixtures	$ 146,275	$ 143,848
Leasehold improvement	3,944	3,944
Less depreciation and amortization	(147,929)	(142,649)
	$ 2,290	$ 5,143

Depreciation and amortization expense of property and equipment was $5,280 for the year ended December 31, 2023 and $6,797 for the year ended December 31, 2022.

NOTE D: OTHER INCOME

The Company classifies income it receives from operations that are not classified as franchise fees and royalties as other income. For the years ended December 31, 2022 and December 31, 2021 other income consists of the following:

	2023	2022
Vendor rebates and supplier contracts	$ 485,922	$ 583,887
Net gains from restaurant refranchisings	100,000	150,153
Termination fees	32,500	-
Interest income	10,134	15,379
Miscellaneous	14,192	94,058
Total	$ 642,748	$ 843,477

NOTE E: NOTES PAYABLE

As of December 31, 2023 the company had a line of credit from a commercial bank with a maximum credit limit of $500,000. There were no outstanding borrowings under this agreement as of December 31, 2023 and December 31, 2022.

During December 2017 the company borrowed an additional $204,166 from the same commercial bank as a 6 year term loan with an annual interest rate of 4.77%. The total payable under this agreement was $0 as of December 31, 2023 and $41,181 as of December 31, 2022.

During July 2018 the company borrowed an additional $252,155 from the same commercial bank as a 6 year term loan with an annual interest rate of 5.42%. The total payable under this agreement was $0 as of December 31, 2023 and $79,678 as of December 31, 2022.

During November 2018, the company borrowed an additional $276,415 from the same commercial bank as a 6 year term loan with an annual interest rate of 5.82%. The total payable under this agreement was $0 as of December 31, 2023 and $105,538 as of December 31, 2022.

The Company received a loans from in the amount of $481,560 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Company applied for and has been notified that $424,290 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected in other income. The remaining loan balance of $57,270 bears interest at a rate of 1% and is payable in monthly installments. As of December 31, 2021 $16,402 remained payable and was fully repaid during 2022.

NOTE F: INCOME TAXES

The provision for income taxes consists of the following:

	December 31, 2023	December 31, 2022
Federal		
Current	$ -	$ -
Deferred	(52,840)	192,572
State		
Current	-	-
Deferred	(5,812)	21,182
	$ (58,652)	$ 213,754

NOTE F (continued)

Total income tax expense for the years ending December 31, 2023 and 2022 differed from the amounts computed by applying the United State Federal income tax rate to income before provision for income taxes as follows:

	December 31, 2023	December 31, 2022
Income tax at statutory federal rate	$ -	$ 248,316
State income taxes, net of federal benefit	-	27,315
Effect of permanent differences	-	-
Other	(58,652)	(5,403)
Change in valuation allowance	-	(56,474)
	$ (58,652)	$ 213,754

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

	December 31, 2023	December 31, 2022
Deferred tax assets		
Accounts and notes receivable	$ 10,660	$ 4,187
Impairment on notes receivable	-	-
Depreciation of fixed assets	-	-
Net operating loss	75,034	23,968
	85,694	28,155
Deferred tax liabilities		
Depreciation of fixed assets	-	(1,113)
Amortization of intangibles	-	-
	-	(1,113)
	85,694	27,042
Less valuation allowance	-	-
Net deferred tax asset	$ 85,694	$ 27,042

The deferred tax asset represents the amount of income taxes recoverable in respect to prior periods and arises from the temporary differences between recognition and measurement requirements of financial accounting standards and tax law. A valuation allowance is provided when it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Based on anticipated future taxable income, management believes it is more likely than not that the Company will realize the benefit of its net deferred tax asset of $85,694 as of December 31, 2023. The Company has federal and state net operating loss carryforwards of approximately $322,000 expiring in varying amounts during years ending December 31, 2022 through 2029. A portion of these carry forwards are subject to limitations imposed under the Internal Revenue Code pursuant to Section 382 regarding changes in ownership. As result of these limitations a valuation allowance has been provided for these net operating loss carryforwards.

NOTE G: RELATED PARTY TRANSACTIONS

The Company had receivables from affiliates of $1,868,016 as of December 31, 2023 and 1,457,129 as of December 31, 2022. The Company does not expect this receivable to be satisfied in cash from affiliates, but may from time to time declare a noncash dividend to reduce the amount outstanding.

The Company leases office space from a related party. For the years ended December 31, 2023 and 2022 the Company paid rent to the related party in the amount $163,581 and $144,300 respectively.

From time to time the Company enters into financing arrangements with an entities which are controlled by some of its Directors in the form of term notes payable and receivable with interest at standard rates.

NOTE H: LEASES, COMMITMENTS AND CONTINGENCES

1. Leases and Commitments

The Company leases sites, which it subleases to franchisees at the same terms of the original lease. All rent and fees on these leases are paid directly to the Landlord by the sublessee and no income is record earned or recorded by the Company. The Company remains liable for all lease costs when properties are subleased to franchisees. The leases generally have initial terms ranging from 5 to 20 years and usually provide for renewal options ranging from 5 to 20 years. Most of the leases contain escalation clauses and common area maintenance charges (including taxes and insurance).

Certain leases require additional (contingent) rental payments if sales volumes at the related restaurants exceed specified limits. Contingent rental payments on building leases are typically made based on the percentage of gross sales on the individual restaurants that exceeds predetermined levels. The percentage of gross sales to be paid and related gross sales levels vary by unit.

As of December 31, 2023, the Company had noncancelable operating minimum lease commitments, net of certain sublease rental income, as follows:

	Operating Lease commitments	Sublease income	Net Lease Commitments (income)
2023	$ 584,043	$ 584,043	$ 0
2024	437,317	437,317	0
2025	386,468	386,468	0
2026	391,065	391,065	0
2027	324,793	324,793	0
Thereafter	1,329,098	1,329,098	0
Total minimum receipts/ payments	$ 3,452,784	$ 3,452,784	$ 0
Present value of minimum lease payments	$ 2,709,507		

The company also leases its current office space under a month to month lease with a related party.

For the years ended December 31, 2023 and 2022 the Company had aggregate rental expense, net of rental income, under all current leases of $163,581 and $144,300 respectively.

NOTE H (continued)

2. Litigation

The Company and its subsidiaries are from time to time involved in ordinary and routine litigation. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on the Company's financial position, results of operations or cash flows. Nevertheless, litigation is subject to inherent uncertainties and unfavorable rulings could occur. An unfavorable ruling could include money damages, and, in such event, could result in a material adverse impact on the Company's financial position, results of operations or cash flows for the period in which the ruling occurs.

NOTE I: SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 26, 2024 and any significant events, relative to the consolidated financial statements as of December 31, 2023 that warrant additional disclosure have been included in the notes to the consolidated financial statements.

TARKIN CPA PC

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INDEPENDENT AUDITORS' REPORT ON
DETAILED STATEMENTS OF GENERAL AND ADMINISTRATIVE EXPENSE

Board of Directors
Miami Subs Corporation

We have audited the consolidated financial statements of Miami Subs Corporation and its subsidiaries as of and for the years ended December 31, 2023 and December 31, 2022, and have issued our report thereon dated April 26, 2024, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Detailed Statements of General and Administrative Expense is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Tarkin CPA PC

April 26, 2024

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Detailed Statements of General and Administrative Expense

For the years ending December 31,

	2023	2022
General and administrative expense		
Advertising and marketing	4,811	9,028
Auto expense	22,409	27,082
Bad debt expense	42,500	-
Bank and credit card fees	7,588	7,392
Commission expense	18,750	130,984
Computer & software	28,656	23,018
Consulting fees	1,208,838	721,925
Franchise development	6,400	7,062
Insurance	30,234	27,509
Legal & professional fees	86,001	64,749
Licenses, permits & taxes	669	2,000
Miscellaneous	7,022	144,312
Office expense	73,409	78,674
Postage & delivery	2,199	2,136
Product development	77	510
Rent expense	163,581	144,300
Royalty fee expense	179	-
Salaries and employee benefits	1,104,977	1,073,278
Telephone	10,788	10,749
Travel and entertainment	47,820	29,482
Uniforms	931	1,181
Total general and administrative expense	**2,867,839**	**2,505,371**

FINANCIAL STATEMENTS
AND REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

MIAMI SUBS CORPORATION & SUBSIDIARIES
(a wholly-owned subsidiary of Miami Subs Capital Partners I, Inc.)

December 31, 2022 and December 31, 2021

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Miami Subs Corporation

Opinion

We have audited the accompanying consolidated financial statements of Miami Subs Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of earnings, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Miami Subs Corporation and its 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.

Emphasis of Matter

Change in Accounting Principle
As discussed in Note A of the financial statements, in 2022 the company adopted new accounting guidance for leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that 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 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 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 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 Miami Subs Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Miami Subs Corporation's ability to continue as a going concern for a reasonable period of time.

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

Tarkin CPA PC

March 19, 2023

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31,

		2022	2021
ASSETS			
Current Assets			
Cash and cash equivalents		$ 1,848,795	$ 1,703,265
Trade and notes receivable, net		384,367	470,815
Prepaid expenses and other current assets		227	164
Total current assets		2,233,389	2,174,244
Property and equipment, net		5,143	10,198
Notes receivable, net		109,388	354,427
Intangible assets, net		41,000	41,000
Operating leases assets, net		3,115,989	
Deferred income taxes, net		27,042	240,796
Receivable from affiliates		1,457,129	7,816,817
Other assets, net		-	-
Total assets		6,989,080	10,637,482
LIABILITIES AND STOCKHOLDER'S EQUITY			
Current liabilities			
Accounts payable and accrued expenses		207,499	151,090
Franchise deposits and deferred fees		309,050	569,900
Current portion of long term debt		144,267	453,010
Total current liabilities		660,816	1,174,000
Notes payable, net of current portion		82,130	226,397
Other deferral and liabilities		84,587	267,279
Operating lease liabilities, net		3,115,989	
Commitments and contingencies		-	-
Total liabilities		3,943,522	1,667,676
Stockholder's equity			
Common stock, $.01 par value;1,000 authorized; 200 shares issued and outstanding		2	2
Additional paid-in capital		12,467,854	12,467,854
Accumulated deficit		(9,422,298)	(3,498,050)
Total stockholder's equity		3,045,558	8,969,806
Total liabilities and stockholder's equity		$ 6,989,080	$ 10,637,482

See accompanying notes to the financial statements

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Earnings

For the years ending December 31,

	2022	2021
Revenues		
Franchise fees and royalties	$ 2,878,721	$ 2,740,138
Franchise marketing fund contributions	1,153,838	1,455,653
Other income	843,477	984,861
Total revenue	4,876,036	5,180,652
Costs and expenses		
General and administrative	2,505,371	2,390,495
Franchise marketing fund expenses	1,157,121	994,047
Depreciation and amortization	6,797	6,868
Interest expense	24,291	34,710
Total costs and expenses	3,693,580	3,426,120
Income from operations before provision for income taxes	1,182,456	1,754,532
Provision for income tax expense (benefit)	213,754	58,235
Net Income	$ 968,702	$ 1,696,297

See accompanying notes to the financial statements

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Stockholder's Equity

For the years ending December 31,

	Common stock Shares	Common stock Amount	Additional paid-in Capital	Accumulated deficit	Total stockholder's equity
Balance, December 31, 2020	200	$ 2	$ 12,467,854	$ (5,194,347)	$ 7,273,509
Net income	-	-	-	1,696,297	1,696,297
Balance, December 31, 2021	200	$ 2	$ 12,467,854	$ (3,498,050)	$ 8,969,806
Net income	-	-	-	968,702	968,702
Dividends paid				(6,892,950)	(6,892,950)
Balance, December 31, 2022	200	$ 2	$ 12,467,854	$ (9,422,298)	$ 3,045,558

See accompanying notes to the financial statements

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ending December 31,

	2022	2021
Cash flows from operating activities		
Net income	$ 968,702	$ 1,696,297
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	6,797	6,868
Amortization of intangibles	-	-
Deferred income taxes	213,754	58,235
Changes in operating assets and liabilities		
Trade notes and accounts receivable, net	331,487	(20,856)
Prepaid expenses and other current assets	(63)	7,693
Other assets, net	-	-
Accounts payable, accrued expenses and other liabilities	56,409	(18,135)
Franchise deposits and deferred revenue	(260,850)	200,650
Other deferral and liabilities	(182,692)	(105,221)
Commitments and contingencies	-	-
Receivable from affiliates	(424,262)	(730,147)
Net cash provided (used) by operating activities	709,282	1,095,384
Cash flows from investing activities		
Purchase of property and equipment	(1,742)	(10,245)
Net cash provided (used) by investing activities	(1,742)	(10,245)
Cash flows from financing activities		
Repayments of term debt	(453,010)	(252,958)
Borrowing of term debt	-	-
Dividend paid	(704,000)	
Net cash provided (used) by financing activities	(1,157,010)	(252,958)
Net income increase (decrease) in cash	(449,470)	832,181
Cash at beginning of year	1,703,265	871,084
Cash at end of year	$ 1,253,795	$ 1,703,265
Supplemental disclosures of cash flow information:		
Cash paid during the period for		
Interest	$ 24,291	$ 34,710
Income Taxes	$ 2,000	$ 3,500

See accompanying notes to the financial statements

NATURE OF BUSINESS AND ORGANIZATION

Miami Subs Corporation (the "Company" or "Miami Grill") is incorporated in the State of Florida and is a wholly-owned subsidiary of Miami Subs Capital Partners I Inc. Miami Subs Corporation is a holding entity which does not have assets or generate revenue on its own. Through its subsidiaries, the Company, operates a franchise system of quick service restaurants under the names "Miami Grill", "Miami Subs Grill", “Miami Subs Pizza & Grill”, “Miami Subs Franchising Corp.”, and "Miami Subs Plus". Miami Subs features a wide variety of lunch, dinner and snack foods, including hot and cold sandwiches and various ethnic foods. At December 31 2022, there were 28 restaurants operating in the Miami Grill system.

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The following significant accounting policies have been applied in the preparation of the consolidated financial statements:

1. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

2. Use of Estimates

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management in preparing the consolidated financial statements include revenue recognition, the allowance for doubtful accounts, the allowance for impaired notes receivable, impairment charges on long lived assets, lease termination reserves and the deferred tax asset valuation allowance.

3. Revenue Recognition - Franchising Operations

In connection with its franchising operations, the Company receives initial franchise fees, development fees, royalties, contributions to marketing funds, and in certain cases, revenue from sub-leasing restaurant properties to franchisees.

The Company has elected to account for the pre-opening expenses as a single performance obligation. Franchise and area development fees, which are typically received prior to completion of the revenue recognition process, are initially recorded as deferred revenue. A portion of the initial franchise fees, all of which are non-refundable, are recognized as income when substantially all services to be performed by Miami Grill and conditions relating to pre-opening of the franchise have been performed or satisfied.

The following services are typically provided by the Company prior to the opening of a franchised restaurant:

- Approval of all site selections to be developed.
- Provision of architectural plans suitable for restaurants to be developed.
- Assistance in establishing building design specifications, reviewing construction compliance and equipping the restaurant.
- Provision of appropriate menus to coordinate with the restaurant design and location to be developed.
- Provision of management training for the new franchisee and selected staff.
- Assistance with the initial operations of restaurants being developed.

NOTE A (continued)

The Company is also obligated to provide franchisees access to certain proprietary programs, written materials, trademarks, tools, and support associated with their franchise business. This portion of the initial franchise fee is recognized over the franchise term on a straight-line basis.

At December 31, 2022 and 2021 there was $184,050 and $184,900 in deferred franchise fees and deposits payable respectively. For the years ending December 31, 2022 and 2021 the Company earned franchise fees from the franchising of new unit openings, transfers, and/or completed franchise obligations of $333,350 and $94,350 respectively.

Area development fees are nonrefundable and the related agreements require the franchisee to open a specified number of restaurants in the development area within a specified time period or the agreements may be canceled by the Company. Revenue from area development agreements is initially deferred and recognized in accordance with generally accepted accounting principles. For the year ending December 31, 2022 the Company recognized earned area development fees of $160,000 and had $0 deferred. For the year ending December 31, 2021 the Company recognized earned area development fees of $20,000 and had $160,000 deferred.

The following is a summary of franchise openings and closings for the year ended December 31, 2022:

Franchised restaurants operating at the beginning of the period	30
Franchised restaurants opened during the period	3
Franchised restaurants closed during the period	(5)
Franchised restaurants reacquired by franchisor	-
Franchised restaurants operating at the end of the period	28

Four Ghost Kitchen concepts were tested in 2022 and are excluded from the counts above.

The Company recognizes franchise royalties, which are generally based upon a percentage of sales made by the Company's franchisees, when they are earned and deemed collectible. Franchise fees and royalties that are not deemed collectible are not recognized as revenue until paid by the franchisee or until collectability is deemed to be reasonably assured.

Revenue from subleasing properties, primarily to franchisees, is recognized as income as the revenue is earned and becomes receivable and deemed collectible. Sublease rental income is presented net of associated lease costs in the accompanying consolidated statement of earnings.

4. Allowance for Doubtful Accounts

The Company evaluates the collectability of its trade accounts receivable from franchisees based on a combination of factors, including the length of time the receivables are past due and the probability of collection from litigation or default proceedings, where applicable. The Company records a specific allowance for doubtful accounts in an amount required to adjust the carrying values of such balances to the amount that the Company estimates to be net realizable value. The Company writes off a specific account when (a) the Company enters into an agreement with a franchisee that releases the franchisee from outstanding obligations, (b) franchise agreements are terminated and the projected costs of collections exceed the benefits expected to be received from pursuing the balance owed through legal action, or (c) franchisees do not have the financial where withal or unprotected assets from which collection is reasonably assured.

Notes receivable represent loans made to franchisees arising from re-franchising of Company restaurants, sales of property, and in certain cases when past due trade receivables from franchisees are restructured into an interest-bearing note. Notes receivable with a carrying value greater than zero are written down to net realizable value when it is probable or likely that the Company is unable to collect all amounts due under the contractual terms of the loan agreement.

NOTE A (continued)

5. Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation and amortization. Major improvements are capitalized and minor replacements, maintenance and repairs are charged to expense as incurred. Depreciation and amortization are calculated primarily on the straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the estimated useful life or the lease term of the related asset. The estimated useful lives are as follows:

Building and improvements	5 - 25 years
Machinery, equipment, furniture and fixtures	5 - 8 years
Leasehold improvements	5 - 20 years

6. Assets Held for Sale

The Company classifies assets as held for sale when we commit to a plan to dispose of the assets by refranchising specific restaurants in their current condition at a price that is reasonable, and we believe completing the plan of sale within one year is probable without significant changes. Assets held for sale are recorded at the lower of their carrying value or fair value, less costs to sell and we cease depreciation on assets at the time they are classified as held for sale. We classify impairment losses associated with restaurants held for sale as losses on refranchisings.

7. Intangible Assets

Intangible assets consist of trademarks and trade names and certain identifiable intangible assets resulting from acquisitions in 2000.

The table below presents amortized and unamortized intangible assets:

	December 31, 2022			December 31, 2021		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Unamortized intangible assets:						
Trademarks and trade names	$ 41,000		$ 41,000	$ 41,000		$ 41,000
Total			$ 41,000			$ 41,000

The Company has determined that its trademarks and trade names have indefinite lives, and, as such, are not amortized, but are tested for impairment at least annually or more often if impairment indicators exist.

As of December 31, 2022 and December 31, 2021, the Company has performed its required annual impairment testing and has determined that no impairment is deemed to exist.

8. Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Impairment is measured by comparing the carrying value of the long-lived assets to the estimated undiscounted future cash flows expected to result from use of the assets and their ultimate disposition. In instances where impairment is determined to exist, the Company writes down the asset to its fair value based on the present value of estimated future cash flows.

NOTE A (continued)

9. Fair Value of Financial Instruments

The carrying amounts of accounts receivable and accounts payable approximate fair value due to the short-term maturities of the instruments. The carrying amounts of notes receivable approximate their fair values as the current interest rates on such instruments approximates current market interest rates on similar instruments.

10. Interest Income

Interest income is recorded when it is earned and deemed realizable by the Company.

11. Concentrations of Credit Risk

The Company's accounts receivable consist principally of receivables from franchisees for royalties. At December 31, 2022 and 2021 no franchisee represented 10% or greater of accounts receivable. No franchisee accounted for 10% or greater of revenues during the years ended December 31, 2022 and December 31, 2021.

12. Advertising

The Company administers various marketing funds on behalf of its restaurant system to coordinate the marketing efforts of the Company. Under these arrangements, the Company collects and disburses fees paid by franchisees for national and regional advertising, promotional and public relations programs. Contributions are based on up to 3% of net sales, as defined. In accordance with ASC 606 the contributions of franchisees and other fees related to the marking funds are recognized as revenue and expenses. Prior to adaptation of ASC 606 advertising fees net of expenses were recorded as a liability against which related costs were charged.

13. Income Taxes

The Company files consolidated Federal income tax returns with its parent company and certain state income tax returns on a stand-alone basis. Miami Grill determines its provision for income taxes using the separate return method. The allocation of tax expense is based on what Miami Grill current and deferred tax expense would be had it filed separate tax returns. Current Federal tax liabilities are recorded through the receivable from affiliate accounts.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. A valuation allowance has been established to reduce deferred tax assets attributable to net operating losses and credits to an amount that is more likely than not to be realizable.

14. Leases

Beginning January 1, 2022 the company adopted ASU 842. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The company has elected to use the package of practical expedients, which includes no reassessment of lease classification, no re-evaluation of embedded leases, and no reassessment of initial direct costs.

NOTE A (continued)

The company has also elected to not recognize lease liabilities and right of use assets for short-term leases
In leases where the company is the lessee, we recognize a right-of-use ("ROU") asset and lease liability at lease commencement, which are measured by discounting lease payments using our incremental borrowing rate as the discount rate. We determine the incremental borrowing rate applicable to each lease by reference to our outstanding secured borrowings and implied spreads over the risk-free discount rates that correspond to the term of each lease, as adjusted for the currency of the lease. Subsequent amortization of the ROU asset and accretion of the lease liability for an operating lease is recognized as a single lease cost, on a straight-line basis, over the lease term. Variable lease cost are recognized in the period when changes in facts and circumstances on which the variable lease payments are based occur.

The Company has operating leases which are subleased under the same terms of the head lease and the company does not earn any rental income and doesn't not receive any rental payments. As such no rental income or expense is recorded in relation to these arrangements.

NOTE B: TRADE AND NOTES RECEIVABLE, NET

Trade and notes receivable, net, consists of the following:

	2022	2021
Trade accounts receivable	$ 315,266	$ 565,865
Notes receivable, current portion	87,064	105,095
Other	-	-
Less: provision for doubtful accounts	(17,963)	(200,145)
Total, net	$ 384,367	$ 470,815

Notes receivable, net consists of the following:

	2022	2021
Total recorded notes receivable	$ 109,388	$ 354,427
Less: provision for impaired notes	-	-
Total, notes net	$ 109,388	$ 354,427

NOTE C: PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consist of the following:

	2022	2021
Machinery, equipment, furniture and fixtures	$ 143,848	$ 142,106
Leasehold improvement	3,944	3,944
Less depreciation and amortization	(142,649)	(135,852)
	$ 5,143	$ 10,198

Depreciation and amortization expense of property and equipment was $6,797 for the year ended December 31, 2022 and $6,868 for the year ended December 31, 2021.

NOTE D: OTHER INCOME

The Company classifies income it receives from operations that are not classified as franchise fees and royalties as other income. For the years ended December 31, 2022 and December 31, 2021 other income consists of the following:

	2022	2021
Vendor rebates and supplier contracts	$ 583,887	$ 489,707
Net gains from restaurant refranchisings	150,153	-
Interest income	15,379	38,154
Forgiveness of PPP Loans	-	424,290
Miscellaneous	94,058	32,710
Total	$ 843,477	$ 984,861

NOTE E: NOTES PAYABLE

As of December 31, 2022 the company had a line of credit from a commercial bank with a maximum credit limit of $500,000. Outstanding borrowings under this agreement were $0 as of December 31, 2021 and $300,000 as of December 31, 2021. Interest was charged monthly based on Libor plus 3.45% on this line and matured in March of 2023.

During December 2017 the company borrowed an additional $204,166 from the same commercial bank as a 6 year term loan with an annual interest rate of 4.77%. The total payable under this agreement was $41,181 as of December 31, 2022 and $80,445 as of December 31, 2021.

During July 2018 the company borrowed an additional $252,155 from the same commercial bank as a 6 year term loan with an annual interest rate of 5.42%. The total payable under this agreement was $79,678 as of December 31, 2022 and $127,458 as of December 31, 2021.

During November 2018, the company borrowed an additional $276,415 from the same commercial bank as a 6 year term loan with an annual interest rate of 5.82%. The total payable under this agreement was $105,538 as of December 31, 2022 and $156,103 as of December 31, 2021.

The Company received a loans from in the amount of $481,560 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Company applied for and has been notified that $424,290 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected in other income. The remaining loan balance of $57,270 bears interest at a rate of 1% and is payable in monthly installments. As of December 31, 2021 $16,402 remained payable and was fully repaid during 2022.

NOTE F: INCOME TAXES

The provision for income taxes consists of the following:

	December 31, 2022	December 31, 2021
Federal		
Current	$ -	$ -
Deferred	192,572	77,585
State		
Current	-	-
Deferred	21,182	(19,350)
	$ 213,754	$ 58,235

NOTE F (continued)

Total income tax expense for the years ending December 31, 2022 and 2021 differed from the amounts computed by applying the United State Federal income tax rate to income before provision for income taxes as follows:

	December 31, 2022	December 31, 2021
Income tax at statutory federal rate	$ 248,316	$ 368,212
State income taxes, net of federal benefit	27,315	40,503
Effect of permanent differences	-	(98,902)
Other	(5,403)	1,979
Change in valuation allowance	(56,474)	(253,557)
	$ 213,754	$ 58,235

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

	December 31, 2022	December 31, 2021
Deferred tax assets		
Accounts and notes receivable	$ 4,187	$ 46,653
Impairment on notes receivable	-	-
Depreciation of fixed assets	-	-
Net operating loss	23,968	252,946
	28,155	299,599
Deferred tax liabilities		
Depreciation of fixed assets	(1,113)	(2,329)
Amortization of intangibles	-	-
	(1,113)	(2,329)
	27,042	297,270
Less valuation allowance	-	(56,474)
Net deferred tax asset	$ 27,042	$ 240,796

The deferred tax asset represents the amount of income taxes recoverable in respect to prior periods and arises from the temporary differences between recognition and measurement requirements of financial accounting standards and tax law. A valuation allowance is provided when it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Based on anticipated future taxable income, management believes it is more likely than not that the Company will realize the benefit of its net deferred tax asset of $27,042 as of December 31, 2022. The Company has federal and state net operating loss carryforwards of approximately $100,000 expiring in varying amounts during years ending December 31, 2022 through 2029. A portion of these carry forwards are subject to limitations imposed under the Internal Revenue Code pursuant to Section 382 regarding changes in ownership. As result of these limitations a valuation allowance has been provided for these net operating loss carryforwards.

NOTE G: RELATED PARTY TRANSACTIONS

The Company had receivables from affiliates of $1,457,129 as of December 31, 2022 and $7,816,817 as of December 31, 2021. The Company does not expect this receivable to be satisfied in cash from affiliates, but may from time to time declare a noncash dividend to reduce the amount outstanding.

The Company leases office space from a related party. For the years ended December 31, 2022 and 2020 the Company paid rent to the related party in the amount $144,300 and $139,884 respectively.

From time to time the Company enters into financing arrangements with an entities which are controlled by some of its Directors in the form of term notes payable and receivable with interest at standard rates.

NOTE H: LEASES, COMMITMENTS AND CONTINGENCES

1. Leases and Commitments

The Company leases sites, which it subleases to franchisees at the same terms of the original lease. All rent and fees on these leases are paid directly to the Landlord by the sublessee and no income is record earned or recorded by the Company. The Company remains liable for all lease costs when properties are subleased to franchisees. The leases generally have initial terms ranging from 5 to 20 years and usually provide for renewal options ranging from 5 to 20 years. Most of the leases contain escalation clauses and common area maintenance charges (including taxes and insurance).

Certain leases require additional (contingent) rental payments if sales volumes at the related restaurants exceed specified limits. Contingent rental payments on building leases are typically made based on the percentage of gross sales on the individual restaurants that exceeds predetermined levels. The percentage of gross sales to be paid and related gross sales levels vary by unit.

As of December 31, 2022, the Company had noncancelable operating minimum lease commitments, net of certain sublease rental income, as follows:

	Operating Lease commitments	Sublease income	Net Lease Commitments (income)
2023	$ 574,877	$ 574,877	$ 0
2024	584,043	584,043	0
2025	437,317	437,317	0
2026	386,468	386,468	0
2027	391,065	391,065	0
Thereafter	1,653,891	1,653,891	0
Total minimum receipts/ payments	$ 4,027,661	$ 4,027,661	$ 0
Present value of minimum lease payments	$ 3,115,989		

The company also leases its current office space under a month to month lease with a related party.

For the years ended December 31, 2022 and 2021 the Company had aggregate rental expense, net of rental income, under all current leases of $144,300 and $139,884 respectively.

NOTE H (continued)

2. Litigation

The Company and its subsidiaries are from time to time involved in ordinary and routine litigation. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on the Company's financial position, results of operations or cash flows. Nevertheless, litigation is subject to inherent uncertainties and unfavorable rulings could occur. An unfavorable ruling could include money damages, and, in such event, could result in a material adverse impact on the Company's financial position, results of operations or cash flows for the period in which the ruling occurs.

NOTE I: SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 19, 2023 and any significant events, relative to the consolidated financial statements as of December 31, 2022 that warrant additional disclosure have been included in the notes to the consolidated financial statements.

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INDEPENDENT AUDITORS' REPORT ON
DETAILED STATEMENTS OF GENERAL AND ADMINISTRATIVE EXPENSE

Board of Directors
Miami Subs Corporation

We have audited the consolidated financial statements of Miami Subs Corporation and its subsidiaries as of and for the years ended December 31, 2022 and December 31, 2021, and have issued our report thereon dated March 19, 2023, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Detailed Statements of General and Administrative Expense is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Tarkin CPA PC

March 19, 2023

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Detailed Statements of General and Administrative Expense

For the years ending December 31,

	2022	2021
General and administrative expense		
Advertising and marketing	9,028	9,625
Auto expense	27,082	17,875
Bad debt expense	-	-
Bank and credit card fees	7,392	13,457
Commission expense	130,984	49,285
Computer & software	23,018	27,192
Consulting fees	721,925	860,949
Franchise development	7,062	32,117
Insurance	27,509	20,424
Legal & professional fees	64,749	56,826
Licenses, permits & taxes	2,000	3,292
Miscellaneous	144,312	2,336
Office expense	78,674	61,321
Postage & delivery	2,136	1,927
Product development	510	640
Rent expense	144,300	139,884
Royalty fee expense	-	3,021
Salaries and employee benefits	1,073,278	1,043,032
Telephone	10,749	12,556
Travel and entertainment	29,482	33,682
Uniforms	1,181	1,054
Total general and administrative expense	**2,505,371**	**2,390,495**

FINANCIAL STATEMENTS
AND REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

MIAMI SUBS CORPORATION & SUBSIDIARIES
(a wholly-owned subsidiary of Miami Subs Capital Partners I, Inc.)

December 31, 2021 and December 31, 2020

CONTENTS

TARKIN CPA PC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Miami Subs Corporation

Opinion

We have audited the accompanying consolidated financial statements of Miami Subs Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of earnings, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial present fairly, in all material respects, the financial position of Miami Subs Corporation and its subsidiaries as of December 31, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Miami Subs Corporation and its 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.

Emphasis of Matter

Change in Accounting Principle
As discussed in Note A of the financial statements, in 2020 the company adopted new accounting guidance for recognizing revenue from contracts with customers. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that 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 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 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 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 Miami Subs Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Miami Subs Corporation's ability to continue as a going concern for a reasonable period of time.

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

September 9, 2022

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

As of December 31,

	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,703,265	$ 871,084
Trade and notes receivable, net	470,815	346,065
Prepaid expenses and other current assets	164	7,857
Total current assets	2,174,244	1,225,006
Property and equipment, net	10,198	6,821
Notes receivable, net	354,427	458,321
Intangible assets, net	41,000	41,000
Deferred income taxes, net	240,796	299,031
Receivable from affiliates	7,816,817	7,086,670
Other assets, net	-	-
Total assets	10,637,482	9,116,849
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accounts payable and accrued expenses	151,090	169,225
Franchise deposits and deferred fees	569,900	369,250
Current portion of long term debt	453,010	554,775
Total current liabilities	1,174,000	1,093,250
Notes payable, net of current portion	226,397	377,590
Other deferral and liabilities	267,279	372,500
Commitments and contingencies	-	-
Total liabilities	1,667,676	1,843,340
Stockholder's equity		
Common stock, $.01 par value;1,000 authorized; 200 shares issued and outstanding	2	2
Additional paid-in capital	12,467,854	12,467,854
Accumulated deficit	(3,498,050)	(5,194,347)
Total stockholder's equity	8,969,806	7,273,509
Total liabilities and stockholder's equity	$ 10,637,482	$ 9,116,849

See accompanying notes to the financial statements

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Earnings

For the years ending December 31,

	2021	2020
Revenues		
Franchise fees and royalties	$ 2,740,138	$ 2,311,588
Franchise marketing fund contributions	1,455,653	1,238,130
Other income	984,861	792,868
Total revenue	5,180,652	4,342,586
Costs and expenses		
General and administrative	2,390,495	2,187,259
Franchise marketing fund expenses	994,047	1,095,954
Depreciation and amortization	6,868	4,203
Interest expense	34,710	40,539
Total costs and expenses	3,426,120	3,327,955
Income from operations before provision for income taxes	1,754,532	1,014,631
Provision for income tax expense (benefit)	58,235	122,954
Net Income	$ 1,696,297	$ 891,677

See accompanying notes to the financial statements

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Stockholder's Equity

For the years ending December 31,

	Common stock Shares	Common stock Amount	Additional paid-in Capital	Accumulated deficit	Total stockholder's equity
Balance, December 31, 2019	200	$ 2	$ 12,467,854	$ (6,017,667)	$ 6,450,189
Net income	-	-	-	891,677	891,677
Impact of change in accounting policy	-	-	-	(68,357)	(68,357)
Balance, December 31, 2020	200	$ 2	$ 12,467,854	$ (5,194,347)	$ 7,273,509
Net income	-	-	-	1,696,297	1,696,297
Balance, December 31, 2021	200	$ 2	$ 12,467,854	$ (3,498,050)	$ 8,969,806

See accompanying notes to the financial statements

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ending December 31,

		2021		2020
Cash flows from operating activities				
Net income	$	1,696,297	$	891,677
Adjustments to reconcile net income to net cash provided by operating activities				
Depreciation and amortization		6,868		4,203
Amortization of intangibles		-		-
Deferred income taxes		58,235		122,954
Changes in operating assets and liabilities				
Trade notes and accounts receivable, net		(20,856)		57,907
Prepaid expenses and other current assets		7,693		14,232
Other assets, net		-		1,600
Accounts payable, accrued expenses and other liabilities		(18,135)		(342,893)
Franchise deposits and deferred revenue		200,650		199,250
Other deferral and liabilities		(105,221)		(3,400)
Commitments and contingencies		-		-
Receivable from affiliates		(730,147)		(19,727)
Net cash provided (used) by operating activities		1,095,384		925,803
Cash flows from investing activities				
Purchase of property and equipment		(10,245)		-
Net cash provided (used) by investing activities		(10,245)		-
Cash flows from financing activities				
Repayments of term debt		(252,958)		(83,632)
Borrowing of term debt		-		20,000
Net cash provided (used) by financing activities		(252,958)		(63,632)
Net income increase (decrease) in cash		832,181		862,171
Cash at beginning of year		871,084		8,913
Cash at end of year	$	1,703,265	$	871,084
Supplemental disclosures of cash flow information:				
Cash paid during the period for				
Interest	$	34,710	$	40,538
Income Taxes	$	3,500	$	975

See accompanying notes to the financial statements

NATURE OF BUSINESS AND ORGANIZATION

Miami Subs Corporation (the "Company" or "Miami Grill") is incorporated in the State of Florida and is a wholly-owned subsidiary of Miami Subs Capital Partners I Inc. Miami Subs Corporation is a holding entity which does not have assets or generate revenue on its own. Through its subsidiaries, the Company, operates a franchise system of quick service restaurants under the names "Miami Grill", "Miami Subs Grill", “Miami Subs Pizza & Grill”, “Miami Subs Franchising Corp.”, and "Miami Subs Plus". Miami Subs features a wide variety of lunch, dinner and snack foods, including hot and cold sandwiches and various ethnic foods. At December 31 2021, there were 37 restaurants operating in the Miami Grill system.

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The following significant accounting policies have been applied in the preparation of the consolidated financial statements:

1. Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

2. Use of Estimates

The preparation of 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates made by management in preparing the consolidated financial statements include revenue recognition, the allowance for doubtful accounts, the allowance for impaired notes receivable, impairment charges on long lived assets, lease termination reserves and the deferred tax asset valuation allowance.

3. Revenue Recognition - Franchising Operations

In connection with its franchising operations, the Company receives initial franchise fees, development fees, royalties, contributions to marketing funds, and in certain cases, revenue from sub-leasing restaurant properties to franchisees.

Effective January 1, 2020, the Company adopted the new revenue recognition guidance prescribed by ASC 606 using the modified retrospective transition method. Under the modified retrospective transition approach, periods prior to the adoption date were not adjusted and a cumulative catch-up adjustment was recorded to the beginning stockholders’ equity to reflect the impact of all existing franchisee and customer contracts impacted by ASC 606. January 1, 2020 the company recognized a decrease to stockholders’ equity of $68,357 as a result of the cumulative catch-up adjustment.

The Company applied the new guidance using the practical expedient provided in Topic 606 that allows the guidance to be applied only to contracts that were not complete as of January 1, 2020 and has elected to account for the pre-opening expenses as a single performance obligation. Franchise and area development fees, which are typically received prior to completion of the revenue recognition process, are initially recorded as deferred revenue. A portion of the initial franchise fees, all of which are non-refundable, are recognized as income when substantially all services to be performed by Miami Grill and conditions relating to pre-opening of the franchise have been performed or satisfied.

NOTE A (continued)

The following services are typically provided by the Company prior to the opening of a franchised restaurant:

- Approval of all site selections to be developed.
- Provision of architectural plans suitable for restaurants to be developed.
- Assistance in establishing building design specifications, reviewing construction compliance and equipping the restaurant.
- Provision of appropriate menus to coordinate with the restaurant design and location to be developed.
- Provision of management training for the new franchisee and selected staff.
- Assistance with the initial operations of restaurants being developed.

The Company is also obligated to provide franchisees access to certain proprietary programs, written materials, trademarks, tools, and support associated with their franchise business. Beginning in January 2020, under ASC 606, this portion of the initial franchise fee is recognized over the franchise term on a straight-line basis.

At December 31, 2021 and 2020 there was $184,900 and $189,250 in deferred franchise fees and deposits payable respectively. For the years ending December 31, 2021 and 2020 the Company earned franchise fees from the franchising of new unit openings, transfers, and/or completed franchise obligations of $94,350 and $60,500 respectively.

Area development fees are nonrefundable and the related agreements require the franchisee to open a specified number of restaurants in the development area within a specified time period or the agreements may be canceled by the Company. Revenue from area development agreements is initially deferred and recognized in accordance with generally accepted accounting principles. For the year ending December 31, 2021 the Company recognized earned area development fees of $20,000 and had $160,000 deferred. For the year ending December 31, 2020 the Company recognized earned area development fees of $20,000 and had $180,000 deferred.

The following is a summary of franchise openings and closings for the year ended December 31, 2021:

Franchised restaurants operating at the beginning of the period	30
Franchised restaurants opened during the period	7
Franchised restaurants closed during the period	-
Franchised restaurants reacquired by franchisor	-
Franchised restaurants operating at the end of the period	37

The Company recognizes franchise royalties, which are generally based upon a percentage of sales made by the Company's franchisees, when they are earned and deemed collectible. Franchise fees and royalties that are not deemed collectible are not recognized as revenue until paid by the franchisee or until collectability is deemed to be reasonably assured.

Revenue from subleasing properties, primarily to franchisees, is recognized as income as the revenue is earned and becomes receivable and deemed collectible. Sublease rental income is presented net of associated lease costs in the accompanying consolidated statement of earnings.

4. Allowance for Doubtful Accounts

The Company evaluates the collectability of its trade accounts receivable from franchisees based on a combination of factors, including the length of time the receivables are past due and the probability of collection from litigation or default proceedings, where applicable. The Company records a specific allowance for doubtful accounts in an amount required to adjust the carrying values of such balances to the amount that the Company estimates to be net realizable value. The Company writes off a specific account when (a) the Company enters into

NOTE A (continued)

an agreement with a franchisee that releases the franchisee from outstanding obligations, (b) franchise agreements are terminated and the projected costs of collections exceed the benefits expected to be received from pursuing the balance owed through legal action, or (c) franchisees do not have the financial where withal or unprotected assets from which collection is reasonably assured.

Notes receivable represent loans made to franchisees arising from re-franchising of Company restaurants, sales of property, and in certain cases when past due trade receivables from franchisees are restructured into an interest-bearing note. Notes receivable with a carrying value greater than zero are written down to net realizable value when it is probable or likely that the Company is unable to collect all amounts due under the contractual terms of the loan agreement.

5. Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation and amortization. Major improvements are capitalized and minor replacements, maintenance and repairs are charged to expense as incurred. Depreciation and amortization are calculated primarily on the straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the estimated useful life or the lease term of the related asset. The estimated useful lives are as follows:

Building and improvements	5 - 25 years
Machinery, equipment, furniture and fixtures	5 - 8 years
Leasehold improvements	5 - 20 years

6. Assets Held for Sale

The Company classifies assets as held for sale when we commit to a plan to dispose of the assets by refranchising specific restaurants in their current condition at a price that is reasonable, and we believe completing the plan of sale within one year is probable without significant changes. Assets held for sale are recorded at the lower of their carrying value or fair value, less costs to sell and we cease depreciation on assets at the time they are classified as held for sale. We classify impairment losses associated with restaurants held for sale as losses on refranchisings.

7. Intangible Assets

Intangible assets consist of trademarks and trade names and certain identifiable intangible assets resulting from acquisitions in 2000.

The table below presents amortized and unamortized intangible assets:

	December 31, 2021			December 31, 2020		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Unamortized intangible assets:						
Trademarks and trade names	$ 41,000		$ 41,000	$ 41,000		$ 41,000
Total			$ 41,000			$ 41,000

The Company has determined that its trademarks and trade names have indefinite lives, and, as such, are not amortized, but are tested for impairment at least annually or more often if impairment indicators exist.

NOTE A (continued)

As of December 31, 2021 and December 31, 2020, the Company has performed its required annual impairment testing and has determined that no impairment is deemed to exist.

8. Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Impairment is measured by comparing the carrying value of the long-lived assets to the estimated undiscounted future cash flows expected to result from use of the assets and their ultimate disposition. In instances where impairment is determined to exist, the Company writes down the asset to its fair value based on the present value of estimated future cash flows.

9. Fair Value of Financial Instruments

The carrying amounts of accounts receivable and accounts payable approximate fair value due to the short-term maturities of the instruments. The carrying amounts of notes receivable approximate their fair values as the current interest rates on such instruments approximates current market interest rates on similar instruments.

10. Interest Income

Interest income is recorded when it is earned and deemed realizable by the Company.

11. Concentrations of Credit Risk

The Company's accounts receivable consist principally of receivables from franchisees for royalties. At December 31, 2021 and 2020 no franchisee represented 10% or greater of accounts receivable. No franchisee accounted for 10% or greater of revenues during the years ended December 31, 2021 and December 31, 2020.

12. Advertising

The Company administers various marketing funds on behalf of its restaurant system to coordinate the marketing efforts of the Company. Under these arrangements, the Company collects and disburses fees paid by franchisees for national and regional advertising, promotional and public relations programs. Contributions are based on up to 3% of net sales, as defined. In accordance with ASC 606 the contributions of franchisees and other fees related to the marking funds are recognized as revenue and expenses. Prior to adaptation of ASC 606 advertising fees net of expenses were recorded as a liability against which related costs were charged.

13. Income Taxes

The Company files consolidated Federal income tax returns with its parent company and certain state income tax returns on a stand-alone basis. Miami Grill determines its provision for income taxes using the separate return method. The allocation of tax expense is based on what Miami Grill current and deferred tax expense would be had it filed separate tax returns. Current Federal tax liabilities are recorded through the receivable from affiliate accounts.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the year in which those temporary differences are expected to be recovered or settled. A valuation allowance has been established to reduce deferred tax assets attributable to net operating losses and credits to an amount that is more likely than not to be realizable.

NOTE A (continued)

14. Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled Leases. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is now effective for fiscal years beginning after December 15, 2021, as a delay in adoption was recently approved. Early adoption is permitted. The Company is currently evaluating the impact of the guidance on its financial statements.

NOTE B: TRADE AND NOTES RECEIVABLE, NET

Trade and notes receivable, net, consists of the following:

	2021	2020
Trade accounts receivable	$ 565,865	$ 447,978
Notes receivable, current portion	105,095	98,232
Other	-	-
Less: provision for doubtful accounts	(200,145)	(200,145)
Total, net	$ 470,815	$ 346,065

Notes receivable, net consists of the following:

	2021	2020
Total recorded notes receivable	$ 354,427	$ 458,321
Less: provision for impaired notes	-	-
Total, notes net	$ 354,427	$ 458,321

NOTE C: PROPERTY AND EQUIPMENT, NET

Property and equipment, net, consist of the following:

	2021	2020
Machinery, equipment, furniture and fixtures	$ 142,106	$ 131,861
Leasehold improvement	3,944	3,944
Less depreciation and amortization	(135,852)	(128,984)
	$ 10,198	$ 6,821

Depreciation and amortization expense of property and equipment was $6,868 for the year ended December 31, 2021 and $4,203 for the year ended December 31, 2020.

NOTE D: OTHER INCOME

The Company classifies income it receives from operations that are not classified as franchise fees and royalties as other income. For the years ended December 31, 2019 and December 31, 2018 other income consists of the following:

	2021	2020
Vendor rebates and supplier contracts	$ 489,707	$ 438,476
Net gains from restaurant refranchisings	-	301,805
Interest income	38,154	40,047
Forgiveness of PPP Loans	424,290	
Miscellaneous	32,710	12,540
Total	$ 984,861	$ 792,868

NOTE E: NOTES PAYABLE

As of December 31, 2021 the company had a line of credit from a commercial bank with a maximum credit limit of $500,000. Outstanding borrowings under this agreement were $300,000 as of December 31, 2021 and $440,000 as of December 31, 2020. Interest is charged monthly based on Libor plus 3.45% on this line and matures in March of 2022.

During December 2017 the company borrowed an additional $204,166 from the same commercial bank as a 6 year term loan with an annual interest rate of 4.77%. The total payable under this agreement was $80,445 as of December 31, 2021 and $117,882 as of December 31, 2020.

During July 2018 the company borrowed an additional $252,155 from the same commercial bank as a 6 year term loan with an annual interest rate of 5.42%. The total payable under this agreement was $127,458 as of December 31, 2021 and $170,673 as of December 31, 2020.

During November 2018, the company borrowed an additional $276,415 from the same commercial bank as a 6 year term loan with an annual interest rate of 5.82%. The total payable under this agreement was $156,103 as of December 31, 2021 and $203,810 as of December 31, 2020.

The Company received a loans from in the amount of $481,560 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The Company applied for and has been notified that $424,290 in eligible expenditures for payroll and other expenses described in the CARES Act has been forgiven. Loan forgiveness is reflected in other income. The remaining loan balance of $57,270 bears interest at a rate of 1% and is payable in monthly installments. As of December 31, 2021 $16,402 remained payable.

NOTE F: INCOME TAXES

The provision for income taxes consists of the following:

	December 31, 2021	December 31, 2020
Federal		
Current	$ -	$ -
Deferred	77,585	118,875
State		
Current	-	-
Deferred	(19,350)	4,079
	$ 58,235	$ 112,954

NOTE F (continued)

Total income tax expense for the years ending December 31, 2021 and 2020 differed from the amounts computed by applying the United State Federal income tax rate to income before provision for income taxes as follows:

	December 31, 2021	December 31, 2020
Income tax at statutory federal rate	$ 368,212	$ 214,112
State income taxes, net of federal benefit	40,503	23,552
Effect of permanent differences	(98,902)	1,034
Other	1,979	117,106
Change in valuation allowance	(253,557)	(242,850)
	$ 58,235	$ 122,954

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below:

	December 31, 2021	December 31, 2020
Deferred tax assets		
Accounts and notes receivable	$ 46,653	$ 46,653
Impairment on notes receivable	-	-
Depreciation of fixed assets	-	-
Net operating loss	252,946	562,760
	297,271	609,413
Deferred tax liabilities		
Depreciation of fixed assets	(2,329)	(1,117)
Amortization of intangibles	-	-
	(2,329)	(1,117)
	608,296	608,296
Less valuation allowance	(56,475)	(309,265)
Net deferred tax asset	$ 240,796	$ 299,031

The deferred tax asset represents the amount of income taxes recoverable in respect to prior periods and arises from the temporary differences between recognition and measurement requirements of financial accounting standards and tax law. A valuation allowance is provided when it is more likely than not that some portion, or all, of the deferred tax assets will not be realized. Based on anticipated future taxable income, management believes it is more likely than not that the Company will realize the benefit of its net deferred tax asset of $240,796 as of December 31, 2021. The Company has federal and state net operating loss carryforwards of approximately $1.1 million expiring in varying amounts during years ending December 31, 2021 through 2029. A portion of these carry forwards are subject to limitations imposed under the Internal Revenue Code pursuant to Section 382 regarding changes in ownership. As result of these limitations a valuation allowance has been provided for these net operating loss carryforwards.

NOTE G: RELATED PARTY TRANSACTIONS

The Company had receivables from affiliates of $7,816,817 as of December 31, 2021 and $7,086,817 as of December 31, 2020. The Company does not expect this receivable to be satisfied in cash from affiliates, but may from time to time declare a noncash dividend to reduce the amount outstanding.

The Company leases office space from a related party. For the years ended December 31, 2021 and 2020 the Company paid rent to the related party in the amount $139,884 and $110,959 respectively.

From time to time the Company enters into financing arrangements with an entities which are controlled by some of its Directors in the form of term notes payable and receivable with interest at standard rates.

NOTE H: COMMITMENTS AND CONTINGENCES

1. Commitments

The Company leases six sites, which it leases or subleases to franchisees. The Company remains liable for all lease costs when properties are subleased to franchisees. The leases generally have initial terms ranging from 5 to 20 years and usually provide for renewal options ranging from 5 to 20 years. Most of the leases contain escalation clauses and common area maintenance charges (including taxes and insurance).

Certain of the leases require additional (contingent) rental payments if sales volumes at the related restaurants exceed specified limits. Contingent rental payments on building leases are typically made based on the percentage of gross sales on the individual restaurants that exceeds predetermined levels. The percentage of gross sales to be paid and related gross sales levels vary by unit.

The company also leases its current office space under a lease, which expires in 2028.

As of December 31, 2021, the Company had noncancelable operating minimum lease commitments, net of certain sublease rental income, as follows:

	Lease commitments	Sublease income	Net Lease Commitments (income)
2022	$ 486,310	$ 353,499	$ 132,811
2023	486,310	353,499	132,811
2024	486,310	353,499	132,811
2025	486,310	353,499	132,811
2026	486,310	353,499	132,811
Thereafter	507,299	241,627	265,672
Total	$ 2,938,849	$ 2,009,172	$ 929,727

For the years ended December 31, 2021 and 2020 the Company had aggregate rental expense, net of rental income, under all current leases of $139,884 and $110,959 respectively.

NOTE H (continued)

2. Litigation

The Company and its subsidiaries are from time to time involved in ordinary and routine litigation. Management presently believes that the ultimate outcome of these proceedings, individually or in the aggregate, will not have a material adverse effect on the Company's financial position, results of operations or cash flows. Nevertheless, litigation is subject to inherent uncertainties and unfavorable rulings could occur. An unfavorable ruling could include money damages, and, in such event, could result in a material adverse impact on the Company's financial position, results of operations or cash flows for the period in which the ruling occurs.

NOTE I: SUBSEQUENT EVENTS

Subsequent events have been evaluated through September 9, 2022 and any significant events, relative to the consolidated financial statements as of December 31, 2021 that warrant additional disclosure have been included in the notes to the consolidated financial statements.

TARKIN CPA PC

55 Watermill Lane, Suite 400
Great Neck NY 11021
TEL (516) 997 -6262
FAX (516) 977-3111

INDEPENDENT AUDITORS' REPORT ON
DETAILED STATEMENTS OF GENERAL AND ADMINISTRATIVE EXPENSE

Board of Directors
Miami Subs Corporation

We have audited the consolidated financial statements of Miami Subs Corporation and its subsidiaries as of and for the years ended December 31, 2021 and December 31, 2020, and have issued our report thereon dated September 9, 2022, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Detailed Statements of General and Administrative Expense is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Tarkin CPA PC

September 9 , 2022

MIAMI SUBS CORPORATION AND SUBSIDIARIES

Detailed Statements of General and Administrative Expense

For the years ending December 31,

	2021	2020
General and administrative expense		
Advertising and marketing	9,625	5,766
Auto expense	17,875	15,773
Bad debt expense	-	9,831
Bank and credit card fees	13,457	9,458
Commission expense	49,285	108,662
Computer & software	27,192	24,224
Consulting fees	860,949	563,494
Franchise development	32,117	47,043
Insurance	20,424	27,580
Legal & professional fees	56,826	76,504
Licenses, permits & taxes	3,292	975
Miscellaneous	2,336	1,601
Office expense	61,321	70,074
Postage & delivery	1,927	1,590
Product development	640	452
Rent expense	139,884	110,959
Royalty fee expense	3,021	3,904
Salaries and employee benefits	1,043,032	1,086,261
Telephone	12,556	13,284
Travel and entertainment	33,682	8,014
Uniforms	1,054	1,810
Total general and administrative expense	**2,390,495**	**2,187,259**

GUARANTEE OF PERFORMANCE

For value received, Miami Subs Corporation ("**MSC**"), located at 901-A Clint Moore Road, Boca Raton, Florida 33487, absolutely and unconditionally guarantees the performance by its subsidiary, Miami Grill Franchising Corporation ("**MGFC**"), located at 901-A Clint Moore Road, Boca Raton, Florida 33487, of all of the obligations of **MGFC**, in accordance with the terms and conditions of its franchise registration filed or to be filed with any state authority and of its franchise agreements entered into with franchisees, as the same have been or may hereafter be amended, modified, renewed, or extended from time to time. This guarantee shall continue in force until all obligations of **MGFC** under the said franchise registration and franchise agreements shall have been satisfied or until **MGFC**'s liability to the respective franchisees under the respective franchise registration and franchise agreements have been completely discharged, whichever first occurs. **MSC** shall not be discharged from liability hereunder as long as any claims by the franchisee against **MGFC** remain outstanding. Notice of acceptance is waived. Notice of default on the part of **MGFC** is not waived. This guarantee shall be binding on **MSC** and on its successors and assigns.

IN WITNESS WHEREOF, the undersigned has, by a duly authorized officer, executed this guarantee at Boca Raton, Florida on this 15th day of October 2020.

MIAMI SUBS CORPORATION

By: ______________________

Print Name: Bernard H Vogel

Title: Director

<u>EXHIBIT "I"</u>
<u>TO THE DISCLOSURE DOCUMENT</u>

CONFIDENTIAL DISCLOSURE AND GENERAL WAIVER AND RELEASE

____, who resides at ____, in the City of ______________________, State of ___________________, hereinafter referred to as the "Undersigned," hereby releases MIAMI GRILL FRANCHISING CORPORATION, a Florida corporation (collectively with its parents and affiliates, "Released Party" or "Miami Grill" or "MGFC"), for and in consideration of the sum of One Dollar ($1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby remises, releases, acquits, satisfies and forever discharges Released Party of and from all, proceedings, actions, cause and causes of action, suits, debts, dues, sums of money, accounts, covenants, contracts, controversies, agreements, promises, judgments, executions, claims and demands whatsoever, in law and in equity, for, upon or by reason of any matter arising from the beginning of the World through the date of Undersigned's training at Miami Grill.

This Confidential Disclosure and General Waiver and Release also applies to all matters related to the Undersigned's attendance at Miami Grill for training. The Undersigned acknowledges that he/she has been advised by Miami Grill that the daily production activities are demanding and require good physical health; that the nature of the training may impose special hazard to pregnant women; that in the ordinary course of the training the Undersigned may be exposed to (including without limitation): heavy lifting, rotating schedules, overtime hours, exposure to and inhalation of chemicals, and walking on wet or slippery floors. The Undersigned acknowledges that he/she has been informed that the strenuous and physically demanding nature of Miami Grill's training may expose extreme physical demands on trainees who are not in good physical health and/or condition or who are pregnant (including without limitation, persons with a history of back problems, leg problems, heart or other circulatory conditions or pulmonary (lung) problems). The Undersigned has been advised to consult with his/her physician before engaging in the training program due to the arduous and physically demanding nature of the training. The Undersigned acknowledges that if pregnant or experiencing health problems of a temporary nature (which he/she disclosed to the Training Center Staff), he/she has been offered the option of attending training on alternate dates. The Undersigned acknowledges that the Undersigned's attendance at Miami Grill for training is contingent upon the Undersigned's execution of this General Waiver and Release.

The Undersigned further agrees for himself/herself and his/her successor and assigns, to indemnify and hold harmless forever Miami Grill Franchising Corporation, its parents, predecessors, successors and assigns, subsidiary and affiliates, officers, directors, agents, employees and representatives, past and present, against any and all claims or actions which hereafter may be brought or instituted against any or all of them, or their successors and assigns, by or on behalf of anyone claiming under rights derived from the Undersigned, and arising out of or incidental to the matters to which this Confidential Disclosure and General Waiver and Release apply.

MGFC may share certain methods of operations, products and procedures of its restaurants (collectively, "Proprietary Information") prior to granting or declining to grant the undersigned a franchise or entering into a franchise agreement with the undersigned. MGFC wishes to maintain the confidentiality of its Proprietary Information. Therefore, the Undersigned agrees not to copy or try to duplicate the Miami Grill concept.

The Undersigned's acceptance of the terms of this Confidential Disclosure and General Waiver and Release indicates that:

1. The Undersigned agrees to maintain as confidential the Proprietary Information (which includes, without limitation, all drawings, plans, materials, material sources, recipes, methods of presentation, techniques, processes, records, business plans, market research and other information).

2. The Undersigned agrees not to disclose the Proprietary Information to anyone without MGFC's prior written approval.

3. The Undersigned agrees not to design, manufacture, distribute or sell, or assist others in designing, manufacturing, distributing or selling, products relating to Miami Grill, either directly or indirectly, without receiving MGFC's prior written approval.

4. The Undersigned agrees not to reproduce any of the Proprietary Information and to return to MGFC all Proprietary Information received by the Undersigned immediately upon MGFC's request.

Upon a breach or threatened breach by the Undersigned of this Confidential Disclosure and General Waiver and Release, MGFC is entitled to immediate injunctive relief and any other equitable remedies, as well as all available remedies at law.

The Undersigned and MGFC agree that this Confidential Disclosure and General Waiver and Release is not intended nor shall it be construed as an admission of any wrongdoing or liability, and it shall not be admissible in evidence in any suit or proceeding whatsoever as evidence or admission of liability.

IN WITNESS WHEREOF, the Undersigned has caused this Confidential Disclosure and General Waiver and Release to be executed this _____ day of ________________, 20___.

WITNESS:

____ ____
Name:

EXHIBIT "J"
TO THE DISCLOSURE DOCUMENT

MIAMI GRILL FRANCHISING CORPORATION
FRANCHISEE COMPLIANCE CERTIFICATION

CALIFORNIA FRANCHISEES SHALL NOT COMPLETE THIS CERTIFICATION

As you know, Miami Grill Franchising Corporation (the **"Franchisor"**) and you are preparing to enter into a Franchise Agreement or Multi-Unit Development Agreement for the establishment and operation of a "Miami Grill" franchised restaurant business ("**Restaurant**"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Have you received and personally reviewed the Franchise Agreement, Deposit Agreement, Multi-Unit Development Agreement and each Addendum and related agreement attached to them?

   Yes _____ No _____

2. Do you understand all of the information contained in the Franchise Agreement, Deposit Agreement, Multi-Unit Development Agreement, and each Addendum and related agreement provided to you?

   Yes _____ No _____

   If no, what parts of the Franchise Agreement, Deposit Agreement, Multi-Unit Development Agreement, Addendum, and/or related agreement do you not understand? (Attach additional pages, as needed.)

   ____
   ____

3. Have you received and personally reviewed the Franchisor's Franchise Disclosure Document (**"FDD"**) that was provided to you?

   Yes _____ No _____

4. Do you understand that the Franchise Agreement, Deposit Agreement, and Multi-Unit Development Agreement contain a number of provisions that may affect your legal rights, including required arbitration, designated locations or states for any judicial proceedings, a waiver of a jury trial, a waiver of punitive or exemplary damages, limitations on when claims may be filed, and other waivers and limitations?

   Yes _____ No _____

5. Did you sign a receipt for the FDD indicating the date you received it?

   Yes _____ No _____

6. Do you understand all of the information contained in the FDD and any state-specific Addendum to the FDD?

Yes _____ No _____

If No, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages, as needed.)

____
____
____

7. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating a Restaurant as a franchised business?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

8. Do you understand that the success or failure of your franchised Restaurant will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes _____ No _____

9. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the actual or possible revenues, profits or operating costs of a "Miami Grill" franchised business operated by the Franchisor or any of its franchisees, that is contrary to the information contained in the FDD?

Yes _____ No _____

10. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) regarding the amount of money you may earn in operating the Restaurant as a franchised business, or as a developer, that is contrary to the information contained in the FDD?
Yes _____ No _____

11. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the total amount of revenue the Restaurant as a franchised business, or the developer business, will or may generate, that is contrary to the information contained in the FDD?
Yes _____ No _____

12. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) regarding the costs you may incur in operating the Restaurant as a franchised business, or the developer business, that is contrary to or different from, the information contained in the FDD?

Yes _____ No _____

13. Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the likelihood of success that you should or might expect to achieve from operating the Restaurant as a franchised business or from operating the developer business?

    Yes _____ No _____

14. Has any employee or other person speaking on behalf of the Franchisor made any statement, agreement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity or your behalf) concerning the marketing, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

    Yes _____ No _____

15. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise before today?

    Yes _____ No _____

16. Have you paid any money to the Franchisor concerning the purchase of this franchise before today?
    Yes _____ No _____

17. Do you understand that the territorial rights you have been granted are subject to limitations and exceptions?
    Yes _____ No _____

18. Do you understand that all disputes or claims you may have arising out of or relating to the Franchise Agreement must be heard in the courts of Florida (if not resolved informally or by arbitration)?
    Yes _____ No _____

19. Do you understand that the Franchise Agreement and Multi-Unit Development Agreement provide that you can only collect compensatory damages on any claim under or relating to the Franchise Agreement or Multi-Unit Development Agreement and not any consequential or punitive damages?
    Yes _____ No _____

20. Do you understand that the Franchise Agreement and Multi-Unit Development Agreement contain the entire agreement between you and the Franchisor concerning the franchise for the Restaurant or the developer business, meaning that any prior oral or written statements not set out in the Franchise Agreement or Developer Business will not be binding?
    Yes _____ No _____

21. If you have answered "Yes" to any of questions 10-17, please provide a full explanation of each "yes" answer in the following blank lines. (Attach additional pages, as needed, and refer to them below.) If you have answered "no" to each of questions 10-17, then please leave the following lines blank.

____
____
____
____
____
____
____

22. During my negotiations and evaluations leading up to my decision to buy a Miami Grill Restaurant or multi-unit development franchise, I communicated with the following individuals from Miami Grill Franchise Corporation or its affiliates, or independent brokers:

<u>Name</u> <u>Address</u>

1. ____

2. ____

3. ____

4. ____

23. I signed the Franchise Agreement, Deposit Agreement, Multi-Unit Developer Agreement, and Addenda (if any) on ____________, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

I understand that my answers are important to the Franchisor and that the Franchisor will rely on them. By signing this questionnaire, I am representing that I have considered each question carefully and responded truthfully to the above questions.

FRANCHISE APPLICANT

____
Print Name

____
Signature

____
Date

EXHIBIT K
(TO DISCLOSURE DOCUMENT)

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that 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 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	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

ACKNOWLEDGMENT OF 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 Miami Grill Franchising Corporation offers you a franchise, it must provide this Disclosure Document to you:

(a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or

(b) Under New York and Rhode Island law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale, or

(c) Michigan and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Miami Grill Franchising Corporation does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit A.

The name, principal business address and telephone number of the franchise seller is:

____

The issuance date of this Franchise Disclosure Document is May 15, 2024.

Miami Grill Franchising Corporation authorizes the agents listed in Exhibit A to receive service of process for us.

I have received a Franchise Disclosure Document dated May 15, 2024, and with effective dates of state registration as listed in Exhibit K. This Disclosure Document included the following exhibits:

A.	State Agencies and Administrators/ Agents for Service of Process	F.	Multi-Unit Development Agreement and Exhibits
B.	Operating Manual Table of Contents	G.	State Addenda to Disclosure Document
C.	List of Franchisees	H.	Financial Statements
D.	Deposit Agreement	I.	Confidential Disclosure and General Waiver and Release
E.	Franchise Agreement and Exhibits	J.	Franchisee Compliance Certification
		K.	State Effective Dates

____________________________ ____________________________

Date Received | Prospective Franchisee

____________________________ ____________________________

Date Received | Name (please print)

Address:

____

____

TO BE RETAINED BY YOU

ACKNOWLEDGMENT OF 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 Miami Grill Franchising Corporation offers you a franchise, it must provide this Disclosure Document to you:

(a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or

(b) Under New York and Rhode Island law, if applicable, at the earlier of (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to us or an affiliate in connection with the proposed franchise sale, or

(c) Michigan and Washington require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Miami Grill Franchising Corporation does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed in Exhibit A.

The name, principal business address and telephone number of the franchise seller is:

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The issuance date of this Franchise Disclosure Document is May 15, 2024.

Miami Grill Franchising Corporation authorizes the agents listed in Exhibit A to receive service of process for us.

I have received a Franchise Disclosure Document dated May 15, 2024, and with effective dates of state registration as listed in Exhibit K. This Disclosure Document included the following exhibits:

A. State Agencies and Administrators/ Agents for Service of Process B. Operating Manual Table of Contents C. List of Franchisees D. Deposit Agreement E. Franchise Agreement and Exhibits	F. Multi-Unit Development Agreement and Exhibits G. State Addenda to Disclosure Document H. Financial Statements I. Confidential Disclosure and General Waiver and Release J. Franchisee Compliance Certification K. State Effective Dates
______________________ Date Received	______________________ Prospective Franchisee
______________________ Date Received	______________________ Name (please print) Address: ______________________ ______________________ ______________________

TO BE RETURNED TO MGFC