FRANCHISE DISCLOSURE DOCUMENT

SNAPCHISE LLC

A Massachusetts Corporation
800 Main Street
Holden, Massachusetts 01520

www.snapchef.com

The franchise offered is a temporary and permanent employment placement services business for culinary staff, which additionally provides culinary training and related services and products.

The total initial investment necessary to begin operation of a **SNAPCHEF** business is from $137,140 - $197,560. This includes $39,500 paid to the franchisor.

The estimated total initial investment necessary to begin operations under the terms of the Area Development Agreement may range typically from $23,000 to $55,000. This includes an Area Development Fee paid to the franchisor that may range typically from $20,000 to $50,000.

The 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 government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Snapchef, 800 Main St. Holden, MA, (844) 424-3343.

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 accountant.

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

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

Issuance date: June 21, 2022

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C 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 SNAPCHEF 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 SNAPCHEF franchisee?	Item 20 lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Early-Stage Franchisor.** The Franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

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

4. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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, according to the Michigan Department of Attorney General, Consumer Protection Division (the "Division"), the provisions are void and cannot be enforced against you:

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

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

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

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

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

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

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

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from

exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

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

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

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

The fact that there is a notice of this offering on file with the Attorney General of Michigan does not constitute approval, recommendation, or endorsement by the Attorney General.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, First Floor
525 West Ottawa Street
Lansing, Michigan 48913
(517) 373-7117

SNAPCHEF®
DISCLOSURE DOCUMENT
TABLE OF CONTENTS

ITEM		**PAGE**
1.	The Franchisor and any Parents, Predecessors, and Affiliates	1
2.	Business Experience	3
3.	Litigation	4
4.	Bankruptcy	4
5.	Initial Fees	4
6.	Other Fees	5
7.	Estimated Initial Investment	9
8.	Restrictions on Sources of Products and Services	13
9.	Franchisee's Obligations	16
10.	Financing	18
11.	Franchisor's Assistance, Advertising, Computer Systems, and Training	18
12.	Territory	26
13.	Trademarks	28
14.	Patents, Copyrights, and Proprietary Information	29
15.	Obligation to Participate in the Actual Operation of the Franchise Business	30
16.	Restrictions on What the Franchisee May Sell	31
17.	Renewal, Termination, Transfer, and Dispute Resolution	31
18.	Public Figures	36
19.	Financial Performance Representations	36
20.	Outlets and Franchisee Information	40
21.	Financial Statements	42
22.	Contracts	42
23.	Receipts	43

EXHIBITS:

A. Franchise Agreement
B. Area Development Agreement
C. Financial Statements
D. List of State Administrators and List of State Agents for Service of Process
E. Copy of Current Form of General Release
F. Operations Manual Table of Contents and Page Count
G. State Specific Addenda to the Franchise Disclosure Document
H. State Effective Dates
I. Receipts

Item 1: The Franchisor and any Parents, Predecessors, and Affiliates

SNAPCHISE LLC the franchisor of the **SNAPCHEF** franchise, is referred to in this disclosure document as "SNAPCHEF", "Franchisor", "we," "us," or "our" as the context requires. A franchisee is referred to in this disclosure document as "Franchisee", "you" or "your" as the context requires, and your franchise business is referred to as the "Franchised Business". Our unique and distinctive system for operating **SNAPCHEF** businesses is referenced as the "System" and our current and future trade names, trademarks, service marks and trade dress used to identify **SNAPCHEF** businesses, and the services and products offered by **SNAPCHEF** businesses, including the "SNAPCHEF" mark and the distinctive color scheme and signage of **SNAPCHEF** businesses is referred to as the "Marks". The date you are granted a franchise under the terms of a duly signed franchise agreement with us is referred to as the "Effective Date".

We are a Limited Liability Company (LLC) formed under Massachusetts law on March 21, 2022. Our principal business address is 800 Main Street, Holden, MA 01520. Our agent or agents to receive service of process, if any, are in attached Exhibit "D". We do not have a predecessor. DTC Enterprises, Inc, a corporation formed under Massachusetts law on, is our affiliate. DTC Enterprises Inc.'s principal business address is 800 Main Street, Holden, MA 01520.

Your franchise is modeled after the temporary and permanent employment placement services business for foodservice staff operated by DTC Enterprises Inc.. DTC Enterprises Inc. does not now and has never in the past offered franchises in any line of business. You may conduct business directly with DTC Enterprises Inc., as under the terms of the Franchise Agreement DTC Enterprises Inc., may be an approved supplier of services and products to your franchise location.

We intend to do business under our corporate name and under the **SNAPCHEF** name. We sell franchises for the operation of **SNAPCHEF** businesses. **SNAPCHEF** businesses are temporary and permanent employment placement services businesses for culinary staff, which additionally provide culinary training and related services and products. Generally, our services are sold to businesses and selling is not seasonal. **SNAPCHEF** businesses operate under our distinctive business formats, methods, procedures, designs, layouts, standards and specifications, all of which we may improve, further develop or otherwise modify periodically.

Generally, the temporary personnel part of your Franchised Business will provide temporary hourly personnel such as chefs, cooks, servers, and other kitchen and service personnel to businesses requiring staff for food preparation, delivery, and related services at their location. The permanent placement part of your Franchised Business will operate as a contract employee search business placing hourly and salaried employees for businesses requiring staff for food preparation and related services. Your Franchised Business also will provide specified culinary and hospitality training services to your employees or to third parties.

We will provide you with certain administrative support in operating the Franchised Business. We may invoice all or some of your MSA Client accounts and maintain all or some of your MSA Clients accounts receivables under our System. MSA (Master Service Agreement) Clients are clients with a national service contract and are further defined by the Franchise Agreement. We may provide collection services to your Franchised Business where we will use

commercially reasonable efforts to collect amounts owed to you from your MSA Client accounts that we maintain.

It is important to note that while we may assist with payroll submittal, SNAPCHISE LLC is not the employer, nor is SNAPCHISE LLC a joint employer of any employees in your company. You are solely responsible for hiring, firing, and scheduling decisions, as well as for the direction provided to your employees on a daily basis.

We have been offering **SNAPCHEF** franchises for sale since the Issuance Date of this Franchise Disclosure Document. SNAPCHISE LLC has not in the past and does not now operate a business of the type being franchised. We have not in the past and do not now engage in other business activities. We do not now and have never in the past offered franchises in any other lines of business.

Area Development Agreement. If qualified, we may grant you area development rights pursuant to the form of area development agreement ("Area Development Agreement") included in this Disclosure Document as Exhibit "B". You and we may enter into an Area Development Agreement for development of a prescribed number of **SNAPCHEF** franchise locations in a designated geographic area called the "Development Area". Under an Area Development Agreement, you must develop a mutually agreed number of **SNAPCHEF** Franchised Business locations in the Development Area within a defined period of time. You must sign a separate Franchise Agreement for each **SNAPCHEF** Franchised Business franchise location you open under the terms of the Area Development Agreement.

Competition. The temporary and permanent employment placement services industry is a highly competitive and developed market, which can be affected significantly by many factors, including changes in local, regional or national economic conditions, and increases in the number of, and particular locations of competing businesses. Various factors can adversely affect the temporary and permanent employment placement services industry, including inflation, increases in labor and energy costs, the availability and cost of suitable sites, fluctuating interest and insurance rates, state and local regulations and licensing requirements and the availability of an adequate number of hourly-paid employees. There are other competing concepts operating nationally, regionally and locally and some of these businesses may have greater financial resources and longer operating histories.

Industry Specific Laws and Regulations. You should consider that certain aspects of this business may be regulated by federal, state and local laws, regulations, rules and ordinances applicable to employment and recruiting services businesses, in addition to being regulated by the laws, regulations, rules, and ordinances that are applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupation, Health and Safety Act. Some jurisdictions may have laws which provide for specific licensing, bonding, insurance, building code, hours, health provisions, instructor licensing, criminal background checks and similar requirements which may be applicable to the Franchised Business. In some jurisdictions, the Franchised Business may be treated as a school which could require you comply with any applicable laws, regulations, rules or ordinances.

These are only examples of some, but not all, of the laws, regulations, rules and ordinances with which you may need to comply in operating your **SNAPCHEF** Franchised Business. It is your responsibility to fully investigate, to know, and to comply with any and all laws, regulations, rules and ordinances applicable to your operation of the Franchised Business. You should fully investigate all laws, regulations, rules and ordinances which may be applicable to operating the Franchised Business before you decide to purchase a franchise. We strongly recommend that you consult with and retain your own counsel to advise and assist you with all applicable licenses, laws, and regulations before you purchase a franchise.

Non-Standard Franchise Transactions. From time to time, we may sell and franchise one or more of our company-owned **SNAPCHEF** locations. In these transactions, we negotiate with the prospective franchisee to reach mutually acceptable terms of a sale agreement and any lease or sublease of the real estate. If you purchase a company-owned **SNAPCHEF** location, you must sign a Franchise Agreement. Depending on the circumstances, the financial and other terms may vary materially from the standard terms of our Franchise Agreement.

We also may enter into joint venture or partnership arrangements with existing franchisees or others to develop **SNAPCHEF** locations. The parties negotiate the terms of these arrangements. Depending on the precise terms of these arrangements, these **SNAPCHEF** locations may be considered to be either company-owned or franchised **SNAPCHEF** locations for purposes of this Franchise Disclosure Document. Depending on the circumstances, the financial and other terms may vary materially from the standard terms of our Franchise Agreement.

Item 2: Business Experience

Todd Snopkowski – ***Chief Executive Officer – Boston, MA***

- Chief Executive Officer of SNAPCHISE LLC since March 2022.
- Chief Executive Officer of DTC Enterprises, Inc. and Snapchef, Inc. since May 2001.
- Chief Executive Officer of Wicked Good Food Hall Concepts since August 2019.
- Co-founder of Loophole Brewing Services since May 2018

Daniela Snopkowski – ***Chief Financial Officer – Boston, MA***

- Chief Financial Officer of SNAPCHISE LLC since March 2022.
- Chief Financial Officer of DTC Enterprises, Inc. and Snapchef, Inc. since March 2003.

Walter Miska – ***Director of Franchise Development – Boston, MA***

- Director of Franchise Development for Snapchef since January 2022.
- Regional Vice President, United Franchise Group in Ayer MA (Northeast Region) from December 2018 through December 2021.
- Owner of Escape Rooms, LLC, an entertainment business in Ayer, MA from September 2016 to December 2018.
- Owner of Beer Geek, LLC a retail franchise in Westford, MA from October 2013 to May 2017.

Item 3: Litigation

No litigation is required to be disclosed in this Item.

Item 4: Bankruptcy

No bankruptcy is required to be disclosed in this Item.

Item 5: Initial Fees

FRANCHISE AGREEMENT

You will pay us an initial franchise fee when you sign your **SNAPCHEF** Franchise Agreement. The initial franchise fee is $39,500. The franchise fee is uniform to all franchisees purchasing a **SNAPCHEF** franchise unless it involves the sale of a company owned **SNAPCHEF** location, or otherwise noted here in Item 5. The initial fee is fully earned and non-refundable in consideration of our entering into the Franchise Agreement. We have the right to alter the initial fees periodically in our sole discretion as business circumstances warrant. During 2021, we did not collect any initial franchise fees. Initial franchise fees are revenue to us and used as we deem appropriate.

We offer a veteran initiative program. Under this program, honorably discharged veterans of the United States armed forces and their spouses receive a 20% discount on our then-current franchise fee for their initial **SNAPCHEF** franchise location.

SNAPCHEF franchisees that are purchasing an additional franchise will pay an initial franchise fee of $29,500.

You must purchase from us the **SNAPCHEF** Branding Package described in Sections 7 & 8 at a cost of $12,840, plus taxes. This is non-refundable, and due at the time of signing the Franchise Agreement.

You may purchase from us the **SNAPCHEF** Kitchen Package described in Sections 7 & 8 at a cost of $9,120, plus taxes. When purchasing this package, it is non-refundable, and due at the time of signing the Franchise Agreement.

AREA DEVELOPMENT AGREEMENT

If you are duly qualified and approved, in our sole business judgment, you may sign the Area Development Agreement, which is attached to the Franchise Disclosure Document as Exhibit "B", either concurrently with or subsequent to your signing of the Franchise Agreement and in this event, you will pay us an Area Development Fee in a lump sum when you sign the Area Development Agreement, granting you the right to develop, open and operate an agreed upon number of locations in a defined geographic area referred to as the "Development Area" in

accordance with a set schedule. You are not obligated to sign an Area Development Agreement. If we enter into an Area Development Agreement, you and we will agree to a development schedule. We require you to sign a Franchise Agreement at the same time you sign an Area Development Agreement, which outlines the dates by which each of those additional locations must be opened. The Area Development Fee is the product of $10,000 and the mutually agreed number of franchise locations to be opened under the Area Development Agreement.

We estimate the amount of the Area Development Fee will range typically from $20,000 to $50,000. You must sign the then current Franchise Agreement with us for each franchise location you open under the terms of the Area Development Agreement. The applicable portion of the Area Development Fee is applied to the Initial Franchise Fee as each additional location is opened and new Franchise Agreement signed. This is detailed in Exhibit A of the Area Development Agreement. We have the right to alter the Area Development Fee periodically as business circumstances warrant. The Area Development Fee is non-refundable.

Item 6: Other Fees

Franchise Agreement

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty[1]	A weekly fee equal to the greater of 6% of Gross Revenue[2] or $0 – months 1-6 $100 – months 7-12 $200 – months 12-24 $300 – after 24 months	Each calendar week	Paid to us for our ongoing support and your use of the Marks and System. We may collect the Royalty and other amounts due to us directly from customer payments we process on your behalf. See Section 3 of the Franchise Agreement.
Administration Fee[1,3]	12% of revenue from corporate managed Master Service Agreements (MSA). This fee includes billing, collections, and required payments to MSA client marketing contributions (up to 11%).	When the Royalty is paid	Paid to us for ongoing administrative support of your Franchised Business. We may collect the Administration Fee and other amounts due to us directly from customer payments we process on your behalf. See Section 3 of the Franchise Agreement.
Advertising Fund Contribution[1,4]	1% of Gross Revenue[2] or $50, whichever is greater.	Weekly when the Royalty is paid	Paid to us to promote the Marks and the System regionally or nationally. See Section 17.1. of the Franchise Agreement

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Technology[1]	$95/week or then current fee.	Weekly when Royalty is paid	Paid to us for access to and maintenance of proprietary **SNAPCHEF** software, as well as email and webpage hosting.
Online FastTrack Training Fee[1]	$75 per trainee	Weekly when Royalty is paid	Paid to us for each Trainee that is registered into the online **SNAPCHEF** FastTrack training program[5]
Professional Organization Fees	Varies, but estimated not to exceed $1000 annually	Varies	Paid to any professional organizations to which we require you to belong. See Section 3.6. of the Franchise Agreement
Location Inspection Fees	Varies, but estimated not to exceed $1,000 per proposed location	As we and you agree	You will pay our expenses for any visit we make to inspect any proposed location upon your request. See Section 9.1. of the Franchise Agreement
Additional Owner or Employee Initial Training Fees[1]	$500 per person	Prior to the initial training session	Paid to us if you want additional individuals to attend initial training. See Section 10.1. of the Franchise Agreement
Additional Ongoing Required Training Fees[1]	Varies	As we and you agree	Paid to us for additional required training during the term of the Franchise Agreement. See Section 10.2. of the Franchise Agreement
Supplementary Training Fees[1]	Varies	As we and you agree	Paid to us for training additional individuals during the term of the Franchise Agreement. See Section 10.3. of the Franchise Agreement
Per Day Fee[1]	$500 per person, subject to change	As we and you agree	Paid to us if you need us to help you operate the Franchise. See Section 13.1.8. of the Franchise Agreement

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Local Advertising Expense	Not less than $4,000 prior to beginning to operate the franchise or within 60 days of your completion of initial training, and not less 2% of monthly Gross Revenue[1]	According to Methods of Operation as per your advertising budget	Paid by you to advertisers to promote the Franchised Business locally. See Section 17.5. of the Franchise Agreement
Auditing Costs[1]	Actual Costs	Reimbursement of our actual auditing costs	We assess this charge only for audits needed in the event you fail to comply with the Franchise Agreement, fail to allow full access to your records, or we find that you underreported your Gross Revenue by 2% or more for two or more reporting periods. See Section 19.3. of the Franchise Agreement
Transfer Fee[1]	$19,500	Concurrently with the transfer	Paid to us if you want to transfer the Franchise to a third party. See Section 20.4.6. of the Franchise Agreement
Renewal Franchise Fee[1]	$5,000	Concurrently with our granting a renewal of your franchise	Paid to us if you sign a new franchise agreement upon expiration of the initial franchise agreement. See Section 21.2. of the Franchise Agreement
Costs and Attorney's Fees[1]	Actual Costs	Reimbursement of our actual costs	Paid to us by you for accounting, attorney, and other professional fees if an action is brought against you for breach of the Franchise Agreement. See Section 25.9. and 25.12.4. of the Franchise Agreement
Annual Conference Registration Fee	Up to $700 per person	On demand	Paid to us for attending our annual conference.[6]
Interest[7]	Varies	When underlying obligation is paid[5]	Eighteen percent (18%) per year or the highest contract rate of interest permitted by law. See Section 2.2. of the Franchise Agreement.

[1]Paid to us through Electronic Funds Transfer (EFT) or withheld by us from payments due to you under the MSA program, and are non-refundable. Fees payable to us are uniformly imposed under the terms of the Franchise Agreement. However, we are not obligated to collect uniformly all fees from all franchisees. Subject to certain unique facts or circumstances relating to our then-existing franchise relationship with a specific individual franchisee, we may elect to enforce the collection of certain amounts due to us under the terms of the Franchise Agreement or forgo the collection of certain amounts that otherwise would be due to us under the terms of the Franchise Agreement. All fees are uniformly imposed and non-refundable.

You must authorize your bank to accept automatic withdrawals for all fees to us through EFT of the stated amount from your bank into our bank account when due. You must provide us with all documents necessary to direct your bank to honor these pre-authorized bank debits. (See Franchise Agreement, EFT Authorization). All fees are non-refundable.

Royalty for the first 6 months following the execution of your Franchise Agreement is not subject to any Minimum Royalty payments. Interest is charged on late payments.

[2] As used in this Franchise Disclosure Document, the term "Gross Revenue" means the total revenue and other consideration you receive from operating the Franchised Business, including, but not limited to, all amounts you receive for services, goods or merchandise sold at or away from the franchise location, and whether from cash, check, credit, or barter transactions, and including e-commerce transactions, but excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority; and excluding transportation expenses billed to clients at cost; and excluding customer refunds, adjustments, credits and allowances actually made by the Franchised Business in compliance with our System.

[3] The Master Service Agreement (MSA) Fee is charged only on gross revenue[2] from Franchisor managed MSA Clients and is due to be paid weekly with the Royalty payment. When working with clients under a Franchisor supplied MSA, we will manage the billing and collection of these accounts for you. We will also make required payments to the MSA client on your behalf. This may include payment due for marketing contributions, contract management fees or other similar costs. Current MSAs require payments up to 11% of gross revenue.

[4]The Advertising Fund Contribution is paid weekly. It will be accounted for separately, and used by **SNAPCHEF** for national advertising, Internet advertising, and other marketing and advertising conducted to raise brand awareness on a national basis. See Item 11.

[5]**SNAPCHEF** has developed a proprietary 20-hour FastTrack online course with the world leader in online culinary training, Rouxbe. When an employee is trained with this course, the fee is $75.

[6]We will hold an annual conference to benefit our franchise owners. You must pay us a registration fee, which we expect will not be more than $700 per person, for attending our annual conference. We require you (or your Operating Principal), and/or your general manager to attend each conference. You will be responsible for all travel and living expenses incurred by you and your personnel for attendance at the annual conference.

[7]Interest begins from the date any payment is due.

Area Development Agreement

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Transfer Fee[1]	$5,000 for each unopened Franchise; $19,500 for each open and operating Franchised Business.	Prior to transfer	Paid to us if you want to transfer your area development rights in the Development Area. See Section 17. of the Area Development Agreement. Fees may not be uniformly imposed at all times.
Costs and Attorney's Fees[1]	Actual costs	As incurred	Payable if we incur expenses in connection with your failure to perform. You must reimburse us for accounting, attorneys', and related fees incurred by us. See Section 10.5. of the Area Development Agreement. Fees may not be uniformly imposed at all times.

[1]Paid to us and non-refundable.

Item 7: Estimated Initial Investment

Your Estimated Initial Investment Franchise Agreement

Type of Expenditure	Amount (Estimated Range)	Method of Payment	When Due	To Whom Paid
Initial Franchise Fee[1]	$39,500	Lump sum	At signing of the Franchise Agreement	Us
Leasehold Improvements[2]	$5,000 - $10,000	As Arranged	As Arranged	Landlord or Third Party Vendors
Branding Package[3]	$12,840	Lump Sum	At signing of the Franchise Agreement	Us
Training Kitchen Package[4] (optional)	$0 - $9,120	Lump Sum	At signing of the Franchise Agreement	Us

Type of Expenditure	Amount (Estimated Range)	Method of Payment	When Due	To Whom Paid
Technology[5]	$5,000 - $8,000	As Arranged	As Arranged	Third Party Vendors
Office Equipment and Supplies[6]	$2,000 - $4,000	As Arranged	As Arranged	Third Party Vendors
Start-Up Marketing[7]	$4,000 - $8,000	As Arranged According to Methods of Operation	As Arranged According to Methods of Operation	Advertisers
Insurance[8]	$12,000 - $15,000	Lump sum payment of first year premium	Prior to opening	Insurance companies
Professional Fees[9]	$2,500 - $4,500	Terms vary	Terms vary	Accountants, lawyers, etc.
Lease Deposits[11]	$2,000 - $5,000	Lump sum	Prior to opening	Landlord
Other Deposits[12]	$500 - $1,000	Lump sum	When you engage the service	Utilities, leased equipment vendors, alarm company, telephone company
Your Out-of-Pocket Expenses While Attending Training[13]	$2,800 - $5,600	Terms vary	Terms vary	Airfare, ground transportation, meals, lodging, etc.
Working Capital (Additional Funds over next 3 months)[14]	$50,000 - $75,000	Terms vary	Amount varies over the next 3 months	Prior to and during the 3-month period after commencement of operations
Total	$137,140 - $197,560 (excludes the acquisition of real property)			

The expenses in this Item 7 are estimates of your initial investment in one location prior to commencing operations and for the first three months after opening. We cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on how closely you follow the **SNAPCHEF** System, your management skill, experience and business acumen, local economic conditions, the acceptance by local consumers of our approved services and products, prevailing wage rates, competition, etc. We haven't included an estimate regarding real estate acquisition costs. We make no representation as to whether any of the estimated investment amounts are refundable. We relied upon our affiliate's experience in operating a similar business to the Franchised Business in compiling these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

[1] See Item 5 of the disclosure document for more detailed information.

[2] **SNAPCHEF** businesses may be located in strip malls, commercial buildings or free-standing locations. The cost of purchasing or leasing and developing a site for a Franchised Business may vary depending on such factors as geographic location, size, materials expense, subcontractor expense, and the local real estate market. Typically you will need a space of approximately 1,000 to 1,500 square feet. You will pay all construction expenses, including the cost of all required site work, leasehold improvements, and permitting expenses.

We will provide you with the required specifications and layouts for your **SNAPCHEF** franchise location, including requirements for dimensions, design, image, interior layout, decor, fixtures, color scheme and other suggestions. You must have prepared, all at your expense, all required construction plans and specifications to suit the shape and dimensions of the franchise location and must ensure that the plans and specifications comply with all applicable federal, state or local laws, codes, regulations, ordinances, building codes and permit requirements and with lease requirements and restrictions.

[3] When you sign the Franchise Agreement you will pay us $12,840 for your Marketing and Branding Starter Package which consists of a **SNAPCHEF** reception desk, Exterior Signage, Interior Signage, business cards, promotional items, an initial stock of uniforms and more.

[4] When you sign the Franchise Agreement you may pay us $9,120 for your Training Kitchen Package which consists of a refrigerator, steel tables, cutting boards, knives, and more. The Training Kitchen Package may not be necessary under certain circumstances; for example, if you are converting an existing culinary space that will function for this purpose. Additionally, you and us may agree that an on-site training kitchen will not be necessary for your location (for example, in some instances a second franchise location for the same owner may not need a kitchen). We expect that majority of first time **SNAPCHEF** franchise owners will require this package.

[5] The estimated cost of approved software, computer, security system, phones, and related equipment including a printer, a copy machine, phone/voice mail system. Also, you will need to have secure Internet access.

[6] This is an estimate of the cost of purchasing office furniture, filing cabinets, and related supplies.

[7] You must spend a minimum of $4,000 to promote the opening of your Franchised Business location.

[8] The insurance estimate includes several lines of insurance including property, casualty, unemployment insurance and workmen's compensation.

[9] Professional fees include setting up a business entity, filing the necessary forms, setting up an accounting system, etc.

[10] The estimated cost for obtaining any required licenses or municipal bonds.

[11] Typically, you will be leasing rather than purchasing the real estate. The low estimate is for one month's rent deposit for a lower cost location, while the high estimate is for two month's rent deposit for a more expensive cost location.

[12] The estimate for any other potential required initial deposits is provided.

[13] Your Managing Owner must attend 5 days of training at our training location in Massachusetts and the estimated cost for the travel, accommodation and personal expenses for up to 2 people attending the training course is provided.

[14] Additional funds are an estimate of the amount of cash required to cover any operating expenses during your first 3 months of operation, including financing the payroll of your culinary employees. The additional funds required may be covered with an approved credit line. If you plan to finance your payroll, you will need to provide us with all financial information we request.

All payments to us are non-refundable. Any refund of payments made to various vendors will depend on the terms you arrange with those vendors.

Your Estimated Initial Investment Area Development Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Paid
Area Development Fee	$20,000 – $50,000	Lump sum	When you sign the Area Development Agreement	Us
Professional Fees	$3,000 - $5,000	Varies	Varies	Accountants, lawyers, etc.
Total $23,000 - $55,000 (excluding real property)				

The estimated Area Development Fee amount is for the purchase of the rights to open 2 to 5 additional Franchised Business locations under the terms of an Area Development Agreement and is non-refundable. The Area Development Fee you will pay us is contingent on the number of **SNAPCHEF** businesses you intend to open under the terms of the Area Development Agreement and may vary materially from the estimated amounts in the table above if you purchase the rights to open more than 5 additional locations. Typically any professional fees you incur are not refundable. If you fulfill the terms of the Area Development Agreement, you'll incur total initial expenses for each franchise location that you open similar to those initial expenses identified in

the first table in this Item 7. The Area Development Fee is applied to the initial Franchise Fee incurred upon opening each Franchised Business, it is not an additional expenditure. This estimated cost of development of Franchised Business locations that you open under the terms of the Area Development Agreement may increase over the term of the Area Development Agreement based on inflation and other economic factors.

Item 8: Restrictions on Sources of Products and Services

Generally.

To ensure that high and uniform standards of service and quality are maintained, you must operate your **SNAPCHEF** Franchised Business in strict conformity with our methods, standards, specifications, protocols and customer service requirements and you must purchase supplies, fixtures, equipment, merchandise, goods, inventory, and specified services only from suppliers we have approved.

The personal property listed in Item 7 must be purchased by you from us, our approved suppliers or according to our specifications. As of the date of this disclosure document, none of our officers own any interest in any of our approved suppliers other than in our affiliate **SNAPCHEF**, Inc..

Purchases from Us or Our Affiliate.

As noted in Items 5 & 7 you are required to purchase from us the Branding Package, which includes our **SNAPCHEF** proprietary software, **SNAPCHEF** Signage, and other **SNAPCHEF** branded items. Schedule A to the Franchise Agreement contains a list of the contents of the Branding Package. Other than our **SNAPCHEF** proprietary software, none of the other computer software and hardware we require you to use is our proprietary property. You are also required to purchase **SNAPCHEF** Software maintenance services and Internet website and email account hosting and maintenance services from us. We have not derived any revenue from franchisee required purchases as of the Issuance Date of this Franchise Disclosure Document.

We are the only approved supplier for the Branding Package, and for the ongoing Software maintenance, website and email services. You may use only marketing and promotional materials that we have approved (see Item 11 for more information on marketing).

You may also purchase from us the Training Kitchen Package. This is referenced in Items 5 and 7, and a list of contents provided in Schedule A to the Franchise Agreement. We anticipate that most new Franchised Businesses will purchase this package; however, you and we may agree that this is not necessary for your specific circumstance. We have not derived any revenue from franchisee purchases as of the Issuance Date of this Franchise Disclosure Document.

You are also required to purchase the Technology and Office Equipment/Supplies identified in Item 7 and detailed in Item 11. These items can be purchased from a vendor of your choice.

Approved Suppliers.

Approved suppliers and specifications are contained in our Operations Manual. Approved suppliers and specifications are determined based on the current needs for operating the Franchised Business. We evaluate approved suppliers based on price, service, quality, and other commercially reasonable benchmarks. The identity of approved suppliers and these specifications are updated periodically in writing by modifying the appropriate pages of the Operations Manual. We will send you modified pages electronically or by any other commercially reasonable means we designate. We have procedures for approving vendors and suppliers you recommend. It takes up to 90 days to evaluate new vendors or suppliers.

We may approve or disapprove any supplier, and we may approve a supplier conditionally, provided, however, that approval will not be withheld unreasonably. In evaluating any supplier you propose, we will, subject to reasonable restrictions and conditions to protect our trade secrets and confidential information, disclose to the proposed supplier applicable standards, specifications, processes, and procedures for the item in sufficient detail to enable the proposed supplier to demonstrate fully its capacity and capabilities to supply the items. Within 90 days after we receive all requested information, we will communicate to you in writing our decision to approve or disapprove your proposed supplier. We may disapprove any supplier who we previously approved, and you may not, after receipt of notice of disapproval, reorder from any supplier we have disapproved.

We may prescribe procedures for the submission of requests for approval and impose obligations on approved suppliers, which will be incorporated in a written license agreement with the supplier. We may obtain from you and/or the approved supplier reimbursement of our reasonable costs and expenses incurred in the approval process and on-going monitoring of the supplier's compliance with our requirements. We estimate the typical range of supplier/product review costs may be from $500 to $2,000.

We do not act as an agent, representative or in any other intermediary or fiduciary capacity for you in our relationship with an alternative supplier you propose, and we approve. We may impose limits on the number of approved suppliers. We have the right to monitor the quality of goods or services provided by approved suppliers in a manner we deem appropriate and may terminate any supplier who does not meet our quality standards and specifications, as may be in effect periodically.

We may attempt to negotiate purchase agreements with our approved suppliers for the benefit of our company locations and franchisees. The estimated percentage of all your required purchases and leases from our approved suppliers in opening the Franchised Business relative to all purchases and leases you will make in opening the Franchised Business is 14% to 28%. The estimated percentage of all ongoing required purchases and leases from our approved suppliers in operating the Franchised Business relative to all purchases and leases you will make in operating the Franchised Business is less than 40%. If you purchase any products or goods from us or any affiliate, we may charge a markup of up to 100% over our cost and you will pay all shipping costs.

Relationships With Approved Suppliers

We do not provide material benefits to you (for example, special renewal privilege or additional franchises) based on your use of our designated or approved sources. We may terminate your franchise if you purchase services and goods that are not according to our specifications or that are not from our approved suppliers.

We have not derived any revenue from franchisee required purchases as of the Issuance Date of this Franchise Disclosure Document. We may do so in the future.

There are no purchasing or distribution cooperatives at this time.

Insurance.

You must maintain in force: (a) commercial general liability (including completed operations/product liability) insurance; (b) All Risk property insurance, including fire and extended coverage, vandalism and malicious mischief insurance, for 100% of the replacement value of your **SNAPCHEF** Franchise Business and its contents; and (c) any other insurance policies, like business interruption insurance, automobile insurance, unemployment insurance, excess umbrella insurance and worker's compensation insurance (with a broad form all-states endorsement), as we may determine periodically and as required by law. All insurance policies must: (1) be issued by carriers approved by us; (2) contain the types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe periodically; (3) name us and our Affiliates as additional insureds; (4) provide for 30 days' prior written notice to us of any material modification, cancellation or expiration of such policy; and (5) include such other provisions as we may require periodically.

Identified below are the types and minimum coverage amounts that currently we require for each franchised **SNAPCHEF** business per location. If your state requires greater coverage amounts for the categories listed below, you must obtain and maintain coverage as required by your state.

COMMERCIAL GENERAL LIABILITY:	
General Aggregate Limit:	$2,000,000
Products/Completed Operations Aggregate Limit:	$2,000,000
Personal and Advertising Injury Limit:	$1,000,000

COMMERCIAL OR PERSONAL AUTOMOBILE LIABILITY:	
Bodily Injury and Property Damage Combined Single Limit:	$1,000,000
Hired and Non-Owned Liability Limit:	$1,000,000

EMPLOYMENT PRACTICE LIABILITY INSURANCE:
$1,000,000 each occurrence (minimum)
$1,000,000 aggregate (minimum)

CYBER LIABILITY INSURANCE:
$1,000,000 each occurrence (minimum)

	$1,000,000 aggregate (minimum)
WORKERS' COMPENSATION:	
Workers' Compensation:	Statutory (with All States Broad Form)
Employer's Liability:	$1,000,000 per employee, bodily injury by disease; $1,000,000 policy limit, bodily injury by disease; $1,000,000 per employee, bodily injury by accident.
UMBRELLA LIABILITY	
	$5,000,000 each occurrence (minimum) $5,000,000 aggregate (minimum)

The landlord for your franchise location may have their own insurance coverage requirements that apply additionally to our requirements for insurance coverage.

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	Section in Area Development Agreement	Disclosure Document Item
a. Site selection and acquisition/ lease	8	6	7 and 11
b. Pre-opening purchases / leases	8, 9	Not Applicable	8
c. Site development and other pre-opening requirements	6, 8, 9, 10, 11	2, 5, 6	6, 7 and 11
d. Initial and ongoing training	10	Not Applicable	11
e. Opening	6	5, 6	11

Obligation	Section in Franchise Agreement	Section in Area Development Agreement	Disclosure Document Item
f. Fees	2.1, 2.4, 3.1, 3.3, 3.4, 3.5, 3.6, 7.3, 10.1, 10.2, 10.3, 12.1.5, 13.1.8, 13.2, 17.1, 17.3, 17.4, 17.5, 17.10, 19.3, 20.4, 21.2, 23.6 25.9, 25.12.4	1, 2, 3, 4, 5, 19	5 and 6
g. Compliance with standards and policies / Operations Manual	4,7,12, 13, 15, 18, 22, 26	Not applicable	11
h. Trademarks and proprietary information	7, 12, 14, 15, 22, 23.2, 23.3	5, 6, 18	13 and 14
i. Restrictions on products/services offered	12	Not Applicable	16
j. Warranty and customer service requirements	12.2.14	Not Applicable	11
k. Territorial development and sales quotas	Not applicable	1, 5, 6	12
l. Ongoing product/service purchases	12, 13.1	Not Applicable	8
m. Maintenance, appearance and remodeling requirements	8, 9, 12.2, 21.1	Not Applicable	11
n. Insurance	11.5, 12.2.13	Not Applicable	7 and 8
o. Advertising	12.2.6, 13.1.4, 17		6 and 11
p. Indemnification	24.4	Not Applicable	6
q. Owner's participation/ management/staffing	4.1, 5, 12.2.8	Not Applicable	11 and 15
r. Records/reports	12.2.12, 18	Not Applicable	6
s. Inspections/audits	19	Not Applicable	6 and 11
t. Transfer	20	12	17
u. Renewal	21	Not Applicable	17
v. Post-termination obligations	23	8	17
w. Non-competition covenants	16, 23.4	5, 7	17
x. Dispute resolution	25.9, 25.11, 25.12	17	17

Item 10: Financing

Neither we nor any agent or affiliate offers direct or indirect financing to you. We do not guarantee any note, lease or other of your obligations.

Item 11: Franchisor's Assistance, Advertising, Computer Systems, & Training

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

Our Pre-Opening Obligations

Our obligations prior to opening your **SNAPCHEF** franchise (with cites to the relevant Franchise Agreement Sections) include:

Granting you a franchise to operate a **SNAPCHEF** business within a designated territory (Section 1);

Allowing you to use our Operations Manual (Section 12). We offer our Operations Manual as guidance in the operation of your Franchised Business. You must follow the terms of the Operations Manual's current edition. We may update or revise the Operations Manual periodically. We will provide you with these updates. The Table of Contents and page count for the Operations Manual can be found in Exhibit F.

Approving your choice of a location (Section 8). Our concerns regarding your choice of a location for your **SNAPCHEF** franchise include general location and neighborhood, demographics, zoning, traffic patterns, parking, overall interior and exterior size, physical characteristics of the existing building and lease terms;

Reviewing and approving certain provisions of your lease for your location (Section 8.2);

Providing you with specifications and layouts for your **SNAPCHEF** location (Section 9);

Providing you with an initial weeklong training program at our **SNAPCHEF** training center in Massachusetts. A comprehensive program to provide the background you need to successfully operate a new **SNAPCHEF** Business. (Section 10);

Providing an additional week of training and setup assistance at your new **SNAPCHEF** Business location. We will send a qualified representative to your location for this additional training and assistance. (Section 10);

Providing you with guidance for an initial advertising and promotion program (Section 17.5.);

Selling to you the Branding Package (including proprietary **SNAPCHEF** proprietary software), and if applicable the Training Kitchen Package (Franchise Agreement Section 9 and Schedules A & B);

Administer and maintain the Advertising Fund (Franchise Agreement Section 17).

Our Ongoing Obligations

We will provide you with various administrative and accounting support services, including MSA billing and collections, instruction with utilizing our proprietary software, and weekly reporting services. We are constantly researching and developing ideas that we believe will improve our system.

In addition, our ongoing obligations to you during the operation of your **SNAPCHEF** franchise include:

Providing you with general guidance concerning (Section 13): Standards, specifications and operating procedures and methods utilized by the Franchised Business; Purchasing required and recommended goods, equipment, materials, supplies and services; Advertising and marketing programs; Employee training programs; and Use of authorized and approved computer systems. This continual advice and technical assistance and support is offered to you free of charge.

We are constantly researching and developing ideas that we believe will improve our system. As we identify improvements to our System we will periodically update your Operations Manual to reflect these changes.(Section 12)

Each calendar year during the term of the Franchise Agreement we will provide you with not less than 1 on-site consultation consisting of 1 day either at your franchise location or through a virtual meeting platform (such as Zoom® or Microsoft Teams®) to assist you in operating the Franchised Business (Section 13.2). At your request, we will furnish additional guidance and assistance relating to operation of the Franchised Business and, in this case, may charge the per day fees and charges we establish periodically (Section 13.1.8). If you request, or if we require, additional or special training for your employees, all of the expenses that we incur in connection with such training, including per day charges and travel and living expenses for our personnel, will be your responsibility (Sections 10.2 and 10.3).

Area Development Agreement.

Pre-opening assistance. Before you begin your area development business, we will identify the geographic area where you will develop **SNAPCHEF** Franchised Businesses and the schedule under which the development will happen (ADA Section 3).

Ongoing Assistance. We do not provide any additional ongoing assistance to you under the Area Development Agreement and have no further obligations to you under the Area Development

Agreement. Any ongoing assistance will be provided to you under the terms of the Franchise Agreements you enter into for franchise locations in the Development Area.

Site Selection.

You select the site for your **SNAPCHEF** location, subject to our approval. If we do not accept a site you propose, you may select another site, subject to our approval.

Before you acquire, by lease or purchase, any site for a **SNAPCHEF** location, you must submit a complete site information form to us. We will review each site information form and determine whether to accept or reject the site after considering factors we deem appropriate, including the general location and neighborhood, demographic information, traffic patterns, access, visibility, size, configuration, appearance and other physical characteristics of the site. If we accept the site, we will deliver to you a signed site acceptance form. We will use reasonable efforts to make a site acceptance decision within 20 days after we acknowledge receipt of a complete site information form and any other materials we have requested.

Neither our acceptance of the premises nor any information communicated to you regarding our standard site selection criteria for a **SNAPCHEF** location will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for a **SNAPCHEF** location. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise for a **SNAPCHEF** location at the site. Your **SNAPCHEF** franchise location may not be relocated without first obtaining our written consent. (Section 1.2.)

We estimate the time from the date you sign the Franchise Agreement to the date you open your **SNAPCHEF** Franchised Business to be between 1 and 4 months. However, this time estimate may vary depending on numerous factors including finding a suitable location, construction schedules and financing. If you and we cannot reasonably agree on a suitable location for your Franchised Business within 120 days of the Effective Date of your Franchise Agreement, we may terminate the Franchise Agreement and keep your initial franchise fee unless we have agreed with you in writing to extend the amount of time for you to open the Franchised Business. You must open the Franchised Business within 180 days of the Effective Date of your Franchise Agreement or we may terminate the Franchise Agreement.

Advertising and Promotion.

SNAPCHEF Advertising Fund (Section 17.1.).

We have established and administer an Advertising Fund for advertising, marketing and public relations programs and materials as we deem necessary and appropriate, in our sole discretion. The Advertising Fund will be used exclusively to meet any and all costs of maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the **SNAPCHEF** System, including, but not limited to, the costs of preparing and conducting radio, television, print, and Internet-based advertising campaigns; developing, maintaining, and updating a World Wide Website for the **SNAPCHEF** brand and System on the Internet; direct mail advertising; marketing surveys; employing advertising and/or public relations

agencies; purchasing promotional items; and providing promotional and other marketing materials and services to the businesses operating under the **SNAPCHEF** System. The Advertising Fund may furnish you with samples of advertising, marketing formats, promotional formats and other materials at no additional cost to you when we, in our sole discretion, deem appropriate. Multiple copies of such materials will be furnished to you at our direct cost of producing them plus any related shipping, handling and storage charges.

You must contribute to the Advertising Fund the amount identified in Item 6. At our discretion, these funds may be electronically drafted from the designated bank account. **SNAPCHEF** businesses owned by us or any affiliate are not required to contribute to the Advertising Fund on the same basis. All franchisee businesses may not be required to contribute the same percentage to the Advertising Fund. The Advertising Fund will not spend any money on advertising that is principally a solicitation for the sale of new franchises.

We will have sole business judgment over all aspects of programs financed by the Advertising Fund, including national or regional media, creative concepts, materials, endorsements and agency relationships. Although the Advertising Fund is intended to maximize general recognition and patronage of our trademarks, service marks and associated logotypes for the benefit of all **SNAPCHEF** businesses, we cannot assure you that any particular **SNAPCHEF** business will benefit directly or pro-rata from the placement of advertising. There is no requirement that we must spend any amount on advertising in your franchise territory.

We may spend, on behalf of the Advertising Fund, in any fiscal year, an amount that is greater or less than the aggregate contribution of all **SNAPCHEF** businesses to the Advertising Fund in that year and the Advertising Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Advertising Fund will be used to pay advertising costs before other assets of the Advertising Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the Advertising Fund and furnish the statement to you upon written request. We will maintain separate bookkeeping accounts for the Advertising Fund.

In our last fiscal year, we did not collect any Advertising Fund amounts; accordingly, we are unable to disclose the media used or the use of the funds in our last fiscal year. We will seek the advice of owners of **SNAPCHEF** businesses by formal or informal means with respect to the creative concepts and media used for programs financed by the Advertising Fund. We do not have an advertising council comprised of franchisees to formally advise us on advertising policies, although we reserve the right to form one in the future.

Ongoing Local Marketing Expense (Section 17.5.2).

You must spend for locally advertising and promoting the **SNAPCHEF** business in the amount specified in Item 6. These amounts spent on local advertising and promotion is identified as Ongoing Local Marketing Expense.

Initial Marketing Expense (Section 17.5.1).

In addition to your contributions to the Advertising Fund and your Local Marketing, Expense, you must spend a minimum of $4,000 for an initial opening advertising and promotion program for your **SNAPCHEF** Franchised Business utilizing the marketing and public relations programs developed by us or developed by you and approved by us. You must use the types of advertising media that we specify, and you must conduct your grand opening program prior to opening the **SNAPCHEF** business or within 2 months after opening. You must submit to us, for our prior approval, samples of all advertising and promotional plans and materials for any print, broadcast, cable, electronic, computer or other media (including the Internet) that you desire to use and that have not been prepared or previously approved by us. You may not use any advertising or promotional materials that we have disapproved.

Computer System (Section 9.2).

You are required to purchase a desktop computer system and a laptop computer including non-proprietary hardware, software, and related equipment. You are responsible for purchasing and arranging delivery of this equipment with the vendor. You are also responsible for securing and paying for a service contract which may include software upgrades.

The following hardware and software meet our current minimum requirements:

- Desktop Computer System: i5 Intel Core Processor (similar or better); 8 GB RAM; 256GB Solid State Hard Drive, and a currently supported version of Windows. This computer serves as a primary computer for the Operations Manager.
- Laptop Computer with similar processing capabilities and a currently supported version of Windows. Wi-Fi capability. This computer serves as the franchise owner's primary computer.
- Color Laser Printer
- Telephone Line with telephones at each desk
- 2 additional desktop computer systems for applicant use. The purpose of these computers is to provide internet access, which a job applicant may use to complete the online application form, onboarding forms, or the Snapchef FastTrack online training program.

To run your business, you are required to have the following software:

- Microsoft 365 (Word, Excel, PowerPoint, Outlook, Teams); plus Power BI application
- QuickBooks
- Adobe Acrobat
- Transaction Pro
- **SNAPCHEF** proprietary cloud-based business management software (SNAPware) and the SNAPapp, which are provided as part of the Branding Package (Item 5), and regular maintenance is covered by the weekly Technology Fee (Item 6).

The hardware and non-proprietary software can be purchased from a vendor of your choice. It is

estimated that the cost for this hardware and software will run between $2500 and $5000.

Except for the **SNAPCHEF** proprietary software, we have no contractual obligation to maintain, repair, update or upgrade your computer system. You may have to upgrade your computer system and software from time to time, the cost of which cannot be determined at this time. There is no limitation on the cost or frequency of required upgrades the computer system and hardware.

In addition to the hardware and software listed about, you will need to provide High Speed Internet Access to your **SNAPCHEF** Business. You must also purchase and use a Smart Phone, brand and vendor of your choosing, to communicate with clients and us.

We have the right to remotely access all your computer information and records to monitor your productivity and we have no contractual limitations on our ability to do so. (Franchise Agreement – Section 18.2)

Website and Online Presence (Section 17.9)

You may not establish or maintain a separate website, or otherwise maintain a presence or advertise on the Internet or any other public computer network in connection with the Franchised Business, unless we provide our prior written approval. You must use the website or webpage, domain name, and email addresses and services provided and/or recommended by us. We require that you use and maintain the Internet webpage, domain name, and email address(es) provided by us. We retain the right to control the content of this webpage.

You may not register a domain name or operate a website containing the Marks. We have the right to determine the content and use of any website associated with the Marks. Your general conduct on the Internet or other electronic media or social media, including your use of the Marks or any advertising, is subject to the terms and conditions of the Franchise Agreement and any other rules or requirements we may specify periodically.

We restrict, designate, and have the right to approve, or control all of your electronic media, including Internet activities, and e-mail marketing correspondence, digital content, and electronic communications if any. This includes any websites and all Social Networking and Marketing activities, including Twitter, Facebook, Foursquare, LinkedIn or any social media outlets. You must follow the most recent rules and regulations published in our Operations Manual or other manuals we have created regarding the upkeep and communications sent out via these channels.

Training and Commencement Assistance (Section 10).

Before opening your **SNAPCHEF** Franchised Business, your Managing Owner (described in Item 15), must successfully complete our initial training program to our satisfaction, which consists of both classroom and hands-on training covering all phases of our operations,

including basic techniques of management. Generally, training begins at least two weeks before opening your **SNAPCHEF** Franchised Business. Training is held during regular monthly intervals during the year depending on our need to train new franchisees. The instructional material may consist of our Operations Manual, videos, checklists, demonstrations, practice and quizzes.

You must replace any individual who fails to successfully complete the appropriate certified training program(s) or who otherwise is not qualified to manage or perform the required functions at a **SNAPCHEF** business. We will not charge any fees for up to 2 people to attend the initial training program. However, as described in Item 6, you will be responsible for all compensation and expenses (including travel, meals and lodging) incurred in connection with any training programs. Neither you nor your employees will receive any compensation from us for services performed during training.

Initial pre-opening training will be held at our training location, currently in Massachusetts. Alternatively, and at our sole discretion, this portion of the training may be held virtually through a platform such as Zoom® or Microsoft Teams®. Initial training consists of 5 days of training for your Managing Owner and 1 additional owner or employee you elect to enroll in the training program. Any additional individuals whom you elect to attend the initial training will be charged $500 per person. We may increase or decrease the amount of time for training at any time. Your Managing Owner must attend and successfully complete pre-opening training prior to the opening of your Franchised Business. Failure of the Managing Owner to successfully complete the required initial training program may result in termination of our Franchise Agreement with you according to Section 22.2.2. of the Franchise Agreement.

Prior to opening or within 60 days of the date you open our representative will provide 4 days of on-site training and assistance at your Franchised Business location. We will schedule all on-site assistance on the days we specify. (Section 10.1.3).

Our initial training program will be provided substantially as follows:

TRAINING PROGRAM

Subject	Hours of Initial Training (In Massachusetts or Virtually)	Hours of On-The-Job Training (At Your Franchised Business)
Administration • Business Philosophy and Vision • Financial Planning • Accounting • Payroll • Reporting • Regulatory Compliance	10	6

Subject	Hours of Initial Training (In Massachusetts or Virtually)	Hours of On-The-Job Training (At Your Franchised Business)
Facility Management • Maintenance • Health & Safety • Equipment • Appearance	4	3
Software & Technology • SNAPapp • SNAPware; cloud-based Business Mgmt Software • Website • Email • Social Media Platforms • FastTrack Online Training	8	3
Staff Management • Recruitment • Hiring • Training • Policies • Job Description • Scheduling • Staff Transportation	8	6
Sales and Marketing • Procedures • Policies • Marketing • Community and Public Relations	10	6

It is the nature of the **SNAPCHEF** business that all subjects are integrated into the training program, and that there are no clear delineations between the subjects being learned.

The primary instructors conducting the Training Programs are our corporate staff members identified in Item 2. Todd Snopkowski is our CEO, and has approximately 20 years of experience with us, and over 30 years in foodservice management. Daniella Snopkowski has approximately 20 years of experience with us, with a focus on finance and operations management. Walter Miska has nearly 20 years of operating franchise businesses, both as Franchisor and as Franchisee. Occasionally, the individuals instructing the training may vary, but all of our instructors must have at least 1 to 3 years of relevant work experience. (Franchise Agreement - Section 10)

Item 12: Territory

Franchise Agreement.

You will be granted a Designated Marketing Territory (the "Territory") in which to operate your franchise. Your Territory will be defined as a specific geographic area identified using commonly understood state, county, municipal, postal area, or other definitions.

Your Franchised Business must establish an office space that is located within your Designated Marketing Territory, which will be defined and named by us and will contain a total population of 500,000 or more people. You must confine your business activities to your Designated Marketing Territory; including, but not limited to networking meetings, conferences, community service, and educational programs. While you are not restricted from accepting referrals or unsolicited clients or staff members from outside your Territory, you must restrict the targeting of public relations, promotional, sales and marketing activities to clients and individuals with your Designated Marketing Territory. You shall not actively market areas outside of your Territory using any media; including print, online or direct marketing.

During the term of the Franchise Agreement and for so long as you are not in default under the Franchise Agreement, we shall not locate, operate, or license any other person to locate or operate another **SNAPCHEF** business within the Territory. Note that exclusivity of your territory extends to marketing and physical office presence, and not to servicing of clients. Examples of authorized **SNAPCHEF** services or products that may be serviced in your Territory by us or another franchisee include: client account locations under Master Service Agreements with us, client account locations in your Territory serviced by another franchisee prior to the Effective Date of your Franchise Agreement; and client accounts within your Territory referred to another franchisee.

The Franchise Agreement grants to you the right to own and operate a **SNAPCHEF** business at a specific location. You may not conduct the business of your **SNAPCHEF** business at any site other than the approved premises, or relocate your **SNAPCHEF** business without our prior written consent. In our sole business judgment we may approve of the relocation of your franchise location in certain limited circumstances, for example where a similar location is available with significantly more favorable lease terms or where the physical condition of the franchise location requires that you move to another location. You must pay all our reasonable expenses incurred in evaluating any proposed relocation site for the Franchised Business and are responsible for all expenses you incur in moving the franchise to the new location.

By virtue of signing the Franchise Agreement, you do not obtain any additional options, rights of first refusal, or similar rights to acquire additional franchises. We do not currently operate, or franchise the operation of any other business selling under different trademarks any services or products similar to the services and products offered by **SNAPCHEF** businesses, and presently we do not have any plans to do so.

Except for rights expressly granted to you under the Franchise Agreement, we retain all of our rights with respect to the Marks, the System and **SNAPCHEF** businesses anywhere in the world, including the following rights, without compensation to you:

1. the right to host one or more websites on the Internet that advertise **SNAPCHEF** businesses and the services and products they offer and that allow potential customers to contact **SNAPCHEF** businesses throughout the world, even though a website is accessible to or viewable by Persons in the Territory;

2. the right to advertise and promote the **SNAPCHEF** services and products through broadcast, print and electronic media that are broadcast, delivered or otherwise transmitted into the Territory;

3. the right to offer and sell any services and products within the Territory and elsewhere under any trade names, trademarks, service marks or trade dress, including the Marks, through any channels of distribution other than employment placement services business or culinary training services businesses (including Internet sales; and mail-order sales);

4. acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere or business conducted anywhere. These transactions may include arrangements involving competing businesses or outlets and dual branding or brand conversions; and

5. outside the Territory we have the right to establish and operate (directly or through an Affiliate), and to grant to others the right to establish and operate, any business of any kind, including employment placement services businesses or culinary training services businesses.

Area Development Agreement.

If you become an Area Developer by executing Exhibit "B" of the Disclosure Document, you will be granted an exclusive "Development Area" Territory in which to open and operate a specific number of **SNAPCHEF** franchise locations. If you sign an Area Development Agreement, you must sign a separate **SNAPCHEF** Franchise Agreement for any franchise location that you open in the Development Area. You are required to maintain the development schedule identified in the Area Development Agreement. Failure to maintain the development schedule will result in your loss of your continuing rights to develop franchise locations within the Development Area.

If you are complying with all the terms of the Area Development Agreement and you and your affiliates are complying with all obligations under all franchise agreements, during the term of the Area Development Agreement, we or our Affiliates will not develop, operate or franchise a **SNAPCHEF** business in the Development Area except for franchises we grant you and your approved affiliated entities. We may not modify your Area Development rights except by your failure to maintain the development schedule or by mutual written agreement. We will approve sites for additional SNAPCHEF franchise locations using our then-current site criteria.

By virtue of signing the Area Development Agreement, you do not obtain any additional options, rights of first refusal, or similar rights to acquire additional franchises.

Upon expiration or termination of the Area Development Agreement (which includes our right to terminate the Area Development Agreement as a result of your failure to satisfy your obligations under the development schedule or any other obligation under the Area Development Agreement), we (and our affiliates) may operate, and authorize any other parties to operate **SNAPCHEF** offices, the physical premises of which are located within the Development Areas and engage, and allow others to engage, within and outside the Development Area without any restrictions, subject only to your (or your affiliated entity's) rights under existing franchise agreements with us (which includes any Territories).

Item 13: Trademarks

The **SNAPCHEF** trademark is the principal trademark you'll use under license from us through the Franchise Agreement. The **SNAPCHEF** trademark listed below is registered with the United States Patent and Trademark Office. Since we have a Principal Register federal registration for the **SNAPCHEF** trademark, we have certain presumptive legal rights granted by a registration.

Our principal trademark ("Mark") is:

Trademark	Registration Number	Date of Registration	Register
SNAPCHEF	3429409	May 20, 2008	Principal

You must follow our operating procedures when you use the trademarks. You cannot use the trademarks or any other mark as part of your corporate name. You may not use the trademarks in the event you wish to advertise the sale of your franchise.

There are no currently effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court. There are no pending infringements, oppositions or cancellations concerning the principal trademarks. There is no pending material litigation involving the principal trademarks. We have filed all required affidavits.

There are no agreements currently in effect that significantly limit our rights to use or license the use of the principal trademarks in a manner material to the franchise.

We have no actual knowledge of either superior prior rights or infringing uses that could materially affect your use of the principal trademarks in the state where your franchise may be located. If it becomes advisable at any time in our business judgment for us and/or you to modify or discontinue the use of any Marks and/or use one or more additional or substitute trademarks or

service marks, you are obligated to comply with our directions within a reasonable time after receiving such notice from us.

We shall 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 accordance with the terms of the Franchise Agreement, we will pay the cost of the defense, including the cost of any judgment or settlement. If we determine that you have not used the Marks in accordance with the terms of the Franchise Agreement, the cost of the defense, including the cost of any judgment or settlement, will be paid by you.

Item 14: Patents, Copyrights, and Proprietary Information

You must operate your franchise in accordance with our Operations Manual and our Methods of Operation. Our Operations Manual and our Methods of Operation contain mandatory and suggested specifications, standards, operating procedures and rules that we prescribe periodically for the operation of a **SNAPCHEF** business and information relating to your other obligations under the Franchise Agreement and related agreements. The Operations Manual may be modified by us periodically to reflect changes in our Methods of Operation. You do not receive the right to use an item covered by a federally registered patent or copyright, but you must use the proprietary information contained in our Operations Manual. The Operations Manual and the specifics on your use of the Operations Manual are described in the Franchise Agreement. Although we have not filed an application for copyright registration, we claim copyright protection for the Operations Manual, software, advertising materials, and other materials we give you for your use or for public dissemination, other proprietary information and publications we own or have acquired under license from a third party, and everything concerning Methods of Operation. All of this is our proprietary intellectual property. There are no patents or registered copyrights material to the franchise. However, we claim copyright protection in the Manual, the design elements of our Marks, our office design, our product packaging, advertising and promotional materials, and the content and design of our website (the "Copyrighted Works").

We do not own rights in, or licenses to, any patents that are material to the franchise and do not have any pending patent applications that are material to the franchise. There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We have no obligation to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of the copyrights. You may not use any of our Copyrighted Works on the Internet without our written permission. This includes display of the Copyrighted Works on commercial websites, gaming websites, and social networking websites (such as FACEBOOK, INSTAGRAM, PINTEREST, or TWITTER).

You and your employees must maintain the confidentiality of all information contained in the Manuals and other information that we consider confidential, proprietary, or trade secret information. “Confidential Information” means all trade secrets, and other elements of the System; all customer information; all information contained in the Manuals; and standards and

specifications for services and products offered; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the Franchise Agreement, any training we provide, and all other information that we designate. You must implement any reasonable procedures we may adopt to protect our Confidential Information including restrictions on disclosures to your employees and requiring employees who will have access to our Confidential Information to sign employment agreements containing non-disclosure and non-competition provisions.

You may not contest our exclusive ownership of the copyrights, trade secrets, processes, methods, procedures, formulae, techniques and other proprietary information to which we claim exclusive rights.

If you or your employees or owners develop any new concept, process or improvement in the operation or promotion of your office, you must promptly notify us and give us all necessary information about the new process or improvement, without compensation. You and your owners agree that any of these concepts, processes, or improvements will become our property, and we may use or disclose them to other franchisees, as we determine appropriate.

Item 15: Obligation to Participate in the Actual Operation of the Franchise Business

For each Franchise location, you must designate one "Managing Owner", as defined in the Franchise Agreement. You will provide us with the name and necessary contact information, such as address and telephone numbers, of this person. In the event we need to contact you, we will contact the Managing Owner. This person will have all authority necessary to carry out day to day business decisions, answer any questions or requests we have, and bind you. Your Managing Owner must personally manage and operate the franchise as a primary occupation and you may not, without our prior written consent, delegate your Managing Owner's authority and responsibility with respect to management and operation. There is no minimum equity ownership requirement of the Franchised Business for the Managing Owner.

The Managing Owner must have successfully completed the pre-opening training. If we consent to an "on-premises" manager distinct from your Managing Owner, the "on-premises" manager does need not have an equity share in the Franchised Business but must complete all required training. Any "on-premises" manager will need to maintain sufficient contact with the Managing Owner so that we will not need to contact the "on-premises" manager separately from our contact with the Managing Owner.

You and your employees are subject to certain confidentiality requirements. You and your owners are also subject to a covenant not to compete.

You must individually guarantee performance under the Franchise Agreement. Depending on your form of ownership of the Franchised Business (for example, corporation, limited liability company, etc.) other people may also need to sign guarantees of performance. Each of your

"Owners" (as defined in the Franchise Agreement) must sign the Franchise Agreement and a personal guaranty. Each of your Owners is bound under the Franchise Agreement to its confidentiality and non-competition provisions. We may require certain managerial employees of the franchise to sign a separate confidentiality agreement with us under our Methods of Operation. We do not require spouses or children of the franchisee or its owners to sign confidentiality agreements, the Franchise Agreement, or a personal guaranty unless the individual has an ownership interest in the franchisee.

Item 16: Restrictions on What the Franchisee May Sell

You must operate your **SNAPCHEF** franchise in accordance with our Operations Manual and our Methods of Operation. Our Operations Manual and our Methods of Operation contain mandatory and suggested specifications, standards, operating procedures and rules that we prescribe periodically for the operation of a **SNAPCHEF** business and information relating to your other obligations under the Franchise Agreement and related agreements. The Operations Manual may be modified periodically by us to reflect changes in our Methods of Operation.

You may offer and sell only those services and products that we have approved. You must offer all services and products that we designate as required for all franchisees. We have the right to add additional authorized products and services that you must offer through your franchise. There are no limits on our right to do so.

You must obtain permission from us to offer any goods and services that we have not approved. You may not engage in any business activities that compete with the products and services offered by us.

Item 17: Renewal, Termination, Transfer, and Dispute Resolution

THE FRANCHISE RELATIONSHIP

FRANCHISE AGREEMENT

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

PROVISION	***SECTION IN FRANCHISE AGREEMENT***	***SUMMARY***
a. Length of the franchise term	1.2	Term is 10 years.
b. Renewal or extension of the term	21	Successive 10 year terms may be granted if you are not in default of any provisions of the Franchise Agreement.

PROVISION	*SECTION IN FRANCHISE AGREEMENT*	*SUMMARY*
c. Requirements for franchisee to renew or extend	21	Renewal means continued rights to operate in the same Territory as identified in the initial Franchise Agreement. You may need to bring the franchise into compliance with our system standards and will need to sign a new franchise agreement and pay a renewal franchise fee. The renewal franchise agreement may contain terms or conditions that materially differ from your original Franchise Agreement.
d. Termination by franchisee	Not applicable	You may terminate the Franchise Agreement on any grounds available by law.
e. Termination by franchisor without cause	Not applicable	The Franchise Agreement does not contain such a provision.
f. Termination by franchisor with cause	22	We have the right to terminate the Franchise Agreement with cause. Depending upon the reason for termination, we may not provide you an opportunity to cure. See this Item 17(g) and (h) for further description
g. "Cause" defined – curable defaults	22.3.	We must provide you with an opportunity to cure any of the deficiencies identified in Section 19.3. of the Franchise Agreement.
h. "Cause" defined – non-curable defaults	22.1., 22.2.	We may terminate the Franchise Agreement without providing you an opportunity to cure for any of the deficiencies identified in Sections 22.1. and 22.2. of the Franchise Agreement.
i. Franchisee's obligations on termination/non-renewal	23	Pay us what you owe us; cease using the Marks; and follow our termination procedures; transfer all telephone numbers of the Franchised Business to us; give us all copies of your customer lists; cancel fictitious business names, adhere to the covenant not to compete in the Franchise Agreement.
j. Assignment of contract by franchisor	20.1	Fully transferable by us.
k. "Transfer" by franchisee - definition	20.3	Includes any transfer of ownership.
l. Franchisor approval of transfer by franchisee	20.2	Our approval of any transfer is required prior to your transferring the Franchise to a third party. However, will not unreasonably withhold our approval where the proposed transferee meets all our conditions for approval.

PROVISION	*SECTION IN FRANCHISE AGREEMENT*	*SUMMARY*
m. Conditions for franchisor approval of transfer	20.4	You must pay our transfer fee and all other expenses we incur in approving the transfer. The proposed transferee must meet our standards as to character, financial resources, and willingness to assume the existing obligations under the Franchise Agreement, sign our then-current form of franchise agreement, and complete training.
n. Franchisor's right of first refusal to acquire franchisee's business	20.9	We can match any offer for your Franchise.
o. Franchisor's option to purchase franchisee's business	23.6	60 day option upon termination or expiration
p. Death or disability of franchisee	20.6	A replacement Managing Owner must be trained.
q. Non-competition covenants during the term of the franchise	16.1	No direct or indirect interest in a Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires	23.4	After termination or expiration of the Franchise Agreement, you may not operate a similar type of business for a period of 36 months operating at the Franchise Location, within the Territory, within 50 miles from any point on the perimeter of your Territory, or within the territory or within 25 miles of the territory of any other then-existing **SNAPCHEF** business.
s. Modification of the agreement	25.16	Must be in writing
t. Integration/merger clause	25.18	Oral statements not binding. Franchise Agreement is the entire agreement (subject to federal law). Any promises not contained in the Franchise Agreement, or this Franchise Disclosure Document may not be enforceable. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim our representations made in the disclosure document.
u. Dispute resolution by arbitration or mediation	25.12	All disputes resolved by mediation or arbitration except for actions for declaratory or equitable relief, actions in ejectment or for possession of any interest in real or personal property, or actions which by applicable law can't be arbitrated
v. Choice of forum	25.14	Massachusetts, unless superseded by state law.
w. Choice of law	25.13	Massachusetts, except superseded by state law.

AREA DEVELOPMENT AGREEMENT

This table lists certain important provisions of the Area Development Agreement. You should read these provisions in the Area Development Agreement attached to this Franchise Disclosure Document.

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Length of the franchise term	13	In accordance with the Development Schedule or 10 years, whichever expires first.
b. Renewal or extension of the term	13	You have no right to renew or extend your rights under the Area Development Agreement.
c. Requirements for franchisee to renew or extend	Not applicable	Not Applicable.
d. Termination by franchisee	Not Applicable.	Not Applicable.
e. Termination by franchisor without cause	Not Applicable.	We will not terminate the Area Development Agreement without cause.
f. Termination by franchisor with cause	8	We can terminate the Area Development Agreement if you default or fail to comply with your obligations.
g. "Cause" defined – curable defaults	8	Where you fail to comply with the Development Schedule for any location at any time, or where you fail to comply with the other terms of the Area Development Agreement, the Area Development Agreement will terminate, following our giving you 30 days' notice and opportunity to cure, without further recourse to you.
h. "Cause" defined – non-curable defaults	8	Non-curable defaults include the termination of a Franchise Agreement.
i. Franchisee's obligations on termination/non-renewal	5	All development rights revert to us.
j. Assignment of contract by franchisor	12	No restriction on our right to assign.
k. "Transfer" by franchisee - definition	12	Our approval is required, and you may only transfer your rights and interests under the Area Development Agreement if you obtain our written consent.
l. Franchisor approval of transfer by franchisee	12	Our approval is required, and you may only transfer your rights and interests under the Area Development Agreement if you obtain our written consent.

PROVISION	SECTION IN AGREEMENT	SUMMARY
m. Conditions for franchisor approval of transfer	12	You may only transfer your rights and interests under the Area Development Agreement if you obtain our consent, and pay our costs in connection with the transfer.
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable.	Not Applicable.
o. Franchisor's option to purchase franchisee's business	Not Applicable.	Not Applicable.
p. Death or disability of franchisee	12	Area Development Agreement is binding upon assigns, legal representatives, executors, heirs and successors.
q. Non-competition covenants during the term of the franchise	5(b)	Franchise Agreement Compliance: No direct involvement in the operation of any competitive business, any similar business, or any business that offers franchises or licenses to operate a similar business.
r. Non-competition covenants after the franchise is terminated or expires	5(b)	Franchise Agreement Compliance: After termination or expiration of the Franchise Agreement, you may not operate a similar type of business for a period of 36 months operating at the Franchise Location, within the Territory, within 50 miles from any point on the perimeter of your Territory, or within the territory or within 25 miles of the territory of any other then-existing **SNAPCHEF** business.
s. Modification of the agreement	14	Any modification must be in writing and signed by both parties.
t. Integration/merger clause	14	Only terms of the Area Development Agreement are binding. All representations or promises made outside the Franchise Disclosure Document and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	18	All disputes resolved by mediation or arbitration except for actions for declaratory or equitable relief, actions in ejectment or for possession of any interest in real or personal property, or actions which by applicable law can't be arbitrated
v. Choice of forum	18	The venue for all proceedings related to or arising out of the Area Development Agreement is Massachusetts.
w. Choice of law	18	Subject to state law, the Area Development Agreement will be interpreted and construed under the laws of Massachusetts.

Item 18: Public Figures

There are no public figures involved in the sale of this franchise.

Item 19: Financial Performance Representations

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances. Table 1 below reflects unaudited historical information regarding the Gross Revenue and Total Shifts billed by all four of our company-owned outlets during calendar years 2019, 2020 and 2021. These four company-owned outlets are substantially similar to the **SNAPCHEF** outlet that you will operate under the Franchise Agreement. Each of the following company-owned outlets in Table 1 below offered similar products and services during each of the years set forth below as would generally offered by a typical SNAPCHEF outlet described in this disclosure document.

Because the results below are of existing outlets that have been in operation for some time, you should not expect to achieve the results below in your first year of operation. However, you will offer substantially the same services in a similar business format.

TABLE 1
ACTUAL SHIFTS AND REVENUE AT COMPANY-OWNED OUTLETS

SNAPchef

ACTUAL SHIFTS AND REVENUE BILLED AT COMPANY-OWNED UNITS

	2019		2020		2021	
UNIT	Shifts Billed	Gross Revenue	Shifts Billed	Gross Revenue	Shifts Billed	Gross Revenue
Boston	19,745	$ 4,076,261.00	6,672	$ 1,515,869.00	8,249	$ 2,146,822.00
Providence	7,497	$ 1,487,966.00	5,382	$ 1,011,133.00	10,326	$ 2,430,316.00
Worcester	13,258	$ 2,709,182.00	6,395	$ 1,348,618.00	6,918	$ 1,611,974.00
Springfield	1,760	$ 473,895.00	1,538	$ 429,748.00	2,727	$ 643,823.00

"Gross Revenue" is all money and other consideration paid for the services provided to clients of these company-owned **SNAPCHEF** outlets. Nothing is deducted in determining the gross revenue for this table.

"Total Shifts" refers to the number of billable days that a **SNAPCHEF** employee works at a client location.

These outlets have sold this much. Your individual results may differ. There is no assurance that you'll sell as much.

To further assist with your business planning, we have prepared a proforma Profit & Loss Statement based on expected ongoing operations at a typical franchised outlet. This does not include the initial one-time startup costs detailed in Item 7 of this document. The following figures are based on historic results of our company-owned outlets, which are substantially similar to the franchise being offered. In estimating the net earnings, no deductions have been made for interest, taxes, depreciation or amortization.

A franchisee-owned unit will experience different expenses from a company-owned unit. We have included these in the projected profit & loss statement in the following table. This table illustrates the effect of franchise related fees, leasing a space, and other expenses that may not be experienced at our corporate-owned units. These are estimates only, and your experience may vary significantly. Please take account of the assumptions in the following table when preparing your projections. **These figures are only estimates of what we think you may earn. Your individual results may differ. There is no assurance that you'll earn as much.**

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TABLE 2

FORECASTED PROFIT & LOSS STATEMENT FOR A FRANCHISED OUTLET, BASED ON SHIFTS FILLED

Franchisee Projected Profit & Loss Statement (single unit owner 2022)

Shift Count Basis

		SHIFTS 100	SHIFTS 200	SHIFTS 400	% Rev.
Assumptions					
	Ave. # Shifts Per Week	100	200	400	
	Hours Per Shift	7.5	7.5	7.5	
	Cost/Hour (Ave. Base Pay)[1]	$16.00	$16.00	$16.00	
	Billable Rate (Cost x 1.75)	$28.00	$28.00	$28.00	
	Temp to Perm Placements[2]	4	8	16	
	Placement Fee[3]	$1,000	$1,000	$1,000	
Revenue					
	Billable Labor	$1,092,000.00	$2,184,000.00	$4,368,000.00	86.1%
	Temp to Perm Placements	$4,000	$8,000	$16,000	0.3%
	Transportation[4]	$171,600	$343,200	$686,400	13.5%
Total Revenue		$1,267,600.00	$2,535,200.00	$5,070,400.00	100.0%
Cost of Goods Sold					
	Employee Salary	$624,000.00	$1,248,000.00	$2,496,000.00	49.2%
	Hourly Payroll Taxes/Benefits/Insurance	$93,600.00	$187,200.00	$374,400.00	7.4%
	Employee Transporation (Ride Share)[4]	$171,600.00	$343,200.00	$686,400.00	13.5%
	National Account Fee[5]	$52,608.00	$105,216.00	$210,432.00	4.2%
Total COGS		$941,808.00	$1,883,616.00	$3,767,232.00	74.3%
Gross Profit Margin		$325,792.00	$651,584.00	$1,303,168.00	25.7%
Operating Expenses					
	Admin/Management Payroll[6]	65,000	120,000	235,000	4.6%
	Payroll Tax/Benefits/Insurance	13,650	25,200	49,350	1.0%
	Occupancy Costs (rent, utilities, etc.)[7]	30,000	30,000	30,000	0.6%
	Insurance (Business)	12,000	12,000	12,000	0.2%
	Payroll Processing (ADP or similar)[8]	5,074	10,147	20,294	0.4%
	Clear & Background Checks on New Hires[9]	8,754	8,754	8,754	0.2%
	Tech Fee[10]	4,940	4,940	4,940	0.1%
	Minimum Local Marketing	25,352	50,704	101,408	2.0%
	Royalty Fees	65,760	131,520	263,040	5.2%
	Contribution to Snapchef Ad Fund	10,960	21,920	43,840	0.9%
	Dues & Subscriptions[11]	1,000	1,000	1,000	0.0%
	Accounting & Adminstrative Software[12]	1,200	1,200	1,200	0.0%
	Uniforms for Hourly Employee[13]	4,680	9,360	18,720	0.4%
	Online (Rouxbe) Training[14]	6,300	6,300	6,300	0.1%
	Snapchef Conference Attendence	700	700	700	0.0%
	Miscellaneous	25,352	50,704	101,408	2.0%
Total Operating Expenses		280,722	484,449	897,954	17.7%
EBITDA		$45,070.47	$167,134.94	$405,213.88	

Material Bases and Assumptions:			
	Payroll Tax/Benefits/Insurance (Mgr/Admin)	21%	(Company Owned units in 2021 experienced <21%)
	Payroll Tax/Benefits/Insurance (Hourly)	15%	(Company Owned units in 2021 experienced <15%)
	Royalties (franchise agreement)	6%	
	MSA Fee (up to 11% is paid back to client)	12%	40% (Company Owned units averaged 37.2% in 2021)
	Local Marketing Spend (franchise agreement)	2%	
	Ad Fund (franchise agreement)	1%	
	Miscellaneous (other unaccounted expenses)	2%	
	Average Transportation Cost per Shift	$33	(Company Owned units in 2021 experienced $33/Shift overall average)
	Average Shifts per Employee	3.4	(Company Owned units in 2021 averaged 3.4 Shifts per employee)
	Average New Hires per Month	14	(In 2021 averaged 14 new employees per month per unit)
[1]	Based on $15-$22 pay rate; weighted towards $15 and an anticipated average pay of $16/hr		
[2]	Based on experience in company owned units		
[3]	An administrative fee of $1000 is paid after the minimum 520 hours is billed to a client for the temp to perm employee.		
	A graduated scale can accelerate this transition upon client request.		
[4]	Cost for staff transporation is billed to clients at cost.		
	An overall average of $33 per shift is based on experience at company owned units. (ride share or hourly)		
[5]	National Accounts with Master Service Agreements (MSA) charge up to 11% as a National Account Fee.		
	Billing/collection administered by Corporate Office and Fee is paid to client on franchisee's behalf.		
[6]	Staffing based on a FT owner (Salary not included); and		
	1 FT Manager 100 shifts; 2 FT Manager/Admin 200 shifts; and 4 FT Mgr/Admin 400 shifts		
[7]	Based on renting a 1500 sq ft location in an Opportunity Zone and associated utilities.		
	Real estate rental costs can vary significantly by state/city/etc. Please be sure to consider the occupancy cost at your property.		
[8]	Based on corporate pricing with ADP. $3.25 per employee/week + $3.5/employee for W2.		
[9]	Clear Company provides paperwork and onboarding services. Background check is run on each new hire.		
	Use of the corporate approved vendor, cost is approximately $25 per hire. ClearCompany discounted rate of $467/month.		
[10]	Tech fee is $95/week as required by the Franchise Agreement to cover Software Maintence and web/email hosting		
[11]	Dues and Subscriptions is based on Franchise Disclosure Document; membership in professional organizations.		
[12]	Annual subscription to Microsoft 365 (w Power BI) + Quickbooks + Adobe Acrobat		
[13]	Based on 2021 experience at company-owned units: .75% of hourly wage payroll.		
[14]	Based on number of new hires * 50% that require or choose to use the online training. ($75/trainee)		

Many factors, including, but not necessarily limited to, location, management capabilities and local market conditions are unique to each outlet and may significantly impact the financial performance of your business. You are responsible for developing your own business plan for your location, including budgets, financial statements, projections, and other elements appropriate to your circumstances. We encourage you to consult with your own accounting, business, and legal advisors to assist you to develop projections that fit your own situation. You should prepare your own projections and budgets and independently assess the potential financial performance of your business. In developing your business plan for your location, you are cautioned to make necessary allowances for changes in sales, expenses, or both that may result from the operation of a business during periods of, or in geographic areas suffering from, economic downturns, inflation, unemployment, or other negative economic influences.

These statements have not been audited and may not be based on generally accepted accounting principles. Written substantiation for the financial performance representations will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, **SNAPCHEF** Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Todd Snopkowski, 800 Main St., Holden, MA, (844) 424-3343, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20: Outlets and Franchisee Representations

Table No. 1
Systemwide Outlet Summary
For Years 2019 to 2021

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2019	0	0	0
	2020	0	0	0
	2021	0	0	0
Company-Owned	2019	4	4	0
	2020	4	4	0
	2021	4	4	0
Total Outlets	2019	4	4	0
	2020	4	4	0
	2021	4	4	0

Table No. 2
Transfers From Franchisees to New Owners (Other than the Franchisor)
For Year 2019 to 2021

Column 1 State	Column 2 Year	Column 3 Number of Transfers
We do not have any franchises as of the issuance date on this document.	2019	0
	2020	0
	2021	0

Table No. 3
Status of Franchised Outlets for Years 2019 to 2021*

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Termina-tions	Column 6 Non-Renewals	Column 7 Reacquired by Franchisor	Column 8 Ceased Operations - Other Reasons	Column 9 Outlets at End of the Year
We do not have any franchises as of the issuance date on this document.	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0

*If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

Table No. 4
Status of Company-Owned Outlets For Years 2019 to 2021

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets Sold to Franchisees	Column 8 Outlets at End of the Year
Massachusetts	2019	3	0	0	0	0	3
	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
Rhode Island	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
Total	2019	4	0	0	0	0	4
	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4

Table No. 5
Projected Openings as of December 31, 2022

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlets in the 2022 Fiscal Year	Column 4 Projected New Company-Owned Outlets in 2022 Fiscal Year
Connecticut	0	1	0
Florida	0	1	0
Illinois	0	1	0
Texas	0	1	0
Total	0	4	0

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. During the previous three fiscal years, no franchisee signed any

confidentiality clauses which restricted the franchisee from freely communicating with prospective franchisees concerning the franchisee's experience with the franchise system.

Our Fiscal Year Ends on December 31.

Item 21: Financial Statements

Attached to this disclosure document as Exhibit "C" are our initial unaudited financial statements, as of March 29, 2022. Prospective franchisees should be advised that no Certified Public Accountant has audited these figures or expressed an opinion with regard to content or form of the compiled financial statement.

SNAPCHISE LLC has not been in business for three years and therefore presently is not able to disclose all financial statements that will be required to be disclosed in the future under the Federal Trade Commission's Franchise Rule.

Item 22: Contracts

Attached to this disclosure document as **Exhibit "A" is our Franchise Agreement** with Schedules and Appendices as follows:

Schedules

Schedule A: SNAPCHEF Branding Package
Schedule B: SNAPCHEF Training Kitchen Package

Appendices

Appendix A: Franchise Ownership and Management
Appendix B: Designated Marketing Territory
Appendix C: Personal Guarantee
Appendix D: Communications Assignment
Appendix E: EFT Authorization
Appendix F: Addendum to Lease
Appendix F: State Specific Addenda
and Acknowledgment Addendum to **SNAPCHEF** Franchise Agreement.

Attached to this disclosure document as **Exhibit "B" is our Area Development Agreement** and associated Exhibits: (A) Development Area, Schedule, and Fee; and (B) State Specific Addenda; and Acknowledgement Addendum to **SNAPCHEF** Area Development Agreement

Additionally, the following agreements and other required exhibits are attached to this disclosure document in the pages immediately following:

C. Financial Statements
D. List of State Administrators and List of State Agents for Service of Process

E. Copy of Current Form of General Release
F. Operations Manual Table of Contents and Page Count
G. State Specific Addenda to the Franchise Disclosure Document
H. State Effective Dates
I. Receipts

Item 23: Receipts

The Receipts to be signed by all prospective franchisees are attached in duplicate at the very end of this Franchise Disclosure Document (identified as Exhibit "I"). You will sign and date one copy and give it to us at the time we present it to you. Your copy of the receipt is attached at the end of this Franchise Disclosure Document.

The Receipts identify all our current Franchise Sellers.

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

[THE DISCLOSURE DOCUMENT ENDS HERE]

SNAPCHEF®

EXHIBIT “A”
TO THE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

TABLE OF CONTENTS

Article	Heading	
	Definitions	3
1	Grant of Franchise and Term of the Agreement	6
2	Initial Franchise Fee and Payments	6
3	Royalty, Other Fees, and Clint Account Administration	7
4	Performance Requirements	9
5	Ownership and Management	9
6	Start of Business	10
7	Territory	10
8	Location	12
9	Business Development	13
10	Training	14
11	Pre-Opening Requirements	15
12	Operation Requirements	16
13	General Guidance	19
14	Marks	20
15	Confidential Information	22
16	Exclusive Relationship	23
17	Marketing	23
18	Records, Reports and Financial Statements	26
19	Inspections and Audits	27
20	Transfer and Assignment	28
21	Expiration of this Agreement	32
22	Default and Termination	33
23	Our and Your Rights and Obligations upon Termination or Expiration of this Agreement	36
24	Relationship of the Parties and Indemnification	39
25	Enforcement and Miscellaneous Matters	40
26	Notices and Payments	47

Schedules

Schedule A: SNAPCHEF Branding Package
Schedule B: SNAPCHEF Training Kitchen Package

Appendices

Appendix A: Franchise Ownership and Management
Appendix B: Designated Marketing Territory
Appendix C: Personal Guarantee
Appendix D: Communications Assignment
Appendix E: EFT Authorization
Appendix F: Addendum to Lease
Appendix F: State Specific Addenda

SNAPCHEF®
FRANCHISE AGREEMENT

This **FRANCHISE AGREEMENT** ("Agreement") is made and entered into this _____day of _____, 20_____, by and between SNAPCHISE LLC, a Limited Liability Company (LLC) formed under Massachusetts law, with its principal business address at 800 Main St., Holden, Massachusetts 01520, (referred to in this Agreement as "Franchisor," "we," "us" or "our"), and _____, a [STATE/TYPE OF ENTITY] with its principal business address at _____ (referred to in this Agreement as "Franchisee," "you," "your" or "Owner").

DEFINITIONS. Words and phrases used frequently in this Agreement will have the meaning indicated:

"Accounting Period" means each calendar week during the Term of this Franchise Agreement.

"**Administration Fee**" means the fee payable from you to us each Accounting Period for our ongoing administrative support services of the Franchised Business.

"**Ad Fund Fee**" means the amount of money that you are required to contribute each Accounting Period to the Advertising Fund.

"**Advertising Fund**" means the pool of money controlled by SNAPCHISE LLC for the purpose of advertising, marketing and other promotional activities to promote **SNAPCHEF** businesses.

"Affiliated Companies" or "Affiliate(s)" means any person or company that, directly or indirectly, controls, is controlled by, or is under common control with, the referenced party.

"Agreement" or "Franchise Agreement" means this document, all its attachments, exhibits, stipulations, and schedules and written modifications whenever made.

"Competitive Business" means any business that offers or provides temporary or permanent employment placement services for culinary staff, or that offers or provides culinary training, or that offers or provides services or products that are the same or similar to those offered by **SNAPCHEF** businesses, or any business that offers franchises or licenses to others to operate any business that offers or provides temporary or permanent employment placement services for culinary staff, or that offers or provides culinary training, or that offers or provides services or products that are the same or similar to those offered by **SNAPCHEF** businesses.

"Computer System" means the brands, types, makes, and/or models of communications, computer systems, software and hardware to be used by you under the System, including without limitation: (a) back office and point of sale systems, data, audio, and video systems for use at the **SNAPCHEF** Franchised Business; (b) printers and other peripheral hardware or devices; (c) archival back-up systems; (d) Internet access mode and speed; and (e) physical, electronic, and other security systems.

"Control" or "Controlling Interest" means the possession, directly or indirectly, of the power to direct or cause the direction, of the management and policies of an entity, whether through ownership of voting securities, by contract or otherwise.

"**Corporation or Partnership**" includes, if applicable, reference to your formation as a limited liability company, limited liability partnership, or any other type of limited liability entity.

"Designated Bank Account" means the bank account from which we shall be authorized by you to withdraw in any manner which we prescribe, which may include electronic funds transfer ("EFT") or wire transfer, any amounts due to us or any Affiliate(s) from you under this Agreement, including Royalty fees, Administration Fees, and Ad Fund Fees due, and to which we shall deposit, which may include by EFT or wire transfer, any amounts due to you from us under this Agreement.

"Effective Date" means the date this Agreement becomes effective as designated on the Signature Page of this Agreement.

"EFT" means electronic funds transfer.

"Franchisee" means the individual or entity inserted in the space at the beginning of the Agreement.

"Franchised Business" means your **SNAPCHEF** business operated by you under the terms of this Agreement.

"Franchisor" means SNAPCHISE LLC.

"Gross Revenue" means all revenue you derive from operating the Franchised Business, and whether from cash, check, credit or barter transactions, and including e-commerce transactions, but excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority; and excluding transportation expenses billed to clients at cost; and excluding customer refunds, adjustments, credits and allowances actually made by the Franchised Business in compliance with our System.

"Guarantor" means any person who signs the Guaranty and Assumption of Obligations found in Appendix C to the Agreement.

"Location(s)" means your principal place of business and any other places where we authorize you to operate the Franchised Business, as identified in Appendix B to the Franchise Agreement.

"Managing Owner" means the Owner of the Franchised Business that has all the authority necessary to carry out day to day business decisions, answer any questions or requests we have, and bind you.

"Manual" or "Operations Manual" means our confidential **SNAPCHEF** Operations Manual which contains the required policies and procedures for the operation of the Franchised Business, and includes all specifications and standards we may use, and all supplemental bulletins, memoranda, revisions and replacements.

"Marks" means the current and future trade names, trademarks, service marks and trade dress used to identify **SNAPCHEF** businesses and the services and products offered by **SNAPCHEF** businesses, including the "**SNAPCHEF**" mark and the distinctive color scheme and signage of **SNAPCHEF** businesses.

"Master Service Agreement" or "MSA" means a contractual relationship with a national or regional client that outlines products, services and/or pricing between **SNAPCHEF** (including our franchisee and affiliates) and our client. There may be clients operating under MSAs in your Territory.

"Methods of Operation" means the mandatory and suggested specifications, standards, operating procedures and rules that we prescribe for the operation of the Franchised Business.

"MSA Clients" means national or regional clients that are managed in accordance with terms established by a Master Service Agreement between the Client and Franchisor. The billing, collection, and any payments due to MSA Clients, are managed for you by the Franchisor. This includes MSA Clients within your Territory.

"Ongoing Local Marketing Expense" means the minimum amount you must spend each Accounting Period for locally advertising and marketing your Franchised Business according to our required standards.

"**Owner**" means any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in you (or a transferee of this Agreement and the Franchised Business or an interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise or the Franchised Business and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets thereof.

"**Person**" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative or other legal or functional entity.

"Professional Organization Fees" means the fees you pay to belong to any industry professional organization that we require you to belong during the Term of the Agreement.

"Royalty" means the weekly fee payable from you to us for use of our intellectual property and for our ongoing support of your Franchised Business.

"SNAPCHEF business" means a business offering employment placement and culinary training services and products under the Marks and using the System that we, or any of our Affiliates, own and operate or license any other person or entity to own or operate.

"SNAPware" means **SNAPCHEF**'s proprietary cloud-based software that provides you with access to our robust staffing, scheduling and time keeping tech solutions including our app (SNAPapp) and client portal.

"Standards" means our required standards specified to you for operating the Franchised Business including, without limitation, those for required services and products, customer service, hours, and employee training.

"System" means the plan and system as updated and revised from time to time for providing our employment placement services, culinary training services, and related services and products using our software, accounting methods, merchandising, vehicles, equipment selection, advertising, promotional techniques, personnel training and quality standards that feature the Marks and includes all proprietary materials, our Standards and our Marks.

"Territory" or "Designated Marketing Territory" means the area listed on Appendix B to the Franchise Agreement in which you may market the Franchised Business.

"Term" means the ten year period under which the Agreement is effective, unless otherwise terminated.

"We", "us" or "our" means SNAPCHISE LLC, our successors and assigns or our Affiliates.

"You", "your" or "yours" means the Franchisee.

1. GRANT OF FRANCHISE AND TERM OF THE AGREEMENT.

We provide temporary and permanent employment placement services for foodservice staff, as well as providing culinary training and related services and products. We grant franchises to persons who meet our qualifications and are willing to undertake the investment and effort required to own and operate a **SNAPCHEF** business through our designated business system, procedures, policies and standards. You have indicated to us by your actions and statements that you desire to own and operate a **SNAPCHEF** business.

1.1. **Acknowledgements**.

1.1.1. You acknowledge that you have read this Agreement and our Franchise Disclosure Document and understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at each **SNAPCHEF** business.

1.1.2. You acknowledge that you have conducted an independent investigation of operating a **SNAPCHEF** business and recognize that the nature of this business may evolve and change over time and that an investment in a **SNAPCHEF** business involves business risks and that your business abilities and efforts are vital to the success of the venture.

1.1.3. You acknowledge that any information you acquired from other **SNAPCHEF** franchisees relating to their sales, profits or cash flows does not constitute information obtained from us, nor do we make any representation as to the accuracy of any such information.

1.2. **Grant of Franchise**. Subject to the terms of and upon the conditions contained in this Agreement, we hereby grant you a franchise (the "Franchise") to operate a **SNAPCHEF** Franchised Business solely at the location (the "Location") identified in Appendix B to this Agreement, and a license to use the Marks and the System in the operation thereof, for a term commencing on the Effective Date of this Agreement and expiring on the tenth (10^{th}) anniversary of that date (the "Term"), unless sooner terminated in accordance with Section 22 hereof. You may not operate the Franchised Business from any site other than the Location without our prior written consent. Except as otherwise provided in Section 7., we (and our Affiliates) will not establish or operate, or grant to a franchisee the right to establish or operate, another **SNAPCHEF** business to be located or operated within the geographical area set forth in Appendix B attached hereto (the "Territory"). You acknowledge and agree that you have no recourse against us if other Franchisees are granted allowances or rights that are not granted to you.

2. INITIAL FRANCHISE FEE AND PAYMENTS.

2.1. **Initial Franchise Fee**. You agree to pay us a one-time, non-refundable initial franchise fee in the amount of Thirty Nine Thousand Five Hundred Dollars ($39,500), which will be due upon your execution of this Agreement. The fee will be fully earned by us upon the execution of this Agreement.

2.2. **Interest on Late Payments**. All amounts which you owe us and do not pay us when due will bear interest from their due date at the rate of eighteen percent (18%) per year or the highest contract rate of interest permitted by law, whichever is less. You acknowledge that this Section does not constitute our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Franchised Business. Your failure to pay all

amounts then due constitutes grounds for termination of this Agreement, despite the provisions of this Section.

2.3. **Application of Payments**. Regardless of any designation you might make, we have sole discretion to apply any of your payments to any of your past due indebtedness to us. You acknowledge and agree that we have the right to set off any amounts you owe us against any amounts we might owe you.

2.4. **Designated Bank Account**. Prior to the opening of the Franchised Business, and as a condition thereof, you shall establish a designated bank account ("Designated Bank Account") from which we shall be authorized by you to withdraw in any manner which we prescribe, which may include EFT or wire transfer, any amounts due to us or any Affiliate(s) from you under this Agreement, including Royalty fees, Administration Fees, and Ad Fund Fees due, and to which we shall deposit, which may include EFT or wire transfer, any amounts due to you from us under this Agreement. All costs and expenses of establishing and maintaining such designated account, including transaction fees and wire transfer fees, shall be paid by you. You agree to execute attached Appendix E ("Electronic Funds Transfer Authorization") and you agree to maintain at all times sufficient funds in such Designated Bank Account for any allowable withdrawals by us.

3. ROYALTY, OTHER FEES, AND CLIENT ACCOUNT ADMINISTRATION.

3.1. **Royalty.** You agree to pay us a royalty ("Royalty") each calendar week (the "Accounting Period") during the term of the Agreement in the amount of six percent (6%) of Gross Revenue, or a weekly minimum royalty fee as shown below, whichever is greater for that week:

Time Period from Agreement Effective Date	Weekly Minimum Royalty Fee
Months 1-6	$0
Months 7-12	$100
Months 12-24	$200
After 24 Months	$300

Our fiscal week runs from Monday through Sunday.

3.2. **Definition of Gross Revenue.** As used in this Agreement, the term "Gross Revenue" means all revenue you derive from operating the Franchised Business, and whether from cash, check, credit or barter transactions, and including e-commerce transactions, but excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority; and excluding transportation expenses billed to clients at cost; and excluding customer refunds, adjustments, credits and allowances actually made by the Franchised Business in compliance with our System.

3.3. **Royalty Due Dates**.

3.3.1. **Royalty Collected By Us.** For all Gross Revenue collected by us, we will collect the Royalty and any other amounts due to us under this Agreement, on or before the last day of the Accounting Period. We will pay you collected Gross Revenue, less the Royalty, Administration Fee, Ad Fund Fee, and any other amounts due under this Agreement, within five (5) days of the close of the Accounting Period, by EFT, or by any other form of delivery that we may specify or approve, as we determine in our sole business judgment.

Additionally we will provide you with a statement showing collected Gross Revenue and a statement identifying all outstanding invoices for your Franchised Business.

3.3.2. **Royalty Payable By You.** For all Gross Revenue collected by you, you must pay us the Royalty, Ad Fund Fee, and any other amounts due under this Agreement, within three (3) days of the close of the Accounting Period, by EFT, or by any other form of delivery that we may specify or approve, as we determine in our sole business judgment. Additionally, you agree to deliver to us within three (3) days of the close of the Accounting Period, a statement of collected Gross Revenue and a statement of any outstanding invoices, with any such statement in such form as we specify, in our sole business judgment, and by such form of delivery as we specify, in our sole business judgment.

3.4. **Administration Fee**. You acknowledge and agree that in addition to the Royalty, each Accounting Period during the Term of the Agreement you shall pay us an administration fee (the "Administration Fee") for our ongoing administrative support of your Franchised Business specific to Master Service Agreements managed by us. The Administration Fee shall be in the amount of twelve percent (12%) of the portion of your Gross Revenue resulting from MSA clients, and shall be payable in the same manner and at the same time as the Royalty. We will provide billing and collection services for your client accounts subject to our Master Service Agreements. We will also pay, on your behalf by way of inclusion in the Administrative Fee, fees due to MSA Clients, such as client marketing contributions, which are currently up to eleven percent (11%) of gross revenue billed to those clients.

3.5. **Client Account Administration.** You acknowledge and agree that we may invoice any and all of your MSA Clients, pursuant to our Methods of Operation. We may maintain any and all of your accounts receivable from MSA Clients under our Methods of Operation and, in such case, we will use commercially reasonable efforts to collect all amounts owed to you from your MSA Clients that we maintain. We are your exclusive agent for collection under this Article until we send you a statement of outstanding invoices. **WE MAKE NO WARRANTY OR GUARANTY WHATSOEVER THAT WE WILL BE ABLE TO COLLECT ANY OR ALL AMOUNTS OWED TO YOU FROM YOUR CLIENT ACCOUNTS.** If, after ninety (90) days, we are not able to collect amounts owed from any of your client accounts, it will be your responsibility to collect any outstanding amounts owed to you on such client account, pursuant to our Methods of Operation. In the event that you are able to collect any amounts owed from your client accounts after ninety (90) days, you will be required to report such amounts to us and all such amounts will be subject to all applicable fees as if we had collected such amounts from such MSA Clients, including, without limitation, Royalty Fees and the Administrative Fee.

3.6. **Professional Organization Fees**. You acknowledge and agree that at all times during the Term of the Agreement, you must join and belong to, and maintain in good standing, such industry professional organizations that we may designate, in our sole business judgment. You acknowledge and agree that you are responsible solely for paying any initial and ongoing professional organization fees ("Professional Organization Fees") that any such professional organization may charge in order to belong to such organization.

3.7. **Technology Fee**. You shall pay to us a weekly Technology Fee in the amount of $95, or the then current Fee. This pays for continuing access to, and ongoing maintenance of the **SNAPCHEF** proprietary software: SNAPapp and SNAPware (our cloud-based business management software). Additionally, you will be supplied by us with a web page for your Franchised Business, as well as email addresses and associated hosting.

4. PERFORMANCE REQUIREMENTS.

4.1. **Performance Standards.** You agree that you will at all times faithfully, honestly and diligently perform your obligations hereunder, continuously exert your best efforts to promote and enhance the Franchised Business and not engage in any other business or activity that conflicts with your obligations to operate the Franchised Business in compliance with this Agreement.

4.2. **Days of Operation**. You acknowledge and agree that, as required by our Methods of Operation, the Franchised Business must operate the entire calendar year, unless otherwise approved in writing by us, and must be managed at all times by your Managing Owner or an Owner or employee approved in writing by us.

5. OWNERSHIP AND MANAGEMENT.

You acknowledge and agree that your Managing Owner must personally manage and operate the Franchised Business as a primary occupation and you may not, without our prior written consent, delegate your Managing Owner's authority and responsibility with respect to management and operation.

5.1. **Managing Owner.** You acknowledge and agree that your Owners and you will grant to one individual (the "Managing Owner"), the authority to legally bind you in any dealings with us, or our Affiliates, and to direct any action necessary to ensure compliance with this Agreement and any other agreements relating to the Franchised Business. The Managing Owner, at all times during the Term of the Agreement, shall maintain management Control of the Franchised Business, or shall have like authority, ownership, managerial control and voting power in any limited liability company, partnership, or other form of entity, unless otherwise agreed upon in writing by us. You will notify us thirty (30) days in advance of any change in the identity of the Managing Owner. Where such change results from the death or incapacity of the Managing Owner, you shall immediately notify us of such death or incapacity, and you will appoint a new Managing Owner within sixty (60) days after such death or incapacity. We reserve the right to review and disapprove of any newly appointed Managing Owner within ten (10) days of notice in our sole discretion. We reserve the right to review and approve the authority of the Managing Owner with respect to your Articles of Organization, Limited Liability Company Operating Agreement, Partnership Agreement, Shareholders Agreement, or similar documents and you agree that you will not make any amendments or changes to any provisions in the foregoing documents related to the authority of the Managing Owner without our approval. Neither you nor your Owners will, directly or indirectly, take any action to avoid or restrict the authority requirement for the Managing Owner.

5.2. **Business Entity Franchisee.** If you are at any time a corporation, limited liability company, partnership, or other business entity, you agree and represent that, as is applicable to your form of business entity:

5.2.1. Your charter, certificate of formation, or partnership agreement will at all times provide that your activities are confined exclusively to operating the Franchised Business, you will promptly furnish to us copies of your Articles of Incorporation, Articles of Organization, bylaws, partnership agreement, and any other governing documents, and any amendments thereto, including the resolution of the board of directors authorizing entry into this Agreement, and you will have the authority to execute, deliver and perform your obligations under this Agreement and are duly organized or formed and validly existing in good standing under the laws of the state of your incorporation or formation. You will

notify us within five (5) days whenever there is a change in your corporate status or whenever you receive service of process for any reason;

5.2.2. Your organizational documents or partnership agreement will recite that the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;

5.2.3. Appendix A to this Agreement will completely and accurately describe all of your Owners and their interests in you; and

5.2.4. Each of your Owners, at any time during the Term of this Agreement, will execute an agreement in the form that we prescribe (see Appendix C to this Agreement) undertaking to be bound jointly and severally by all provisions of this Agreement and any ancillary agreements between you and us that bind you. You and your Owners agree to execute and deliver to us such revised copies of Appendix A as may be necessary to reflect any changes in the information contained therein and to furnish such other information about your organization or information as we may request within five (5) days of change.

6. START OF BUSINESS.

6.1. **Opening**. You agree to open the Franchised Business within your Territory within one hundred twenty (120) days after the Effective Date of this Agreement. If you fail to open the Franchised Business within one hundred twenty (120) days after the Effective Date of this Agreement, then we may terminate the Agreement and you will forfeit the initial franchise fee.

6.2. **Training.** You must successfully complete our training program for the Franchised Business to our satisfaction prior to opening the Franchised Business.

7. DESIGNATED MARKETING TERRITORY.

7.1. **Your Territory**. The geographical location where you may market the Franchised Business is referred to as your Designated Marketing Territory or "Territory" and is described in Appendix B attached to this Agreement. Your Location must be located within your designated Territory.

During the term of the Franchise Agreement and for so long as you are not in default under the Franchise Agreement, we shall not locate, operate, or license any other person to locate or operate another SNAPCHEF business within the Territory. Note that exclusivity of your territory extends to marketing and physical office presence, and not to servicing of clients. Examples of authorized SNAPCHEF services or products that may be serviced in your Territory by us or another franchisee include: client account locations under Master Service Agreements with us, client account locations in your Territory serviced by another franchisee prior to the Effective Date of your Franchise Agreement; and client accounts within your Territory referred to another franchisee.

In our sole business judgment, we shall take such steps as we consider necessary to prevent any other person from establishing or marketing a **SNAPCHEF** business within the Territory in violation of this Section.

You must confine all your business activities to your Designated Marketing Territory; including, but not limited to networking meetings, conferences, community service, and educational

programs. You are not restricted from accepting unsolicited clients or staff members from outside your Territory, and may provide services outside your Territory; however, you must restrict the targeting of public relations, promotional, sales and marketing activities to clients and individuals with your Designated Marketing Territory. You shall not actively market areas outside of your Territory using any media; including print, online or direct marketing. You cannot indicate in any marketing effort that you have a location or provide services in any area outside your Territory. You acknowledge that you have no remedy against the Franchisor for any marketing and promotion conducted by other franchisees that occurs within your Designated Marketing Territory. In the event of a complaint, you shall follow the procedures outlined in the Operations Manual and provide Franchisor such information that we may be able to offer guidance and/or take action.

7.2. **Our Reservation of Rights.** We retain all rights not expressly granted hereunder, including the following, regardless of the impact on your **SNAPCHEF** Franchised Business and, except as described below, regardless of proximity to the Territory or your **SNAPCHEF** Franchised Business:

7.2.1. the right to host one or more websites on the Internet that advertise **SNAPCHEF** businesses and the services and products they offer and that allow potential customers to contact **SNAPCHEF** businesses throughout the world, even though a website is accessible to or viewable by Persons in the Territory;

7.2.2. the right to advertise and promote the **SNAPCHEF** services and products through broadcast, print and electronic media that are broadcast, delivered or otherwise transmitted into the Territory;

7.2.3. the right to offer and sell any services and products within the Territory and elsewhere under any trade names, trademarks, service marks or trade dress, including the Marks, through any channels of distribution other than employment placement services business or culinary training services businesses (including Internet sales; and mail-order sales);

7.2.4. acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere or business conducted anywhere. These transactions may include arrangements involving competing businesses or outlets and dual branding or brand conversions; and

7.2.5. outside the Territory we have the right to establish and operate (directly or through an Affiliate), and to grant to others the right to establish and operate, any business of any kind, including employment placement services businesses or culinary training services businesses.

7.3. **MSA Clients.** You acknowledge that from time to time we may enter into Master Service Agreements (MSAs) with certain regional or national businesses ("MSA Clients") to provide services or products at MSA Client locations which may include MSA Client locations within your Territory. We shall identify and designate MSA Clients in our Operations Manual, and you acknowledge and agree that from time to time during the Term of the Agreement we may add or remove MSA Clients, in our sole business judgment. You acknowledge and agree that we have sole business judgment on who may provide services or products to any MSA Client location, including any such MSA Client locations that may be located within your Territory. You acknowledge and agree that we may, in our sole business judgment, offer you the opportunity to accept to provide

services or products under the financial or other terms of any such MSA (including, without limitation, any central invoicing or fixed fee terms) for MSA Client locations within the Territory.

You acknowledge and agree that, except to the extend provided herein, the billing and collection for MSA Clients will be managed by the Franchisor, and further understand that MSAs often require payment to the MSA client. This is generally in the form of a stated percent of total billing, as a marketing contribution or similar. This payment is currently up to eleven percent (11%) of total billings, and paid to the MSA Client by the Franchisor, and for which, in part, the Administrative Fee in Section 3.4 has been established.

8. LOCATION.

It is your responsibility to find a Location within your Territory to operate the Franchised Business. You must submit to us, according to our procedures, a proposed Location for your Franchised Business for our approval. You must lease, sublease or purchase the Location within ninety (90) days after the Effective Date of this Agreement.

8.1. **Business Location**. You must locate a site for the Franchised Business and have the Location approved by us. You acknowledge and agree that you must use the services of any designated real estate agent that we may specify to you, in our sole business judgment, that any such real estate agent is not our representative or agent, and that we have no liability to you whatsoever relating to your use of, or relationship with, any such designated real estate agent. We have the right to approve the terms of any lease, sublease or purchase contract for the Location, and you agree to deliver a copy of any proposed lease, sublease or purchase contract to us for our approval before you sign it. Our approval of the lease, sublease or purchase contract does not constitute a warranty or representation of any kind, express or implied, as to its fairness or suitability or as to your ability to comply with its terms. We do not, by virtue of approving the lease, sublease or purchase contract, assume any liability or responsibility to you or to any third parties. You agree that any lease or sublease for the Location must, in form and substance, be satisfactory to us, comply with any requirements set forth in our Standards and must incorporate Appendix F hereto. You further acknowledge that we have advised you to seek legal counsel to review and evaluate the lease. You must deliver a copy of the fully signed lease, sublease or purchase contract to us within fifteen (15) days after its execution.

8.2. **Location Approval.** A properly executed site acceptance form is the exclusive means by which we accept a proposed site, and no other direct or indirect representation, approval or acceptance, whether in writing or verbally, by any of our officers, employees or agents, shall be effective or bind us. We will make reasonable efforts to make a determination on your site acceptance form within twenty (20) days after receipt of it and any other materials that we have requested. We will furnish you with our standard site selection criteria and assistance for the Franchised Business, as we may establish from time to time. We also will provide such on-site evaluation of sites proposed pursuant hereto, as we deem necessary or appropriate.

8.3. **Lease Addendum.** You must incorporate an Addendum to the lease for your **SNAPCHEF** office. A copy of the lease addendum is provided in Appendix F of this Agreement.

8.4. **Qualifying Factors.** Factors used by us in deciding whether to accept or reject a proposed site may include, but is not limited to, the general location and neighborhood, demographic information, traffic patterns, zoning, access, visibility, location of other similar businesses or related establishments (including other **SNAPCHEF** businesses) and size, condition, configuration, appearance and other physical characteristics of the site.

8.5. **Independent Investigation.** Your decision to develop and operate the Franchised Business at any particular site is based solely on your own independent investigation of the suitability of the site for the Franchised Business. You acknowledge and agree that your acceptance of the proposed site is based on your own independent investigation of the suitability of the proposed site.

8.6. **Disclaimer of Guarantee**. Our recommendation or approval of any proposed site and any information communicated to you regarding such site does not constitute a representation or warranty of any kind, express or implied, as to the suitability or success of such Location. Our recommendation or approval of the proposed site indicates only that the proposed site satisfies the general guidelines and criteria that we have established for locations.

8.7. **General Release**. In consideration of our acceptance of a proposed site, you and your Owners agree to release us, and our Affiliates, officers, directors, employees and agents from any and all loss, damages and liability arising from or in connection with the selection and/or acceptance of such site for the development of a **SNAPCHEF** business.

9. BUSINESS DEVELOPMENT.

9.1. **Location Development**. You are solely responsible for developing the Franchised Business Location, for all expenses associated with it and for compliance with the requirements of any applicable federal, state or local law, code or regulation, including those concerning the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. We will furnish you with mandatory specifications and layouts for a **SNAPCHEF** business, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings and color scheme and other suggestions. The mandatory specifications and layouts we provide will not contain the requirements of any federal, state or local laws, codes or regulations. You are obligated to have prepared, at your expense, all required construction plans and specifications to suit the shape and dimensions of the Location and to ensure that such plans and specifications comply with all applicable federal, state or local laws, codes, regulations, ordinances, building codes and permit requirements and with lease requirements and restrictions. You acknowledge that design quality is important to us. If you use an architect or engineer, you must use an architect or engineer that is acceptable to us. You must submit all such modified plans and specifications, including design specifications, to us for our approval before starting to develop the Location. All final plans are subject to our approval. At our request, you must submit all revised or "as built" plans and specifications. Our review and approval of your plans is not designed to assess compliance with federal, state or local laws and regulations, including the ADA, as compliance with such laws are your sole responsibility. All development and any signage must be in accordance with the plans and specifications we have approved and must comply with all applicable laws, ordinances and local rules and regulations. We will furnish such guidance to you in developing the Location as we deem appropriate. We may periodically inspect the Location during its development. We do not, by approving your plans or specifications or inspecting the Location, assume any liability or responsibility to you or to any third parties. Such approvals and inspections shall be solely for the purpose of assuring compliance with our standards and shall not be construed as any express or implied representation or warranty that your Franchised Business complies with any applicable laws, codes or regulations (including the ADA or any other federal, state, or local law or ordinance regulating standards for the access to, use of, or modifications of buildings for any by persons whose disabilities are protected by law) or that the construction thereof is sound or free from defects. All prototype and modified plans and specifications for your Franchised Business remain our sole and exclusive property, and you may claim no interest therein. You must employ a general contractor acceptable to us. You must procure

all applicable construction insurance in amounts and coverages acceptable to us. You must provide us with weekly progress reports during construction in a format acceptable to us. We have the right to visit and inspect the site during the construction phase. Such visits shall be at our expense, except for visits made upon your request, which shall be at your expense. The requirement to complete construction of your Franchised Business includes obtaining all required construction and occupancy licenses and permits, developing the Location (including all outdoor features and landscaping of the Location, if applicable), installing all required fixtures, furnishings, equipment and signs, and doing all other things as may be required pursuant to this Agreement or by practical necessity to have your Location ready to open for business. Your Franchised Business may not be opened for business until we have notified you that your Franchised Business meets our requirements for opening.

9.2. **Equipment, Fixtures, Furniture, Computer Systems, Signs, and Vehicles.** You agree to use in developing and operating the Franchised Business only those equipment, fixtures, furniture, Computer System, signs, and vehicles that we have approved for **SNAPCHEF** businesses as meeting our specifications and standards for quality, design, appearance, function and performance. You agree to place or display at the Location (interior and exterior) only such signs, emblems, lettering, logos and display materials that we approve from time to time.

In order to assist with your initial setup, you agree to purchase from us the Branding Package described in the attached Schedule A. You may also be required to purchase from us the Training Kitchen Package described in the attached Schedule B. The current cost for the equipment packages is shown in Schedules A & B.

You will also be provided, by us, a list of Office Supplies and Technology (computers) that you will be required to purchase from third party vendors as part of your initial Location setup.

9.3 **General Release**. Our review and approval of any proposed business development plans for your Location and any involvement or information communicated to you regarding such business development plans is solely to ensure your compliance with the System.

10. TRAINING.

10.1. **Initial Training.** Before the Franchised Business begins operation, we will provide you with initial training on the operation and management of a **SNAPCHEF** business pursuant to our Initial Training program. Before you begin operation of the Franchised Business you are required to attend and successfully complete the initial training to our satisfaction. We reserve the right to change or modify the training, as we deem necessary. If we determine that your Managing Owner is unable to complete initial training to our satisfaction, we have the right to terminate this Agreement.

10.1.1. **Owner or Employee Training**. We agree to provide initial training to your Managing Owner and one (1) additional individual who may be either an Owner or employee who you elect to enroll in the training program. You must pay us Five Hundred Dollars ($500) per person for each additional individual who you elect to attend the initial training.

10.1.2. **Schedule, Location and Costs**. Initial training consists of five (5) working days of training. The training will be at a location that we designate. You are responsible for all travel and living expenses, which your Managing Owner and the selected individual(s) incur in connection with training.

10.1.3. **Commencement Assistance**. In addition to your initial training, our designated representative will provide four (4) days of commencement assistance to you at your Location, consisting of not less than an average of six (6) hours each day. The commencement assistance shall be provided either before the date you open the Franchised Business or within sixty (60) days of the date that you open the Franchised Business, in our sole business judgment. You acknowledge and agree that the four (4) days of commencement assistance at your Location does not need to be, but may be, provided by us on consecutive days. The commencement assistance shall be provided as part of your initial franchise fee at no additional expense to you.

10.1.4. **Additional Activities**. You also must participate in all other activities required to operate the Franchised Business.

10.2. **Additional Ongoing Required Training.** We may require your Managing Owner and/or previously trained and experienced Owners or employees to attend additional required training courses at such times and locations that we designate, and we may charge reasonable fees for such courses. At times during this Agreement, we will host a conference for **SNAPCHEF** franchisees. The attendance at the conference by a Managing Owner is required. Registration for the conference of up to $700 (no more than once per year), as well as travel and lodging expense for your attendance will be paid by you.

10.3. **Supplementary Training**. After the commencement of your Franchised Business' operations, if you have additional employees that require training from us we may charge you a fee for this training.

10.4. **Training Assistance**. We may ask you to provide training or assistance to other **SNAPCHEF** franchisees. You agree to give us reasonable assistance with such training. We agree to reimburse you for your reasonable costs and expenses in providing such assistance.

11. PRE – OPENING REQUIREMENTS.

Prior to opening the Franchised Business you must comply with all pre-opening requirements we specify to you. You agree not to open the Franchised Business until:

11.1. We approve the Location as developed in accordance with our specifications and standards;

11.2. Your Managing Owner has completed training to our satisfaction;

11.3. You have given us a copy of your lease for the Location, if applicable;

11.4. The initial franchise fee and all other amounts then due to us have been paid;

11.5. We have been furnished with copies of all agreements and insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we request or accept; and

11.6. You have obtained all required agreements and permits, licenses, and certifications for operating the Franchised Business and the Location is in compliance with all laws, rules and regulations.

12. OPERATION REQUIREMENTS.

After you have satisfied the Initial Training and all our pre-opening requirements we specify to you and you have received our written approval you may begin operation of the Franchised Business. You must maintain and operate the Franchised Business in accordance with this Agreement and the terms and standards contained in the Operations Manual.

12.1. **Operations Manual**. For the operation of your Franchised Business we will loan you one (1) copy of our Operations Manual that may include written and online materials, CDs, DVDs, magnetic media and/or computer software. The Operations Manual contains the mandatory and suggested specifications, standards, operating procedures and rules that we prescribe for the operation of the Franchised Business. The Operations Manual also contains business and information relating to other obligations under this Agreement and related agreements. The Operations Manual and other specifications, standards, and operating procedures communicated from us to you (collectively, "Methods of Operation") shall be deemed a part of this Agreement.

12.1.1. **Modification**. We may modify, edit, delete, update, change and enhance the Operations Manual from time to time to reflect changes in the Methods of Operation.

12.1.2. **Safeguard**. You agree to keep your physical and electronic copy of the Operations Manual current and in a secure location at the Franchised Business.

12.1.3. **Disputes**. In the event of a dispute relating to its contents, the master copy of the Operations Manual we maintain at our principal office will be controlling.

12.1.4. **Duplication.** You may not at any time copy, duplicate, record or otherwise reproduce any part of the Operations Manual.

12.1.5. **Loss.** If your copy of the Operations Manual is lost, destroyed or significantly damaged, you agree to obtain a replacement copy at our then applicable charge.

12.1.6. **Confidentiality**. You acknowledge and agree that the Operations Manual is our proprietary property and contains Confidential Information.

12.2. **Compliance with Methods of Operation.** You agree to operate and maintain the Franchised Business in accordance with Methods of Operation, as we periodically modify and supplement them during the Term of this Agreement.

12.2.1. **Facilities**. Our Methods of Operation may regulate the design, layout, decor, appearance and lighting; periodic maintenance, cleaning and sanitation; periodic remodeling; replacement of obsolete or worn out leasehold improvements, fixtures, furnishings, equipment and signs; periodic painting; and use of interior and exterior signs, emblems, lettering and logos and the illumination thereof.

12.2.2. **Types**. Our Methods of Operation may regulate the types, models and/or brands of equipment, fixtures, furnishings, Computer Systems, signs, products, vehicles, materials and supplies.

12.2.3. **Services and Products**. Our Methods of Operation may regulate the required or authorized services and products and ancillary product categories (the sale of

merchandise other than **SNAPCHEF** merchandise, without our express written approval, is a material breach of the terms of the Agreement).

12.2.4. **Suppliers**. Our Methods of Operation may regulate the designated or approved suppliers (which may be limited to or include us) of equipment, fixtures, furnishings, Computer Systems, signs, products, vehicles, materials and supplies (the use of suppliers other than us, our subsidiaries or Affiliates, or our other approved suppliers, without our express written approval, is a material breach of the terms of this Agreement).

12.2.5. **Terms and Conditions**. Our Methods of Operation may regulate the terms and conditions of the sale and delivery of, including, without limitation, credit terms and letter of credit amounts, and terms and methods of payment for, and security deposits, for products, materials, supplies and services including direct labor, which you obtain from us, our Affiliates or others.

12.2.6. **Advertising and Marketing**. Our Methods of Operation may regulate the sales, marketing, advertising and promotional programs and materials and media used in such programs, including, without limitation, the right to enforce price policies and timing and duration of price reduction periods.

12.2.7. **Marks**. Our Methods of Operation may regulate the use and display of the Marks.

12.2.8. **Staffing**. Our Methods of Operation may regulate the staffing levels for the Franchised Business and matters relating to managing the Franchised Business; communication to us of the identities of the Franchised Business' personnel; and qualifications, training, dress and appearance of employees, including the requirement that the Franchised Business is all times under the direct management and supervision of your Managing Owner or a trained and qualified general manager approved by us that has attended all required training courses we may require, in our sole business judgment.

12.2.9. **Hours of Operation**. Our Methods of Operation may regulate the days and hours of operation of the Franchised Business.

12.2.10. **Program Participation**. Our Methods of Operation may regulate your participation in market research and testing and product and service development programs.

12.2.11. **Payment Methods**. Our Methods of Operation may regulate the acceptance of credit cards, other payment systems and check verification services.

12.2.12. **Records**. Our Methods of Operation may regulate the bookkeeping, accounting, data processing and record keeping systems and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us.

12.2.13. **Insurance**. You are required to obtain and maintain at your expense such insurance policies in such amounts and from such carriers as may reasonably be required by **SNAPCHEF**. You may be required to provide such proof of coverage from time to time. Such insurance shall include, but not be limited to:

COMMERCIAL GENERAL LIABILITY:

General Aggregate Limit:	$2,000,000

Products/Completed Operations Aggregate Limit:	$2,000,000
Personal and Advertising Injury Limit:	$1,000,000

COMMERCIAL OR PERSONAL AUTOMOBILE LIABILITY:

Bodily Injury and Property Damage Combined Single Limit:	$1,000,000
Hired and Non-Owned Liability Limit:	$1,000,000

EMPLOYMENT PRACTICE LIABILITY INSURANCE:

$1,000,000 each occurrence (minimum)
$1,000,000 aggregate (minimum)

CYBER LIABILITY INSURANCE:

$1,000,000 each occurrence (minimum)
$1,000,000 aggregate (minimum)

WORKERS' COMPENSATION:

Workers' Compensation:	Statutory (with All States Broad Form)
Employer's Liability:	$1,000,000 per employee, bodily injury by disease; $1,000,000 policy limit, bodily injury by disease; $1,000,000 per employee, bodily injury by accident.

UMBRELLA LIABILITY

$5,000,000 each occurrence (minimum)
$5,000,000 aggregate (minimum)

You agree and acknowledge that you shall name **SNAPCHISE LLC** as an additional named insured on all insurance policies required hereunder, which policies shall be considered primary in the event of a loss or claim. Your insurance policies must be primary and non-contributing with any insurance carried by **SNAPCHISE LLC** or its affiliates.

This section references minimum requirements. You should consult with your local insurance agent and legal counsel to ensure that the Franchised Business is adequately insured, and that all insurance required by law or terms of any agreement to which you are a party are addressed.

12.2.14. **Laws and Standards**. Our Methods of Operation may regulate compliance with applicable laws; obtaining required licenses and permits; adhering to good business practices; observing high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or the Franchised Business.

12.2.15. **Other**. Our Methods of Operation may regulate other aspects of the operation and maintenance of the Franchised Business that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and **SNAPCHEF** businesses.

12.3. **Provisions of this Agreement.** You agree that the Methods of Operation prescribed from time to time in the Operations Manual, or otherwise communicated to you in writing or other tangible form, constitute provisions of this Agreement as if fully set forth herein. All references to this Agreement include all Methods of Operation as periodically modified.

12.4. **Modification of Methods of Operation.** We may periodically modify Methods of Operation, which may accommodate regional or local variations as we determine, and you acknowledge and agree any such modifications may obligate you to invest additional capital in the Franchised Business and/or incur higher operating costs.

12.5. **Alternative Approved Suppliers.** If you desire to purchase products or services from a party other than an approved supplier, you shall submit to us a written request to approve the proposed supplier, together with such evidence of conformity with our specifications as we may reasonably require. We shall have the right to require that our representatives be permitted to inspect the supplier's facilities, or that samples from the supplier be delivered for evaluation and testing either to us or to an independent testing facility that we designate. You shall pay a charge not to exceed the reasonable cost of the evaluation and testing. We shall use our best efforts, within ninety (90) days after our receipt of such completed request and completion of such evaluation and testing (if required by us), to notify you in writing of our approval or disapproval of the proposed supplier. We may from time to time revoke our approval of particular suppliers when we determine, in our sole business judgment, that such suppliers no longer meet our standards. Upon receipt of written notice of such revocation, you shall cease to purchase from any disapproved supplier. You agree that you shall use products or services purchased from approved suppliers solely for the purpose of operating the **SNAPCHEF** Franchised Business and not for any other purpose, including, without limitation, resale. Nothing in the foregoing shall be construed to require us to make available to prospective suppliers any standards or specifications that we deem confidential, in our sole business judgment.

13. GENERAL GUIDANCE.

13.1. Once you commence operation of the Franchised Business you will be required to submit to us reports, records and other financial statements regarding the performance of the Franchised Business. Also, we may conduct on-site inspections. Based on the information that we receive and review we may provide you with further direction and guidance by providing you with additional written materials, telephone consultations, training or on-site consultations. General guidance as to the operation of the Franchised Business will be found primarily in the Operations Manual or given to you through other written materials or bulletins from us. Guidance may be provided to you in any of the following ways:

13.1.1. Telephone and Internet e-mail consultation during such times as are outlined in the Operations Manual;

13.1.2. Buying advisory services whereby we may provide you with lists of sources and approved suppliers for products, equipment, Computer Systems, merchandise, accessories, services, fixtures, furnishings, signs, vehicles, etc.;

13.1.3. Wholesaling services whereby we may ourselves act as an approved or designated source for products, equipment, Computer Systems, merchandise, accessories, services, fixtures, furnishings, signs, vehicles, etc.;

13.1.4. Ongoing marketing programs to fulfill our obligations of this Agreement;

13.1.5. Newsletter services whereby we may inform you periodically about the current events in the **SNAPCHEF** franchise program;

13.1.6. Meetings, whereby we may convene with you and other **SNAPCHEF** franchisees for business or social purposes;

13.1.7. Research and development regarding Methods of Operation; and/or

13.1.8. At your request, we will furnish additional guidance and assistance and, in such a case, may charge the per diem fees and charges we establish from time to time. If you request, or if we require, additional or special training for your employees, all of the expenses that we incur in connection with such training, including per diem charges and travel and living expenses for our personnel, will be your responsibility.

13.2. **On-site Consultations**.

During the Term of this Agreement, you are entitled to one (1) on-site consultation visit per year with our representative either at your **SNAPCHEF** Business location or through a virtual meeting platform (such as Zoom® or Microsoft Teams®) to assist you in operating the Franchised Business. The cost of these on-site consultations is included in the royalty fee. Each on-site consultation shall consist of not less than three (3) hours.

At your request, we will furnish additional guidance and assistance relating to operation of the Franchised Business and, in this case, may charge the per day fees and charges we establish periodically.

14. MARKS.

All provisions of this Agreement applicable to the Marks apply to any additional proprietary trademarks and service marks and commercial symbols that we authorize you to use.

14.1. **Ownership of Marks**. You do not have an ownership interest in the Marks used with the Franchised Business. It is our right or license to use, license or sublicense the Marks. Your right to use the Marks is derived solely from this Agreement and limited to your operation of the Franchised Business pursuant to and in compliance with this Agreement and Methods of Operation, which we prescribe from time to time during its Term. Your unauthorized use of the Marks is a breach of this Agreement and an infringement of our rights in and to the Marks. You may not at any time during or after this Agreements' term contest or assist any other person in contesting the validity, or our ownership, of the Marks.

14.2. **Use of Marks**. You agree to use the Marks as the sole identification of the Franchised Business, except that you agree to identify yourself as the independent owner thereof in the manner we prescribe.

14.3. **Goodwill of Marks.** This Agreement does not confer any goodwill or other interests in the Marks to you. Any goodwill established by use of the Marks will be exclusively for our benefit. You will not represent in any manner that you have any ownership in the Marks or the right to use the Marks except as provided in this Agreement and the Operations Manual. At the termination of this Agreement you will not receive any compensation for goodwill.

14.4. **Display of Marks**. You agree to display the Marks prominently in the manner we prescribe at the Franchised Business, on supplies or materials we designate and in connection with forms and advertising and marketing materials.

14.5. **Limitations on Use of Marks.** You may not use any Marks as part of any corporate or legal business name or Internet domain name or Internet e-mail address or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you hereunder), or in any modified form, nor may you use any Marks in connection with the performance or sale of any unauthorized products or services or in any other manner we have not expressly authorized in writing. No Marks may be used in any advertising concerning the transfer, sale or other disposition of the Franchised Business or an ownership interest in you. You agree to give such notices of trademark and service marks registrations, e.g., "®", "™", as we specify and to obtain any fictitious or assumed name registrations required under applicable law. You agree to withdraw any fictitious or assumed name registrations immediately upon termination or expiration of this Franchise Agreement.

14.6. **Modification or Replacement of Marks**. You agree to modify or replace any Marks when notified by us. You agree to comply with our directions within a reasonable time after receiving notice. You are responsible for all expenses associated with modifying or replacing the Marks. We will not be obligated to reimburse you for any lost revenue attributable to any modified or discontinued Marks or for any expenditure you make to promote a modified or substitute Mark.

14.7. **Discontinuance of Marks.** You must discontinue the use of the Marks immediately upon termination or expiration of this Agreement. If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute Marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing your office signs or any printed collateral, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark.

14.8. **Infringement and Claims of Marks.** You agree to notify us immediately of any apparent infringement or challenge to your use of any Marks or of any claim by any person of any rights in any Marks. You agree not to communicate with any person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole business judgment to take such action as we deem appropriate and the right to control exclusively any litigation, United States Patent and Trademark Office ("USPTO") proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Marks. We shall defend you against any third party claim, suit, or demand arising out of your use of the Marks. If we, in our sole business judgment, determine that you have used the Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by us. If we, in our sole business judgment, determine that you have not used the Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by you. In the event of any litigation relating to your use of the Marks, you shall execute any and all documents and do such acts as may, in our sole business judgment, 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 your use of the Marks in a manner inconsistent with the terms of this Agreement, we agree to reimburse you for your out-of-pocket costs in doing such acts.

14.9. **Additional Restrictions on Your Use of the Marks.** You shall not attempt to register or otherwise obtain any interest in any Internet domain name or URL containing any of the Marks, or any portion thereof, or any other word, name, symbol or device which is likely to cause confusion with any of the Marks, and; You shall not develop, create, generate, own, license, lease or otherwise utilize any computer media and/or electronic media (including but not limited to the Internet, world wide web, bulletin boards, news group and/or social media) which may be used, or in any manner uses,

displays or utilizes the Marks, or other commercial symbols or offers to sell or sells any of the products or services which are or may at a later date be offered for sale by **SNAPCHEF** businesses. You may not use, reference or otherwise promote the Marks or System in connection with any current or future form of social media networks or platforms. If you desire to utilize any computerized or electronic media in conjunction with the operation of your **SNAPCHEF** Franchised Business, you must obtain our prior written approval of such usage, and we may in our sole and absolute business judgment approve or not approve such usage. If we grant approval, we or our Affiliates will be the owners of and/or control the approved computerized or electronic content and media.

15. CONFIDENTIAL INFORMATION.

15.1. **Determination of Confidential Information**. We possess and will continue to develop and acquire certain confidential information ("Confidential Information) relating to the development and operation of **SNAPCHEF** businesses. Confidential Information is proprietary to us. Confidential Information may be disclosed to you that may include, but is not limited to:

15.1.1. **Locations**. Our location selection criteria;

15.1.2. **Business Practices**. Our trade secrets, methods, formats, specifications, standards, systems, procedures, the Operations Manual, any other proprietary materials, and knowledge of and experience in developing and operating **SNAPCHEF** businesses;

15.1.3. **Marketing and Advertising**. Our marketing and advertising programs for **SNAPCHEF** businesses and the sales and marketing techniques used;

15.1.4. **Specifications and Suppliers.** Knowledge of our specifications for and suppliers of certain products, supplies, materials, equipment, Computer Systems, fixtures, furnishings, and services; and

15.1.5. **Reports and Records**. Knowledge of the operating results and financial performance of **SNAPCHEF** businesses other than your Franchised Business.

15.2. **Business Purposes Only.** You will not acquire any interest in Confidential Information, other than the right to utilize Confidential Information disclosed to you in operating the Franchised Business during the Term of this Agreement. Use or duplication of any Confidential Information in any other business will constitute an unfair method of competition and a violation of this Agreement. Confidential Information is disclosed to you solely on the condition that you agree that you:

15.2.1. **Business Only**. You will not use Confidential Information in any other business or capacity.

15.2.2. **Term**. You will maintain the absolute confidentiality of Confidential Information during and after the Term of this Agreement.

15.2.3. **Copies**. You will not make unauthorized copies of any portion of Confidential Information disclosed to you in any format.

15.2.4. **Safeguards**. You will adopt and implement all reasonable safeguard procedures, including those that we prescribe from time to time to prevent unauthorized use or disclosure of

Confidential Information, including, without limitation, restrictions on disclosure to the Franchised Business' personnel and others.

15.3. **Ideas, Concepts, Techniques or Materials.** All ideas, concepts, techniques or materials relating to a **SNAPCHEF** business, whether or not constituting protected intellectual property, and whether created by or on behalf of you or your Owners, will be promptly disclosed to us, deemed to be our sole and exclusive property and part of the System and deemed to be works made for hire for us. You and your Owners agree to sign whatever assignment or other documents we may request from time to time to evidence our ownership or to assist us in securing intellectual property rights in such ideas, concepts, techniques or materials.

16. EXCLUSIVE RELATIONSHIP.

16.1. **Exclusive Dealings.** We have granted the Franchise to you in consideration of and reliance upon your agreement to deal exclusively with us and not to be involved with a Competitive Business. You agree that during the Term of this Agreement neither you nor any of your Owners including any of your or your Owners' spouses, children or other first degree relatives by blood or marriage will compete as follows:

16.1.1. **Interest or Involvement**. You will not have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business, wherever located.

16.1.2. **Performance**. You will not perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business, wherever located.

16.1.3. **Recruiting.** You will not recruit or hire any person who is our employee or the employee of any **SNAPCHEF** business without obtaining the prior written permission of that person's employer.

17. MARKETING.

17.1. **Advertising Fund.** We have established an advertising fund ("Advertising Fund") for such advertising, marketing and public relations programs and materials as we deem necessary or appropriate in our sole business judgment. The Advertising Fund is intended to maximize recognition of the Marks and patronage of **SNAPCHEF** businesses**.** We will endeavor to utilize the Advertising Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all **SNAPCHEF** businesses. You will be required to contribute to the Advertising Fund as set forth in this Agreement.

17.1.1. **Contribution**. You agree to contribute to the Advertising Fund (the "Ad Fund Fee") one percent (1%) of Gross Revenue, or a weekly minimum Ad Fund Fee of $50, whichever is greater. Your Ad Fund Fee is payable weekly in the same manner as the Royalty due hereunder.

17.1.2. **Control**. We will direct and control all programs financed by the Advertising Fund, with sole business judgment over the creative concept materials and endorsements used therein and the geographic market and media placement and allocation thereof. We may do the marketing and advertising or we may elect to outsource the marketing and advertising to an agency.

17.1.3. **Purpose of Advertising Fund**. The Advertising Fund may be used to pay the costs of maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System, including, among other things, the costs of preparing and conducting radio, cable television and print advertising campaigns; developing, maintaining, and updating a website on the Internet; direct mail advertising; marketing surveys; employing advertising and/or public relations agencies to assist therein; purchasing promotional items; and providing promotional and other marketing materials and services to the businesses operating under the System. The Advertising Fund will furnish you with samples of advertising, marketing formats, promotional formats and other materials at no additional cost to you when we deem appropriate. Multiple copies of such materials will be furnished to you at our direct cost of producing them plus any related shipping, handling and storage charges.

17.2. **Accounting of Advertising Fund.** The Advertising Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Advertising Fund and its programs. This may include, without limitation, conducting market research, preparing advertising promotion and marketing materials, and collecting and accounting for contributions to the Advertising Fund.

17.2.1. **Expenditure of Advertising Fund**. We may spend, on behalf of the Advertising Fund, in any fiscal year, an amount that is greater or less than the aggregate contribution of all **SNAPCHEF** businesses to the Advertising Fund in that year and the Advertising Fund may borrow from us or others to cover deficits or invest any surplus for future use.

17.2.2. **Interest Earned**. All interest earned on monies contributed to the Advertising Fund will be used to pay advertising costs before other assets of the Advertising Fund are expended.

17.2.3. **Reporting**. We will prepare an annual compiled statement of monies collected and costs incurred by the Advertising Fund and furnish the statement to you upon written request.

17.2.4. **Operation**. We have the right to cause the Advertising Fund to be incorporated or operated through a separate entity at such time as we deem appropriate and such successor entity will have all of the rights and duties specified herein.

17.3. **Proportionality**. We undertake no obligation to ensure that expenditures by the Advertising Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Advertising Fund by **SNAPCHEF** businesses operating in that geographic area. Nor are we under any obligation to ensure that any **SNAPCHEF** business will benefit directly or in proportion to its Ad Fund Fees paid to the Advertising Fund from the development of advertising and marketing materials or the placement of advertising. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering the Advertising Fund.

17.4. **Deferrals or Reductions**. We reserve the right to defer or reduce contributions of a **SNAPCHEF** business franchisee and, upon thirty (30) days' prior written notice to you, to reduce or suspend your payment of Ad Fund Fees to and suspend operations of the Advertising Fund for one or more periods of any length and to terminate (and if terminated to reinstate) the Advertising Fund. If the Advertising Fund is terminated, all unspent monies on the date of termination will be distributed to

our franchisees in proportion to their respective contributions to the Advertising Fund during the preceding three (3) month period.

17.5. **Business Promotion By You.**

17.5.1. **Initial Marketing Expense.** You acknowledge and agree that prior to beginning to operate the Franchised Business or within sixty (60) days of your completion of initial training with us, you must spend not less than Four Thousand Dollars ($4,000) for local advertising and promotion of your Franchised Business (the "Initial Marketing Expense"), in compliance with our required standards and specifications..

17.5.2. **Ongoing Local Marketing Expense.** In addition to the Initial Marketing Expense, you acknowledge and agree that each calendar month during the Term of the Agreement you must spend not less than two percent (2%) of Gross Revenue for local advertising and promotion of your Franchised Business in compliance with our required standards and specifications.

17.6. **Proof of Expenditure**. You are required to provide proof of payment for business promotion, as identified in Section 17.5. We may periodically review your books and records to verify your expenditures for advertising and promotion as required by this Agreement. Proof of expenditures is your burden. If we determine that you have not spent the requisite amounts, we may require you to pay such unexpended amounts into the Advertising Fund.

17.7. **Advertising Approval**. You may not use any advertising or promotional materials unless we have approved it. Samples of all advertising, promotional and marketing materials, which we have not prepared or previously approved, must be submitted to us for approval before you use them. We own the copyrights to anything so submitted, whether approved by us or not. If you do not receive written approval within fifteen (15) days after our receipt of such materials, we will be deemed to have NOT given the required approval.

17.8. **Truthful Advertising, Marketing and Promotion**. You agree that any advertising, promotion and marketing conducted will be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe.

17.9. **Participation in Internet, Website, E-mail, Social Media or Other On-Line or Electronic Communications.** You must provide your **SNAPCHEF** Business with high-speed Internet access. We will provide your Franchised Business with a webpage on our **SNAPCHEF** hosted website. You must participate in the **SNAPCHEF** website on the Internet or other on-line communications, including any intranet system we may develop in the future, unless we provide otherwise. You may not separately register any domain name or operate any website containing any of the Marks. We determine the content and use of the **SNAPCHEF** website and have the right to establish the rules under which franchisees may or must participate in the website or separately use the Internet or other on-line communications. We retain all rights relating to the **SNAPCHEF** website and may alter or terminate the website. Your general conduct on the website or other on-line or electronic communications and specifically your use of the Marks or any advertising on the website or other on-line or electronic communications (including the domain name and any other Marks we may develop as a result of participation in the website or other on-line or electronic communications) is subject to the provisions of this Agreement. You shall not use or download any software on your computer unless it has been authorized by us in writing. In the event you use or download any unauthorized software, you shall be liable for all damages and problems caused by the unauthorized software in addition to the other remedies provided under this Agreement. You acknowledge that

certain information obtained through your participation in the **SNAPCHEF** website may be considered Confidential Information, including access codes and identification codes. Your right to participate in the **SNAPCHEF** website or other intranet system we may develop or otherwise use the Marks or System on the Internet or other on-line communications terminates when this Agreement expires or terminates.

We will provide your **SNAPCHEF** Business with email addresses as necessary in our sole and best judgement. You may not use any email address not provided by us in your business functions. We will provide you with Social Media accounts for your **SNAPCHEF** Business. These may include platforms such as, but not limited to, Facebook®, Instagram®, Google Business®, Glassdoor® and Twitter®. We may add or remove authorized social media platforms as in our sole and best interest. You may not use any social media account not provided by us in your business functions. The cost for setup and hosting of your webpage, email and social media accounts (as applicable) is included in the Technology Fee described by Section 3.6 of this agreement.

You are required to maintain the content on the social media platforms described above and on the local webpage provided to you by us. You must maintain branding standards and use these accounts within the requirements of this Agreement.

18. RECORDS, REPORTS AND FINANCIAL STATEMENTS.

18.1. **Bookkeeping**. You agree to install and use the cloud based proprietary **SNAPCHEF** business management software or other similar technology system as specified by **SNAPCHEF**, which may be subject to modification from time to time, and pay any required monthly subscription, maintenance and support fees for this system. You agree to accurately record all transactions through this business management system and shall ensure that **SNAPCHEF** shall have access to your records at all times. You agree to produce records, reports and financial statements upon our request that adequately represent your financial position and that of the Guarantors. Records and reports must be furnished to us in the form and frequency as specified in this Agreement and the Operations Manual. You acknowledge that **SNAPCHEF** has the capability to and will access remotely all data hosted within this business management software.

In addition to the business management software, you shall also install and use a bookkeeping system, which will be specified by us, which may be subject to modification from time to time, and pay any required monthly subscription, maintenance and support fees for this system. You agree to maintain at your Location full and accurate balance sheets, profit and loss statements, and underlying supporting records relating to the Franchised Business.

Records and reports must be furnished to us in the form and frequency as specified in this Agreement and the Operations Manual. You acknowledge and agree that we may require you to provide any of the following information:

18.1.1. **Weekly Sales Records**. You agree and understand that we will access and review your sales records in the cloud-based business management software for the purpose of calculating royalties and other fees due to **SNAPCHEF** on a weekly basis. You agree to keep your records up to date at all times, and to record all transactions in this software. If additional weekly sales records are required or requested, you must provide these records to us, by the third (3rd) day after the end of each business week, which runs from Monday to Sunday. This may include records such as a weekly sales report, signed sales tax returns and/or signed withholding tax returns for the Franchised Business.

18.1.2. **Monthly Financial Statements**. You agree to provide us, by the fifth (5^{th}) day after the end of each calendar month, a profit and loss statement for the Franchised Business for the preceding calendar month and a year-to-date balance sheet.

18.1.3. **Annual Financial Statements**. You agree to provide us, within ninety (90) days after the end of each calendar year, reviewed annual profit and loss and source and use of funds statements and a reviewed balance sheet for the Franchised Business signed by you or your principal operating officer or operating partner.

18.1.5. **Tax Returns**. If requested, you agree to provide us, within ten (10) days after our request, exact copies of federal and state income tax, sales tax, and other tax returns and such other forms, records, books and other related information.

18.1.6. **Credit Reports**. You agree to allow us to obtain credits reports as deemed necessary during the period of this Agreement.

18.1.7. **Maintenance of Records**. You are required to maintain reports, records and financial statements as prescribed in the Operations Manual for your Franchised Business.

18.1.8 **Failure to Report.** In the event that a weekly sales report is requested and not received by the third day after the end of the fiscal week, Franchisor is authorized, without further notice, to assess Royalties, Administrative Fees, Ad Fund Fees, and Technical support fees for each relevant week, and effect and electronic funds transfer of such funds calculated based on revenues as the greater of (a) revenue records in the SNAPware business management software, or (b) the average weekly sales over the prior 12 weeks. Franchisee hereby authorizes Franchisee's bank to make such transfers upon Franchisor's request. No action take under this sub-paragraph shall constitute a cure of any breach by Franchisee, and election of remedies by Franchisor or act, in any way, to limit Franchisee's liability to pay fees under this Agreement.

18.2. **Verification.** You agree to verify and sign each report and financial statement in the manner we prescribe. We have the right to disclose data derived from such reports without identifying you or the location of the Franchised Business. We also have the right to require you to have reviewed or audited financial statements prepared on an annual basis at your expense by an independent third party. Moreover, we have the right, as often as we deem appropriate, including on a daily basis, to access the computer systems that you are required to maintain in connection with the operation of the Franchised Business and to retrieve all information relating to the Franchised Business' operations.

19. INSPECTIONS AND AUDITS.

19.1. **Right to Audit**. Our designated agents and we have the right to, at any time during your regular business hours and without prior notice to you, to inspect and/or audit, or cause to be inspected and/or audited, all records relating to the Franchised Business and operation practices of the Franchised Business in order to verify that you are complying with this Agreement, collateral agreements, the Methods of Operation and that you are maintaining the uniformity and quality of the services associated with the Marks. We have the right to observe, photograph and videotape the operations of the Franchised Business for such consecutive or intermittent periods, as we deem necessary. We have the right to interview personnel and customers of the Franchised Business.

We have the right to inspect and copy any books, records and documents relating to your operation of the Franchised Business. You agree to cooperate with any such inspection.

19.2. **Audit Expense**. In the event such inspection and/or audit is made necessary by your failure to furnish reports, supporting records or other information as herein required, or to furnish such items on a timely basis, you agree to reimburse us for the reasonable cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees.

19.3. **Cure**. In the event an inspection or audit reveals that any payments have been understated in any report to us, then you must immediately pay to us the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of eighteen percent (18%) per year or the highest contract rate of interest permitted by law, whichever is less. If an inspection or audit discloses an understatement in any report of two (2%) percent or more, you shall, in addition to repayment of monies owed with interest, reimburse us for any and all costs and expenses connected with the inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our employees. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law.

20. TRANSFER AND ASSIGNMENT.

20.1. **Assignment by Us**. This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interests herein in our sole and absolute discretion. We have the absolute, unrestricted right, exercisable at any time, to change our ownership or form and/or transfer and assign all or any part of our rights and obligations under this Agreement to any person or legal entity without your consent. After our transfer or assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

20.2. **Assignment by You**. This Agreement and the Franchise are granted personally to you. You may assign or transfer any interest or ownership that you may have in the Franchised Business only with our prior written approval. Any transfer without such approval constitutes a breach of this Agreement and is void. Our approval is conditioned on the prospective transferee agreeing to sign a franchise agreement with us and meeting our qualifying conditions and requirements, including, without limitation, the conditions set forth in Section 20.4. We will not unreasonably withhold the approval of a prospective franchisee.

20.3. **Assignments.** An assignment, transfer, sale, gift or other disposition includes the following events:

20.3.1. transfer of ownership of capital stock, partnership interest, or other equity interest in you;

20.3.2. merger or consolidation or issuance of additional securities or interests representing an ownership interest in you;

20.3.3. any issuance or sale of your stock or any security convertible to your stock to any person or entity other than an existing Owner;

20.3.4. transfer of an interest in you, this Agreement or the Franchised Business in a divorce, insolvency or corporate or partnership dissolution proceeding or otherwise by operation of law;

20.3.5. transfer of an interest in you, this Agreement or the Franchised Business, in the event of your death or the death of one of your Owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or

20.3.6. pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon the Franchised Business or your transfer, surrender or loss of possession, Control or management of the Franchised Business.

20.4. **Conditions for Approval of Transfer.** If you and all Owners are in full compliance with this Agreement, we will approve a transfer that meets all of our applicable requirements and otherwise meets our applicable standards for **SNAPCHEF** business franchisees. A transfer of ownership, possession or Control of the Franchised Business may be made only in conjunction with a transfer of this Agreement. If the transfer is of this Agreement or a Controlling Interest in you, or is one of a series of transfers which in the aggregate constitute the transfer of this Agreement or a Controlling Interest in you, all of the following conditions must be met prior to or concurrently with the effective date of the transfer:

20.4.1. **Abilities**. The transferee and its direct and indirect owners have the moral character, skill, aptitude, attitude, experience, references, credentials, acumen and financial capacity to operate the Franchised Business.

20.4.2. **Current Accounts**. You have paid all Royalties, Administration Fees, Ad Fund Fees, amounts owed for purchases from us, and all other amounts owed to us or to third party creditors and have submitted all required reports and statements.

20.4.3. **Training**. The transferee's Managing Owner has agreed to complete training to our satisfaction and does complete training to our satisfaction prior to closing.

20.4.4. **Digital Assets**. You must turn over all digital assets, including, but not limited to, all digitally-stored content (such as photos, images, videos and text files), whether stored at the Location or accessible via the internet, the cloud, or another digital storage device or stored with a third party digital storage provider (such as OneDrive® or Dropbox®); and all user names and passwords for any and all email accounts, social networking websites (such as Facebook ®, Twitter®, Google Business®, Instagram®, Glassdoor®) or any other online community pertaining to your Franchised Business.

20.4.5. **Franchise Agreement**. The transferee has agreed to be bound by all of the terms and conditions of this Agreement for the remainder of its Term or, at our option, must execute our then current standard form of franchise agreement and related documents used in the state in which your Franchised Business is located (which may provide for different royalties, advertising contributions and expenditures, duration and other rights and obligations than those provided in this Agreement).

20.4.6. **Transfer Fee**. You pay us a transfer fee in the amount of Nineteen Thousand Five Hundred Dollars ($19,500). If the proposed transfer is among your Owners, the transfer fee will be waived, although you are required to reimburse us for any reasonable legal and administrative costs we incur in connection with the transfer.

20.4.7. **General Release**. You (and your transferring Owners) have executed a general release, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees and agents.

20.4.8. **Approval**. We have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Franchised Business.

20.4.9. **Priority**. If you or your Owners finance any part of the sale price of the transferred interest, you and/or your Owners have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your Owners have reserved in the Franchised Business are subordinate to the transferee's obligation to pay Royalties, Advertising Fund contributions and other amounts due to us and otherwise to comply with this Agreement.

20.4.10. **Owners Agreement to Be Bound**. You and your transferring Owners have agreed to be bound, commencing on the effective date of the transfer, by the restrictions contained in this Agreement pertaining to the Marks (Section 14), Confidential Information (Section 15) and a Covenant not to Compete (Section 23.4).

20.4.11. **Representation**. You and your transferring Owners have agreed that you and they will not directly or indirectly at any time or in any manner (except with respect to other **SNAPCHEF** businesses you own and operate) identify or represent yourself or themselves or any business as a current or former **SNAPCHEF** business, or as one of our licensees or franchisees, use any Marks, any colorable imitation thereof or other indicia of a **SNAPCHEF** business in any manner or for any purpose or utilize for any purpose any trade name, trademark or service mark or other commercial symbol that suggests or indicates a connection or association with us.

20.4.7. **Compliance**. The Franchise Business must be in full compliance with **SNAPCHEF**'s then current standards (including but not limited to brand standards) for equipment, fixtures, and signage; or brought into compliance prior to the completion of sale to the transferee.

20.5. **Transfer to a Wholly Owned Corporation.** If you are in full compliance with this Agreement, you may transfer this Agreement to a wholly-owned corporation which conducts only **SNAPCHEF** Franchised Business. You agree to maintain management Control and own and control one hundred (100%) percent of the equity and voting power of all issued and outstanding capital stock. All assets and operations of the Franchised Business are to be owned and controlled by a single corporation. Transfers of shares in such corporation will be subject to the provisions of this Agreement. You agree to remain personally liable under this Agreement as if the transfer to such corporation had not occurred.

20.6. **Operation Upon the Death or Disability of the Managing Owner**. If, upon the death or permanent disability of the Managing Owner, the Franchised Business is not being managed by a manager trained by us, you or such Managing Owner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed sixty (60) days from the date of death or permanent disability of the Managing Owner, appoint a manager to operate the Franchised Business, subject to our written approval. Such manager must successfully complete our required initial training at your expense within thirty (30) days of being appointed to

operate the Franchised Business. This manager is not necessarily the transferee of Section 20.4, but an interim manager to keep the Franchised Business operational until a transfer can be completed.

20.7. **Effect of Consent to Transfer.** Our consent to a transfer of this Agreement and the Franchised Business or any interest in you does not constitute a representation on our behalf as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the Franchised Business or transferee or a waiver of any claims we may have against you (or your Owners) or of our right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement.

20.8. **Bona Fide Offers**. If you (or any of your Owners) at any time determine to sell, assign or transfer for consideration an interest in this Agreement and the Franchised Business or an ownership interest in you, you agree to obtain a bona fide, executed written offer and earnest money deposit (in the amount of five (5%) percent or more of the offering price) and a completed franchise application from a fully disclosed offeror (including lists of the owners of record and beneficial owners of any corporate or limited liability company, or all general and limited partners of any partnership, or, in the case of a publicly held corporation or limited partnership, copies of the most current annual and quarterly reports and Form 10K) and immediately submit to us a true and complete copy of such offer, which includes details of the payment terms of the proposed sale. To be a valid, bona fide offer, the proposed purchase price must be denominated in a dollar amount. The offer must apply only to an interest in you or in this Agreement and the Franchised Business and may not include an offer to purchase any of your (or your Owners') other property or rights. However, if the offeror proposes to buy any other property or rights from you (or your Owners) under a separate, contemporaneous offer, such separate, contemporaneous offer must be disclosed to us, and the price and terms of purchase offered to you (or your Owners) for the interest in you or in this Agreement and the Franchised Business must reflect the bona fide price offered therefor and not reflect any value for any other property or rights.

20.9. **Our Right of First Refusal.** We have the right, exercisable by written notice delivered to you or your selling Owners within thirty (30) days from the date of the delivery to us of both an exact copy of such bona fide offer and all other information we request, to purchase such interest for the price and on the terms and conditions contained in such bona fide offer, provided that:

20.9.1. we may substitute cash for any form of payment or non-cash consideration proposed in such offer;

20.9.2. our credit will be deemed equal to the credit of any proposed purchaser;

20.9.3. we will have not less than sixty (60) days after giving notice of our election to purchase to prepare for closing; and

20.9.4. we are entitled to receive, and you and your Owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the capital stock of an incorporated business, as applicable, including, without limitation, representations and warranties as to:

20.9.4.1. ownership and condition of and title to stock or other forms of ownership interest and/or assets;

20.9.4.2. liens and encumbrances relating to the stock or other ownership interest and/or assets; and

20.9.4.3. validity of contracts and the liabilities, contingent or otherwise, of the corporation whose stock is being purchased.

20.10. **Exercise.** If we exercise our right of first refusal, you and your selling Owner(s) agree that, for a period of twenty four (24) months commencing on the date of the closing, you and they will be bound by the non-competition covenant contained in Section 23.4. You and your selling Owner(s) further agree that you and they will, during this same time period, abide by the restrictions of Section 23 of this Agreement.

20.11. **Non-Exercises.** If we do not exercise our right of first refusal, you or your Owners may complete the sale to such purchaser pursuant to and on the exact terms of such bona fide offer, subject to our approval of the transfer as provided in Section 20.4. If the sale is not completed within one hundred twenty (120) days after delivery of such bona fide offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), the sale will be treated as a new sale subject to our right of first refusal as provided in Section 20.9.

21. EXPIRATION OF THIS AGREEMENT.

21.1. **Expiration and Renewal.** Upon the expiration of the Term of this Agreement you may renew the franchise for the Franchised Business if you and each of your Owners have substantially complied with this Agreement during its Term. You will have the right to renew your franchise, under the terms and conditions of the Franchise Agreement we are using at that time, provided that you agree to add or replace improvements, equipment, signs, and vehicles, and otherwise modify the Franchised Business as we require to bring it into compliance with specifications and standards then applicable for **SNAPCHEF** businesses.

21.2. **Renewal Fee**. If you are eligible and elect to renew your franchise the renewal franchise fee is Five Thousand Dollars ($5,000).

21.3. **Notice.** You agree to give us written notice of your election to renew your franchise during the last year of the Term of this Agreement but not less than six (6) months prior to the date of expiration of this Agreement. We agree to give you written notice ("Our Notice"), not more than ninety (90) days after we receive your notice, of our decision.

21.3.1. **Grant**. Our Notice may grant to you a ten (10) year renewal franchise;

21.3.2. **Conditional Grant**. Our Notice may be a conditional grant to you a renewal of the franchise on the condition that deficiencies of the Franchised Business, or in your operation of the Franchised Business, are corrected within a specified time frame; or,

21.3.3. **No Grant**. If we elect not to grant a renewal franchise, Our Notice will describe the reasons for our decision.

21.4. **Agreements / Releases.** If you satisfy all of the other conditions to the grant of a renewal franchise, you and your Owners agree to execute the form of franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of renewal franchises for **SNAPCHEF** businesses. You and your Owners further agree to execute general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns. Failure by you or your Owners to sign these agreements

and releases and deliver them to us for acceptance and execution within sixty (60) days after their delivery to you will be deemed an election not to acquire a renewal franchise.

22. DEFAULT AND TERMINATION

22.1. Automatic Termination. You shall be deemed to be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you or opportunity to cure, if: You become insolvent or make a general assignment for the benefit of creditors; a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; you are adjudicated bankrupt or insolvent; a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; 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; proceedings for a composition with creditors under any state or federal law should be instituted by or against you; a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed); you are dissolved; execution is levied against your business or property; suit to foreclose any lien or mortgage against the Location or equipment is instituted against you and not dismissed within thirty (30) days; or the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

22.2. Notice Without Opportunity to Cure. In addition to the foregoing, upon the occurrence of any of the following events of default, we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the provision of notice to you (in the manner provided under Section 26 hereon:

22.2.1. If you fail to open and operate the **SNAPCHEF** Franchised Business within the time limits provided in Section 6.1 hereof;

22.2.2. If your Managing Owner or the other individuals identified in Section 10.1 fail to complete the Initial Training Program to our satisfaction, or fail to attend additional training as described in Section 10.3 hereof;

22.2.3. If you at any time cease to operate or otherwise abandon the Franchised Business for one (1) or more consecutive business days, or lose the right to possession of the Location, or otherwise forfeit the right to do or transact business in the jurisdiction where the Franchised Business is located; however, if, through no fault of your own, the Location is damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then you shall have thirty (30) days after such event in which to apply for our approval to relocate and/or reconstruct the Location, which approval shall not be unreasonably withheld;

22.2.4. If you, or any of your Owners, officers, or directors, are convicted of a felony, a crime involving moral turpitude, or any other crime or offense that we believe is likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or our interest therein; or if you or any of your Owners, officers, or directors, commit any acts or engage in any behavior that we believe is likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interest therein, including but not limited to conduct that is fraudulent, unfair, unethical, or deceptive;

22.2.5. If a threat or danger to public health or safety results from construction, maintenance, or operation of the Franchised Business;

22.2.6. If any purported assignment or transfer of any direct or indirect interest in this

Agreement, in you, or in all or substantially all of the assets of the Franchised Business is made to any third party without our prior written consent, or otherwise contrary to the terms of Section 20 hereof;

22.2.7. If an approved transfer is not effected within the time provided following death or mental incapacity, as required by Section 20.6 hereof;

22.2.8. If you fail to comply with the covenants in Section 16 hereof;

22.2.9. If, contrary to the terms of Section 15 hereof, you disclose or divulge the contents of the Operations Manual or other Confidential Information provided to you by us;

22.2.10. If you intentionally under-report Gross Revenue;

22.2.11. If you knowingly maintain false books or records or submit any false reports or other documentation (including your application for this franchise) to us;

22.2.12. If you misuse or make any unauthorized or improper use of the Marks or any other identifying characteristics of the System, or otherwise materially impair the goodwill associated therewith or our rights therein; or if you fail to utilize the Marks solely in the manner and for the purposes directed by us;

22.2.13. If you refuse to permit us to inspect the Location, or the books, records or accounts of you upon demand as provided for herein;

22.2.14. If you, after curing any default pursuant to Section 22.3 hereof, commit the same default again, whether or not cured after notice;

22.2.15. If you sell services or products not previously approved by us, or purchase any product or service from a supplier not previously approved by us;

22.2.16. If you (or any of your owners) have made any material misrepresentation to us or any other party or omission in connection with your purchase of the Franchised Business; or

22.2.18. If we cure any default by you pursuant to Section 22.4 hereof.

22.3. Notice With Opportunity to Cure. Except as otherwise provided in Sections 22.1 and 22.2 of this Agreement, upon any other default by you, we shall give you written notice of such default and an opportunity to cure such default within thirty (30) days (or such shorter period specified below) of your receipt of such notice. We shall have the right to terminate this Agreement immediately upon notice to you if you fail to cure any default to our satisfaction, and provide proof thereof, within the thirty (30) days period (or such shorter period specified below). If applicable law requires a longer cure period, such period shall apply to our notice. Defaults which are susceptible of cure hereunder include the following illustrative events:

22.3.1. If you fail to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time be supplemented by the Operations Manual, or fail to carry out the terms of this Agreement in good faith;

22.3.2. If you fail, refuse or neglect promptly to pay any monies owing to us or our Affiliates when due, or to submit the financial or other information required by us under this Agreement (You shall have seven (7) days from your receipt of written notice to cure such default);

22.3.3. If you fail to maintain or observe any of the standards or procedures prescribed by us in this Agreement, the Operations Manual, or otherwise in writing;

22.3.4. Except as provided in Section 22.2.6 hereof, if you fail, refuse or neglect to obtain our prior written approval or consent as required by this Agreement;

22.3.5. If, upon inspection by us or a government health inspector, your **SNAPCHEF** Franchised Business is in violation of the health, safety, or sanitation standards prescribed by us in this Agreement, the Operations Manual, or otherwise in writing, or is in violation of any health or safety law, codes, or regulation (You shall have twenty four (24) hours from your receipt of written notice to cure such default);

22.3.6. If you act, or fail to act, in any manner which is inconsistent with or contrary to your lease or sublease for the Location, or in any way jeopardize your right to renewal of such lease or sublease (You shall have seven (7) days from your receipt of written notice to cure such default);

22.3.7. If you engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to the Marks (You shall have seven (7) days from your receipt of written notice to cure such default); or

22.3.8. If you fail to comply with all applicable laws, rules and regulations related to the operation of the **SNAPCHEF** Franchised Business (including, without limitation, the applicable provisions regarding the construction, design and operation of the **SNAPCHEF** Franchised Business).

22.4. Limitation of Services or Benefits. If you receive a notice of default issued pursuant to either Section 22.2 or Section 22.3 and fail to cure such default within the time period permitted in such notice, we shall have the right, in our sole business judgment, to temporarily or permanently limit, curtail, or remove certain services or benefits provided or required to be provided to you hereunder in lieu of exercising our right to terminate this Agreement pursuant to its terms, including, without limitation:

22.4.1. To restrict you or any of your staff attendance at any initial training, continuing training, meetings, workshops, or conventions;

22.4.2. To refuse or permit any Affiliate to sell or furnish to you any equipment, supplies, products, or advertising and promotional materials, including, but not limited to, withholding shipment of equipment or other products used in the Franchised Business;

22.4.3. To refuse to provide you with ongoing advice about the operation of the **SNAPCHEF** Franchised Business:

22.4.4. To refuse any request by you to approve a new supplier; and

22.4.5. To refuse any request by you to approve the use of any advertising or promotional materials.

You agree to hold us harmless with respect to any action taken by us pursuant to this Section 22.4; and you further agree that we shall not be liable for any loss, expense, or damage incurred by you or the **SNAPCHEF** Franchised Business because of any action we take pursuant to this Section 22.4. Nothing in this Section 22.4 constitutes a waiver of any of our rights or remedies under this Agreement or any other agreement between the parties, including, without limitation, the right to terminate this Agreement under

Sections 22.1, 22.2, and 22.3 hereof. You acknowledge and agree that our exercise of our rights pursuant to this Section 22.4 shall not be deemed a constructive termination of this Agreement or of any other agreement between the parties, and shall not be deemed a breach of any provision of this Agreement by us. Any services or benefits removed, curtailed, or limited pursuant to this Section 22.4 may be reinstated at any time by us in our sole business judgment and you hereby agree to accept immediately any such reinstatement of services or benefits so removed, curtailed, or limited. You acknowledge and agree that, if we limit any services or benefits under this Section 22.4, you shall continue to pay timely all fees and payments required under this Agreement and any other agreement between you and us, including, without limitation, any fees associated with services or benefits limited by us. You shall have no right to a refund of any fees paid in advance for such services or benefits.

23. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

23.1. **Payment of Amounts Owed to Us and Assignment of Client Accounts.** Any money which you owe us as of the termination or expiration date of this Agreement shall be paid to us by you within fifteen (15) days of the effective date of the termination or expiration. You agree that all client accounts shall be assigned by you immediately to us upon termination or expiration of this Agreement and you agree to execute any and all documents and do such acts as we may request to carry out such assignment of your client accounts, in our sole business judgment.

23.2. **Marks.** Upon the termination, for any reason, or expiration of this Agreement:

23.2.1. you may not directly or indirectly at any time or in any manner (except with respect to other **SNAPCHEF** businesses you own and operate) identify yourself or any business as a current or former **SNAPCHEF** business, or as one of our licensees or franchisees, use any Marks, any colorable imitation thereof or other indicia of a **SNAPCHEF** business in any manner or for any purpose or utilize for any purpose any trade name, trademark or service mark or other commercial symbol that indicates or suggests a connection or association with us;

23.2.2. you agree to take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any Marks;

23.2.3. if we do not exercise our option to purchase the Franchised Business pursuant to Section 23.6, you agree to deliver to us within thirty (30) days after the Notification Date (as defined in Section 23.6.1.) all signs, sign-faces, sign-cabinets, marketing materials, forms, packaging and other materials containing any Marks or otherwise identifying or relating to a **SNAPCHEF** business and allow us, without liability to you or third parties, to remove all such items from the Franchised Business;

23.2.4. if we do not exercise our option to purchase the Franchised Business pursuant to Section 23.6, you agree that, after the Notification Date, you will promptly and at your own expense make such alterations as we may specify to distinguish the Franchised Business clearly from its former appearance and from other **SNAPCHEF** businesses so as to prevent confusion therewith by the public;

23.2.5. if we do not exercise our option to purchase the Franchised Business pursuant to Section 23.6, you agree that, after the Notification Date, you will notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, facsimile or other numbers and any regular, classified or other telephone

directory listings associated with any Marks, authorize the transfer of such numbers and directory listings to us or at our direction and/or instruct the telephone company to forward all calls made to your telephone numbers to numbers we specify; and

23.2.6. you agree to furnish us, within thirty (30) days after the Notification Date, with evidence satisfactory to us of your compliance with the foregoing obligations.

23.3. **Confidential Information.** You agree that, upon termination, for any reason, or expiration of this Agreement, you will immediately cease to use any of our Confidential Information in any business or otherwise and return to us all copies of the Operations Manual and any other confidential materials, including, without limitation, computer software and any mechanisms (electronic key) used to access the software, that we have allowed you to use.

You must turn over all digital assets, including, but not limited to, all digitally-stored content (such as photos, images, videos and text files), whether stored at the Location or accessible via the internet, the cloud, or another digital storage device or stored with a third party digital storage provider (such as OneDrive® or Dropbox®); and all user names and passwords for any and all email accounts, social networking websites (such as Facebook ®, Twitter®, Google Business®, Instagram®, Glassdoor®) or any other online community pertaining to your Franchised Business.

23.4. **Covenant Not to Compete.** Upon the termination or expiration of this Agreement in accordance with its terms and conditions, including the transfer or assignment of this Agreement or any interest in the Franchised Business, you agree that, for a period of thirty six (36) months commencing on the effective date of termination or expiration neither you nor any of your Owners will have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, employee in a management or sales capacity, consultant, representative or agent or in any other capacity in any Competitive Business operating at the Location, within the Territory, within fifty (50) miles from any point on the perimeter of your Territory, or within twenty five (25) miles from any point on the perimeter of the Territory any other then-existing **SNAPCHEF** business.

23.5. **Commencement by Order.** If it becomes necessary to enforce the Covenant Not to Compete by court order, we will seek to enjoin competition for two years from the date of issuance of the order. You and your Owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living.

23.6. **Our Rights to Purchase the Franchised Business.**

23.6.1. Exercise of Option. Upon termination or expiration of this Agreement in accordance with its terms and conditions or your termination of this Agreement without cause, we have the option, exercisable by giving written notice to you within sixty (60) days from the date of such termination or expiration, to purchase the Franchised Business from you, including the leasehold rights to the Location, free and clear of all liens, restrictions or encumbrances. (The date on which we notify you whether or not we are exercising our option is referred to in this Agreement as the "Notification Date.") We have the unrestricted right to assign this option to purchase the Franchised Business. We will be entitled to all customary warranties and representations in connection with our asset purchase, including, without limitation, representations and warranties as to ownership and condition of and title to

assets; liens and encumbrances on assets; validity of contracts and agreements; and liabilities affecting the assets, contingent or otherwise.

23.6.2. Leasehold Rights. You agree, at our election, to assign your leasehold interest in the Location to us or, to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the prime lease.

23.6.3. Purchase Price. The purchase price for the Franchised Business will be its fair market value, determined in a manner consistent with reasonable depreciation of the Franchised Business' equipment, signs, inventory, materials and supplies, provided that the Franchised Business will be valued as an independent business and its value will not include any value for the Franchise or any rights granted by this Agreement; the Marks; or participation in the network of **SNAPCHEF** businesses. The length of the remaining term of the lease for the Location will also be considered in determining the Franchised Business' fair market value.

23.6.4. Exclusions. We may exclude cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Franchised Business' operation or that we have not approved as meeting standards for **SNAPCHEF** businesses from the assets purchased, and the purchase price will reflect these exclusions.

23.6.5. Certified Appraisers. If we and you are unable to agree on the fair market value of the Assets within 30 days after your receipt of our notice of our intent to exercise our option to purchase the Assets, the fair market value will be determined by two professionally certified appraisers, one selected by you and one selected by us. If the valuations set by the two appraisers differ by more than 10%, the two appraisers will select a third professionally certified appraiser who also will appraise the fair market value of the Assets. The average value set by the appraisers (whether two or three appraisers as the case may be) will be conclusive and will be the Purchase Price. The appraisers will be given full access to your SNAPCHEF office, and your books and records during customary business hours to conduct the appraisal and will value the Assets to be purchased in accordance with the standards of this Section 23. The appraisers' fees and costs will be borne equally by you and us.

23.6.6. Closing. The purchase price will be paid at the closing of the purchase, which will take place not later than ninety (90) days after determination of the purchase price. We have the right to set off against the purchase price, and thereby reduce the purchase price by, any and all amounts you or your Owners owe to us.

23.6.7. Instruments. At the closing, you agree to deliver instruments transferring:

23.6.7.1. good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and other transfer taxes paid by you; and

23.6.7.2. all licenses and permits of the Franchised Business which may be assigned or transferred; and

23.6.7.3. the leasehold interest in the Location and improvements thereon.

23.6.8. Escrow. If you cannot deliver clear title to all of the purchased assets, or if there are other unresolved issues, the closing of the sale will, at our election, be accomplished through an escrow arrangement with an independent escrow agent selected by us.

23.6.9. Releases. You and your Owners agree to execute general releases, in form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors and assigns.

23.7. **Continuing Obligations.** All of our and your (and your Owners' and affiliates') obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

24. RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION.

24.1. **Independent Contractors.** You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that we and you are and will be independent contractors and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose. You agree to conspicuously identify yourself in all dealings with customers, suppliers, public officials, Franchised Business personnel and others as the Owner of the Franchised Business under a franchise we have granted and to place such notices of independent ownership on such forms, checks, business cards, stationery and advertising and other materials as we may require from time to time.

24.2. **No Liability For Acts of Other Party.** You agree not to employ any of the Marks in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations, and that you will not use the Marks in any way we have not expressly authorized. Neither we nor you will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name or on behalf of the other, represent that our respective relationship is other than Franchisor and Franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We will not be obligated for any damages of any nature whatsoever to any person or property directly or indirectly arising out of the Franchised Business' operation or the business you conduct pursuant to this Agreement.

24.3. **Taxes.** We will have no liability for any sales, use, service, occupation, excise, employment related, gross receipts, income, property or other taxes, whether levied upon you or the Franchised Business, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes is your responsibility.

24.4. **Indemnification.** You, and each of the Guarantors identified in Appendix C, agree that you shall, at all times, indemnify, exculpate, defend and hold harmless, to the fullest extent permitted by law, us, our successor, assigns, affiliates and the respective officers, directors, shareholders, agents, representatives, independent contractors, servants, and employees of each of them (the "Indemnified Parties") from all losses and expenses incurred in connection with any action, suit, proceeding, claim, demand, investigation, or inquiry (formal or informal), or any settlement thereof, which arises out of or is based upon any of the following: the infringement, alleged infringement or any other violation by you, your Guarantors or principals of any patent, mark, copyright, or other proprietary right owned or controlled by third parties; the violation, breach, or asserted violation or breach by you, your Guarantors or principals of any federal, state, or local law,

regulation, ruling or industry standard; libel, slander, or any other form of defamation by you or your Guarantors or principals; the violation or breach by you or by your Guarantors or principals of any warranty, representation, agreement, or obligation of this Agreement or in any other agreement between you and us or our Affiliates; acts, errors, omissions of you, any of your Affiliates, any of your principals, officers, directors, shareholders, agents, representatives, independent contractors, and employees of you and your Affiliates in connection with the establishment and operation of the Franchised Business, including, but not limited to, any acts, errors, or omissions of any of the foregoing in the operation of any motor vehicle or in the establishment or implementation of security for the Franchised Business. For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential or otherwise) and costs incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses. We have the right to defend any such claim against us at your expense. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

24.5. **Mitigation Not Required.** Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and recover fully a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

25. ENFORCEMENT AND MISCELLANEOUS MATTERS.

25.1. **Severability and Substitution of Valid Provisions.** Except as expressly provided to the contrary herein, each provision of this Agreement, and any portion thereof, will be considered severable, and if, for any reason, any such provision is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which we are a party, that ruling will not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which will continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid will be deemed not to be a part of this Agreement from the date the time for appeal expires, if you are a party thereto, otherwise upon your receipt from us of a notice of non-enforcement thereof.

25.2. **Lesser Covenant Enforceable.** If any covenant herein is unenforceable because it is too broad, but would be enforceable by reducing it in scope, time or other manner you and we agree that such covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law is applicable to the validity of such covenant.

25.3. **Greater Notice.** If any applicable and binding law or rule of any jurisdiction requires a greater prior notice than is required herein, this Agreement is deemed modified to comply with the applicable law.

25.4. **Waiver of Obligations.** We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other or such other effective date stated in the notice of waiver. Any waiver we grant will be without prejudice to any other rights we may have, will be subject to our continuing review and may be revoked, in our sole business judgment, at any time and for any reason, effective upon delivery to you of ten (10) days' prior written notice.

25.5. **Non-Waiver.** We and you will not be deemed to have waived or impaired any right, power or option reserved by this Agreement.

25.6. **Force Majeure.** Neither we nor you will be liable for loss or damage, or deemed to be in breach of this Agreement, if our or your failure to perform our or your obligations is not our or your fault and results from:

25.6.1. unforeseeable transportation shortages, inadequate supply of equipment, products, merchandise, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof;

25.6.2. acts of nature;

25.6.3. fires, strikes, embargoes, war or riot; or

25.6.4. any other similar event or cause.

The provisions of this Section 25.6 in no way excuse payment of obligations due in accordance with provisions established by this Franchise Agreement.

25.7. **Extend Performance**. Any delay resulting from any force majeure causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed.

25.8. **Discontinued Programs/Promotions**. We are not liable to you for any loss or damage, or deemed to be in breach of this Agreement, if we discontinue any programs or promotions and they are no longer a part of our Methods of Operation or if we cannot deliver, or cause to be delivered, or if our Affiliates or designated sources or approved suppliers cannot deliver, all of your orders for products, merchandise, equipment, supplies, etc., where such things are out-of-stock or discontinued.

25.9. **Costs and Attorney's Fees**. If we incur expenses in connection with your failure to pay when due amounts owed to us, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, you agree to reimburse us for any of the costs and expenses which we incur, including, without limitation, reasonable accounting, attorneys', arbitrators' and related fees.

25.10. **You May Not Withhold Payments Due to Us**. You agree that you will not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations hereunder. You agree that all such claims will, if not otherwise resolved by us, be submitted to arbitration as provided in Section 25.12.

25.11. **Rights of Parties are Cumulative**. Our and your rights hereunder are cumulative, and no exercise or enforcement by us or you of any right or remedy hereunder will preclude our or your exercise or enforcement of any other right or remedy hereunder which we or you are entitled by law to enforce.

25.12. **DISPUTE RESOLUTION.**

25.12.1. Mediation. Except as provided in Section 25.12.3., prior to filing any demand for arbitration, the parties agree to mediate any dispute, controversy or claim between the parties and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or Owners arising under, out of, in connection with or in relation to this Agreement, any lease or sublease for your Franchised Business, any loan or other finance arrangement between us or our Affiliates and you, the parties' relationship, your Franchised Business, or any Methods of Operation, our System or any Standard, in accordance with the following procedures:

25.12.1.1. The party seeking mediation must commence mediation by sending the other party, in accordance with Section 26, a written notice of its request for mediation headed "Notification of Dispute". The Notification of Dispute will specify, to the fullest extent possible, the party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other relief such party claims. The party (or parties as the case may be) receiving a Notification of Dispute will respond within twenty (20) days after receipt thereof, in accordance with Section 26, stating its version of the facts, and, if applicable, its position as to damages sought by the party initiating the dispute procedure; provided, however, that if the dispute has been the subject of a default notice given under Section 22 of this Agreement, the other party will respond within ten (10) business days.

25.12.1.2. Upon receipt of a Notification of Dispute and response under Section 25.12.1, the parties will endeavor, in good faith, to resolve the dispute outlined in the Notification of Dispute and response. If the parties have been unable to resolve a dispute outlined in a Notification of Dispute or a response thereto within twenty (20) days after receipt of the response, either party may initiate a mediation procedure in accordance with the American Arbitration Association ("AAA"), pursuant to its Commercial Mediation Procedures, and unless otherwise agreed by the parties will take place in the city of our then-current corporate headquarters. The parties must select a mediator jointly.

25.12.1.3. All mediation sessions will occur in Boston, Massachusetts at a mutually agreed location and must be attended by your Principal Owners or Managing Owner (and any other persons with authority to settle the dispute on your behalf) and our representatives(s) who is/are authorized to settle the dispute. The parties may be represented by counsel at the mediation. The parties agree to participate in the mediation proceedings in good faith and with the intention of resolving the dispute if at all possible within thirty (30) days of the notice from the party seeking to initiate the mediation procedures. If the dispute is not resolved within thirty (30) days, the parties are free to pursue arbitration. In addition, if the party receiving notice of mediation has not responded within five (5) days of delivery of the notice or a party fails to participate in the mediation, this Section 25.12.1. will no longer be applicable and the other party can pursue arbitration. The parties agree that the costs of the mediator will be split equally between the parties. Each party must pay its own fees and expenses

incurred in connection with the mediation. The mediation proceeding and any negotiations and results thereof will be treated as a compromise settlement negotiation and the entire process is confidential. At least five (5) days prior to the initial mediation session, each party must deliver a written statement of positions.

25.12.2. Arbitration. Except as provided in Section 25.12.3, any dispute, controversy or claim between you and us and any of our or your affiliates, officers, directors, shareholders, members, guarantors, employees or Owners arising under, out of, in connection with or in relation to this Agreement, any lease of sublease for your Franchised Business, any loan or other financial arrangement between us or our Affiliates and you, the parties' relationship, your Franchised Business, or any System Standard or the scope or validity of the arbitration obligation under this Section not resolved by mediation must be submitted to binding arbitration in accordance with the Federal Arbitration Act. The arbitration will be administered by the AAA pursuant to its Commercial Arbitration Rules then in effect by one arbitrator.

25.12.2.1. In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such a proceeding will be barred.

25.12.2.2. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties. If a court or arbitrator determines that this limitation or joinder of or class action certification of claims is unenforceable, then the agreement to arbitrate the dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts, in accordance with Section 25.14.

25.12.2.3. The arbitration must take place in the city closest to where our headquarters is located at the time of the dispute.

25.12.2.4. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must be a former federal or state court judge with at least five (5) years of significant experience in commercial law. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. The arbitrator may not under any circumstances (a) stay the effectiveness of any pending termination of this Agreement, (b) assess punitive or exemplary damages, (c) certify a class or a consolidated action, or (d) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. The arbitrator will have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which the main office of Franchisor is located. The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the dispute between the parties, including, but not limited to: any decision as to

whether Section 25.14 is applicable and enforceable as against the parties, subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement.

25.12.2.5. The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc. by any court having jurisdiction.

25.12.2.6. The arbitrator will have subpoena powers limited only by the laws of the state in which the main office of the Franchisor is located.

25.12.2.7. The parties to the dispute will have the same discovery rights as are available in civil actions under the laws of the state in which the main office of Franchisor is then located.

25.12.2.8. All other procedural matters will be determined by applying statutory, common laws, and rules of procedure that control a court of competent jurisdiction in which the main office of Franchisor is then located.

25.12.2.9. Other than as may be required by law, the entire arbitration proceedings (including, but not limited to, any rulings, decisions or orders of the arbitrator) will remain confidential and will not be disclosed to anyone other than the parties to this Agreement.

25.12.2.10. The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction.

25.12.2.11. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with Section 25.9 or 25.12.4.

25.12.3. Exceptions to Arbitration. Notwithstanding Sections 25.12.1 and 25.12.2, the parties agree that the following claims will not be subject to arbitration or mediation.

25.12.3.1. any action for equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, declaratory relief, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceeding initiated hereunder,

25.12.3.2. any action in ejectment or for possession of any interest in real or personal property;

25.12.3.3. any action which by applicable law cannot be arbitrated; or

25.12.3.4. our decision in the first instance to issue a notice of default and/or notice of termination, or undertake any other conduct with respect to the franchise relationship that might later result in a dispute or controversy between us.

25.12.4. Costs and Attorneys' Fees. The prevailing party in any action or proceedings arising under, out of, in connection with, or in relation to this Agreement will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrator's fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in connection with the claims on which it prevailed.

25.12.5. Survival. The provisions of this Section 25.12 are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

25.12.6. Tolling of the Statute of Limitations. All applicable statutes of limitations and defenses based on the passage of time are tolled while the dispute resolution procedures in this Section 25.12 are pending. The parties will take such action, if any, required to effectuate tolling.

25.12.7. Performance to Continue. Each party must continue to perform its obligations under this Agreement pending final resolution of any dispute pursuant to this Section 25.12, unless to do so would be impossible or impracticable under the circumstances.

25.13. **Governing Law.** All matters relating to arbitration will be governed by the FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 *et. seq.*). Except to the extent governed by the Federal Arbitration Act as required hereby, the UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. §§ 1051 *et seq.*) or other federal law, this Agreement, the Franchise and all claims arising from the relationship between us and you will be governed by the laws of Massachusetts, without regard to its conflict of laws principles, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless jurisdictional requirements are met independently without reference to this Section.

25.14. **Consent to Jurisdiction**. Subject to Section 25.12, you and your Owners agree that we may institute any action against you or your Owners in any state or federal court of general jurisdiction in Massachusetts, and you (and each Owner) irrevocably submit to the jurisdiction of such courts and waive any objection you (or he or she) may have to either the jurisdiction of or venue in such courts.

25.15. **Waiver of Punitive Damages and Jury Trial**. Except with respect to your obligation to indemnify us pursuant to Section 24 hereof and claims we bring against you for your unauthorized use of the Marks or unauthorized use or disclosure of any Confidential Information, we and you and your respective owners waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. We and you irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

25.16. **Binding Effect**. This agreement is binding upon us and you and our respective executors, administrators, heirs, beneficiaries, assigns and successors in interest and may not be modified except by written agreement signed by you and us.

25.17. **Limitations of Claims.** Except for claims arising from your nonpayment or underpayment of amounts you owe us pursuant to this Agreement or claims related to your unauthorized use of the Marks, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial or arbitration proceeding is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims.

25.18. **Representations**.

25.18.1 If you are a corporation, a limited liability company or a partnership ("Entity"), you make the following representations and warranties: (a) you are duly organized and validly existing under the laws of the state of formation; (b) you are qualified to do business in the state, county, and city in which your SNAPCHEF Business is located; (c) execution of this Agreement and the development and operation of your SNAPCHEF Business is permitted by your governing documents; (d) unless waived in writing by us, your Articles of Incorporation, Articles of Organization or written partnership agreement must at all times provide that your activities are limited to the development and operation of SNAPCHEF Businesses and other businesses operated by you that are franchised by us or our affiliates; and (e) all interests in you are owned as set forth in attached _____; (f) each person owning 5% interest in Franchisee has executed a guaranty agreement undertaking to be bound by the provisions of the Franchise Agreement.

25.18.2 If you are an individual, a group of individuals, or a partnership comprised solely of individuals, you make the following additional representations and warranties: (a) each individual has signed this Agreement; (b) each individual will be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement; and (c) notwithstanding any transfer for convenience of ownership, each individual will continue to be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement.

25.19. **Compliance with Anti-Terrorism Laws**. You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. The term "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, the rules, orders and guidelines promulgated by the Office of Foreign Assets Control ("OFAC") and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, will constitute good cause for immediate termination of this Agreement.

25.20. **Construction.** The preambles, appendices and schedules are a part of this Agreement which, together with the Operations Manual and our other written policies, constitute our and your entire agreement except as provided below, and there are no other oral or written understandings or agreements between us and you relating to the subject matter of this Agreement, except that you acknowledge that we justifiably have relied on your representations made prior to the execution of this Agreement. Except as contemplated by the arbitration provisions of Section 25.12, nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. Nothing in the Agreement or in any related agreement is intended to disclaim our representations made in the Franchise Disclosure Document.

25.21. **Withhold Approval.** Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed or effected actions that require our approval.

25.22. **Headings.** The headings of the Sections are for convenience only and do not define, limit or construe the contents of the Sections.

25.23. **Joint and Several Owners' Liability**. If two or more persons are at any time the Owner of the Franchised Business, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several.

25.24. **Multiple Copies**. This Agreement may be executed in multiple copies, each of which will be deemed an original.

26. NOTICES AND PAYMENTS.

26.1. **Notices.** All written notices and reports permitted or required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered:

26.1.1. at the time delivered by hand;

26.1.2. one (1) business day after transmission by telecopy, facsimile or other electronic system, provided there is evidence of delivery;

26.1.3. one (1) business day after being placed in the hands of a commercial courier service for next business day delivery, provided there is evidence of delivery; or

26.1.4. five (5) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and must be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified. Any required payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days prior thereto) will be deemed delinquent.

26.2. **Payments**. All payments required to be delivered by the provisions of this Agreement or the Operations Manual will be deemed so delivered as provided in Section 2 above and will be deemed delivered by bank-wire transfer upon telephone or electronic confirmation with the receiving bank.

[THE SPACE BELOW IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement on the date stated on the first page hereof.

SNAPCHISE LLC

By:_____

Title: _____

Dated: _____

EFFECTIVE DATE: _____

EACH OF THE UNDERSIGNED PARTIES WARRANTS AND REPRESENTS THAT HE/SHE HAS NOT RELIED UPON ANY GUARANTEES CONCERNING REVENUE, PROFIT OR THE SUCCESS OF THIS FRANCHISE IN SO SIGNING.

FRANCHISEE:

Signature: _____

Printed Name: _____

Dated: _____

Signature: _____

Printed Name: _____

Dated: _____

[OWNER CORPORATION OR PARTNERSHIP IF APPLICABLE]

By:_____

Title: _____

Dated: _____

SCHEDULE A – SNAPCHEF BRANDING PACKAGE

Custom SNAPCHEF Branded Reception Desk	Five (5) foot wide reception desk branded with the **SNAPCHEF** logo to greet your staff and guests.
Green Tall "Drafting" Chair	Tall drafting-style chair to place behind the reception desk. This desk would do well to double as the desk for a "recruiting manager" as your office staff grows.
Outside Electric SNAPCHEF Sign	The **SNAPCHEF** logo is prominently displayed on an illuminated (when locally permitted) sign at the face of the entrance to your office. Up to 24 square feet in size, this will be great advertising for your business. The final design of the sign for your location will be determined based on location, building orientation, and local sign permitting bylaws.
Grand Opening Banner and Marketing Materials	A banner to start creating buzz in your area, as well as a supply of promotional marketing materials for your Grand Opening.
Uniforms – Aprons	Initial stock of **SNAPCHEF** branded chef coats, and **SNAPCHEF** branded Aprons.
Branded Apparel	Branded shirts for owner and manager.
SNAPCHEF Software	Install and setup the cloud-based proprietary **SNAPCHEF** software for seamlessly integrating the business management aspects of your franchise (SNAPware and SNAPapp).
Marketing and Printed Materials	Business cards, letterhead, envelopes, and flyers will be printed with your store's specific information.
Outside SNAPCHEF Flag	Branded blade-style flag for outside your office or use at marketing events.
Outside A-Frame	Two-sided A-frame sidewalk sign for posting current marketing messages.
Indoor Banner Stand	Custom branded banner stand/sign for inside the lobby or for use in marketing events.

Shipping and delivery are included in the package.

Package Total is $12,840
Plus, applicable sales taxes.

SCHEDULE B – SNAPCHEF TRAINING KITCHEN PACKAGE

Two Stainless Steel Tables	Two (2) 30" x 72" Stainless Steel Commercial Worktables with Galvanized Legs and Undershelf. Great for chopping, sorting, and assembling, this worktable provides a sturdy, spacious surface for food prep and storage. With its high weight capacity, easy-to-clean surface, and overall functional design, you can organize your kitchen to create an efficient workflow.
Refrigerator	Stainless steel single door reach-in refrigerator. Spacious and adjustable, but small enough to fit in most spaces. Keeps food prep.
Two Metal storage racks	Two (2) 18" x 48" Chrome 5-Shelf wire storage racks with 72" Posts for organization of dry goods in your training kitchen.
Stainless Steel 3-Compartment Sink.	Train new kitchen employees on the use of a 3-compartment stainless steel sink. Washing, rinsing, and sanitizing. This sink is made of durable construction and makes it easy to establish an efficient workflow to wash dishes or prep food. This package does NOT include the plumbing necessary to install your sink.
Stainless steel Prep Sink	Stainless Steel One Compartment Commercial Sink with Drainboard. Wash dishes and utensils efficiently with a stainless steel one compartment commercial sink with a drainboard. This package does NOT include the plumbing necessary to install your sink.
Kitchen Cutlery	Ten (10) chef knives for training classes. Plus, an assortment of other knife sizes and styles; and knife sharpening equipment.
Cutting Boards	Ten (10) wooden cutting boards. Individual 12”x18” wooden boards for training classes.
Pots & Pans	An assortment of pots and pans for training and cooking. Note that a heat source, such as an oven or induction stove top, is NOT included in this kitchen package. You must ensure compliance with all local building and fire codes if you choose to purchase and install one in your training kitchen.
Plates, Silverware, Glassware	Assortment of dinnerware, flatware and glassware. Flatware holder.
Bar Stools	Ten (10) cushioned top rotating bar stools for use during training classes

Shipping and delivery are included in the package.

Package Total is $9,120.00
Plus, applicable sales taxes.

APPENDIX A
TO THE FRANCHISE AGREEMENT

FRANCHISE OWNERSHIP AND MANAGEMENT.

1. **MANAGING OWNER**. The name, home address, phone numbers and social security number of the Managing Owner is:

_____

_____

2. **FORM OF OWNER.**

2.1. **Business Entity.** What is the form of your business entity?

_____

Date of Formation of Entity (Date of Incorporation, if applicable):

_____

Federal Identification Number of Entity:

_____

The following is a list of your directors, if applicable, and officers as of the effective date of Appendix A shown above:

Name of Each Director/Officer/Partner	**Position(s) Held**

3. **OWNERS.** The following list includes the full name and mailing address of each person who is one of your Owners (as defined in the Franchise Agreement) and fully describes the nature of each Owner's interest.

Owner's Name and Address	**Description of Interest** (Must total 100%)

APPENDIX A
TO THE FRANCHISE AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this Appendix A to the Franchise Agreement on the date(s) set forth below.

SNAPCHISE LLC

By: _____

Name Printed: _____

Title: _____

[OWNER CORPORATION OR PARTNERSHIP]

By: _____

Name Printed: _____

Title: _____

Dated: _____

As Individuals:

Signature: _____

Name Printed: _____

Dated: _____

Signature: _____

Name Printed: _____

Dated: _____

Signature: _____

Name Printed: _____

Dated: _____

APPENDIX B
TO THE FRANCHISE AGREEMENT

DESIGNATED MARKETING TERRITORY.

1. **TERRITORY DEFINITION.** The Marketing Territory referred to in the Franchise Agreement shall be as follows:
_____
_____
_____.

2. **TERRITORY AS OF TODAY.** If the Territory is identified by counties or other political subdivisions, the Territory will be fixed by the political boundaries as they exist today. Any later changes to political boundaries shall not change the boundaries of the Territory.

[THE SPACE BELOW IS INTENTIONALLY LEFT BLANK]

APPENDIX B
TO THE FRANCHISE AGREEMENT

SNAPCHISE LLC

By:_____

Title: _____

Dated: _____

[OWNER CORPORATION OR PARTNERSHIP]

By:_____

Title: _____

Dated: _____

As Individuals:

Signature: _____

Name Printed: _____

Dated: _____

Signature: _____

Name Printed: _____

Dated: _____

Signature: _____

Name Printed: _____

Dated: _____

APPENDIX C
TO THE FRANCHISE AGREEMENT

AGREEMENT TO BE BOUND AND TO GUARANTEE

This Agreement to Be Bound and to Guarantee (**Agreement**), dated as of the date stated at the end of this Agreement, executed by the Guarantors identified on the signature page of this Agreement (each a "**Guarantor"**) in favor of **SNAPCHISE LLC**, and affiliated companies doing business as **SNAPCHEF** ("**Franchisor"**).

WHEREAS, as an inducement for Franchisor to execute and deliver, and to perform its obligations under, that certain Franchise Agreement ("**Franchise Agreement"**), dated as of the date stated at the end of this Agreement, by and between Franchisor and the Franchisee identified on the Signature Page of this Agreement ("**Franchisee"**), Guarantor has agreed to jointly and severally guarantee the obligations of Franchisee to Franchisor and its affiliates (including, without limitation, obligations under the Franchisee Agreement (and the assignment of concession agreement, if applicable) executed in connection therewith) and to be bound by certain of the provisions contained in the Franchisee Agreement.

WHEREAS, Guarantor owns, directly or indirectly, a 5% or greater equity interest in Franchisee.

WHEREAS, Guarantor acknowledges and agrees that Franchisor will materially rely upon Guarantor's obligations under this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the execution and delivery of the Franchisee Agreement by Franchisor, and the performance of Franchisor's obligations thereunder, Guarantor agrees, for the benefit of Franchisor and its affiliates, as follows:

1. Guaranty. Guarantor unconditionally guarantees and promises to pay to Franchisor and/or its affiliates and to perform, for the benefit of Franchisor and/or its affiliates, on demand, any and all obligations and liabilities of Franchisee in connection with, with respect to or arising out of the Franchisee Agreement as well as any other agreements executed by Franchisee in conjunction with the Franchisee Agreement, if applicable, executed in connection therewith and/or any other agreement with Franchisor or its affiliates.

2. Confidentiality.

(A) Guarantor acknowledges that Franchisor is engaged in a highly competitive business, the success of which is dependent upon, among other things, trade secrets and other confidential and proprietary information, processes, materials and rights relating to the development, promotion and operation of the SNAPCHEF Business (as defined in the Franchisee Agreement), including, without limitation, Franchisor's Manual, method of operation, processes, techniques, formulae and procedures (collectively, the "Proprietary Information"). Guarantor further acknowledges that the Proprietary Information constitutes valuable trade secrets.

(B) Guarantor agrees not to use for any purpose, or disclose or reveal (and must cause all of Franchisee's directors, officers and employees not to use for any purpose, or disclose or reveal), during the term of this Agreement or forever thereafter, to any person any contents of Franchisor's Manual, any Proprietary Information or any other information relating to the operation of the SNAPCHEF Business. Guarantor must fully and strictly comply with all security measures prescribed by Franchisor for maintaining the confidentiality of all Proprietary Information.

(C) Guarantor acknowledges that to breach her or her obligations under this Section 2 would cause damage to Franchisor and to Franchisor's other franchisees and that Guarantor would be liable for this damage.

(D) Notwithstanding the foregoing, Guarantor may disclose Proprietary Information to a person who is bound by the confidentiality obligations to Franchisor and the covenants contemplated by Section 15 of the

Franchisee Agreement, to the extent that that disclosure is necessary in connection with that person's capacity with Franchisee.

(E) Notwithstanding the foregoing, the following will not be subject to the provisions of this Section 2:

(1) Information which is in the public domain as of the date of receipt by Franchisee;

(2) Information which is known to Franchisee prior to the date of receipt by Franchisee;

(3) Information which becomes known to the public without a breach of the provisions of this Section 2 of the Agreement or any other agreement executed in connection with the Franchisee Agreement; and

(4) Information which is required by law to be disclosed or revealed, but only strictly to the extent required by law.

3. Covenant Not to Compete. Guarantor acknowledges and agree that: (1) pursuant to this Agreement, you will have access to the Confidential Information; (2) the System and the opportunities, associations and experience established by us and acquired by you under this Agreement are of substantial and material value; (3) in developing the System, we and our affiliates have made and continue to make substantial investments of time, technical and commercial research, and money; (4) we would be unable to adequately protect the System and the Confidential Information against unauthorized use or disclosure and would be unable to adequately encourage a free exchange of ideas and information among SNAPCHEF Businesses if our franchisees were permitted to hold interests in "Competing Businesses" (which are defined as businesses that provide staffing and/or training to the hospitality industry). Guarantor acknowledges that restrictions on his/her right to hold interests in, or perform services for Competing Businesses will not hinder his/her activities. Guarantor expressly acknowledges that he/she possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the restrictions contained in this Section will not deprive Guarantor of the ability to earn a living. Guarantor therefore agrees that, during the term of the Franchise Agreement and for the "Restricted Period" following the expiration or earlier termination of this Agreement, Guarantor will not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation, limited liability company, or other entity:

(A) own, maintain, operate, engage in, franchise or license, advise, help, make loans to, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, officer, manager, employee, consultant, representative, or agent in any Competing Business;

(B) divert or attempt to divert, by direct or indirect inducement or otherwise, any actual or potential business or customer of any SNAPCHEF Business to a Competing Business;

(C) For purposes of this Agreement, the term "Restricted Period" shall be three (3) years from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end two (2) years from the date the Franchise Agreement expires or is terminated; provided however, that if a court determines that such period is unenforceable, the Restricted Period shall end one (1) year from the date the Franchise Agreement expires or is terminated;

(D) During the term of the Franchise Agreement, there is no geographical limitation on the restrictions contained in this Section 3. During the Restricted Period, these restrictions will apply at the Premises; within the Development Area; within a 50-mile radius of the outer boundaries of the Protected Area; and within 25 miles of any other SNAPCHEF Business in operation or under construction on the later of: (i) the date of the termination or expiration of this Agreement; or (ii) the date on which you begin to comply with this Section 3(D) (the "Restricted Area");

(E) If, at any time during the Restricted Period, you fail to comply with your obligations contained in this Section 3 that period of noncompliance will not be credited toward the satisfaction of your obligations under this Section 3 These restrictions also apply after Transfers, as provided in the Franchise Agreement. Equity ownership of less than 2% of a Competing Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 3; or

(F) If any restriction in this Section 3 is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity. Specifically, if any part of these restrictions is found to be unreasonable in time or distance, 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.

4. Restriction on Hiring. Guarantor may not, during the term of this Agreement and for the one-year period after the expiration or termination of this Agreement for any reason, directly or indirectly (as an owner, partner, director, officer, employee, manager, consultant, shareholder, representative, agent, Franchisor or otherwise), employ, hire or engage as an independent contractor or otherwise any person who is or was (at any time during the term of this Agreement) employed or engaged as an independent contractor or otherwise by Franchisor or any of its affiliates.

5. Use of Name and Likeness. Franchisor will be entitled to use the name, likeness and voice of Guarantor for purposes of promoting the franchise, Franchisor and its products, including, without limitation, all photos and audio and video recordings, and Guarantor hereby irrevocably consents thereto. Guarantor acknowledges that Franchisor will own all right, title and interest, to the extent allowed by law, in all rights of integrity, disclosure and publication and any other rights that may be known as or referred to as moral rights, artist's rights, publicity rights or the like associated with such photos and audio and video recordings, and assigns and transfers unto Franchisor the full and exclusive right, title, and interest to such publicity rights.

6. Innovations. Guarantor may conceive, invent, create, design and/or develop various ideas, techniques, methods, processes and procedures, recipes, formulae, products, packaging or other concepts and features relating to the manufacturing, production, marketing and sale of hospitality training and/or staffing services, or other similar services and products in connection with the SNAPCHEF Business (the "Innovations"). Guarantor assigns any and all of its rights, title and interest in the Innovations, including, without limitation, any intellectual property rights, to Franchisor, and also agrees to cooperate with Franchisor and its counsel in the protection of the Innovations, including, without limitation, the perfecting of title thereto.

7. Copyrights; Works-for-Hire; Solicitation. All advertising and promotional materials generated by or for Franchisee or its officers, managers or employees for the Snapchef Business will be deemed a work-made-for-hire, and all ownership rights, including, without limitation, any copyrights, in such advertising and promotional materials are hereby assigned to Franchisor. In addition, Guarantor will cooperate in the protecting any items or materials suitable for copyright protection by Franchisor. Guarantor must not solicit other franchisees or Franchisees, or use the lists of franchisees and Franchisees, for any commercial or other purpose other than purposes directly related to the operation of the Snapchef Business.

8. Guaranty of Payment. This is a guaranty of payment and not of collection. This Agreement will remain in full force and effect until all amounts payable by Guarantor shall have been validly, finally and irrevocably paid in full and all obligations to be performed by Guarantor shall have been validly, finally and irrevocably performed in full.

9. Waiver. Guarantor waives: (a) Any right to require Franchisor to (i) proceed against any other person; (ii) proceed against or exhaust any security; or (iii) pursue any other remedy. Franchisor may exercise or not exercise any right or remedy it has against Franchisee or any security it holds (including the right to foreclose by judicial or non-judicial sale) without affecting Guarantor's liability hereunder; (b) any defenses from disability or other defense of Franchisee or from the cessation Franchisee's liabilities; (c) any setoff, defense or counterclaim against Franchisor;

(d) any defense from the absence, impairment or loss of any right of reimbursement or subrogation or any other rights against Franchisee. Until Franchisee's obligations (except inchoate indemnification obligations) to Franchisor have been paid in full, Guarantor has no right of subrogation or reimbursement or other rights against Franchisee; (e) Any right to enforce any remedy that Franchisor has against Franchisee; (f) any rights to participate in any security held by Franchisor' (g) any demands for performance, notices of nonperformance or of new or additional indebtedness incurred by Franchisee to Franchisor. Guarantor is responsible for being and keeping itself informed of Franchisee's financial condition; (h) the benefit of any act or omission by Franchisor which directly or indirectly results in or aids the discharge of Franchisee from any of the obligations by operation of law or otherwise; (i) the benefit of California Civil Code Section 2815 permitting the revocation of this Guaranty as to future transactions and the benefit of California Civil Code Sections 2809, 2810, 2819, 2839, 2845, 2848, 2849, 2850, 2899 and 1432 with respect to certain suretyship defenses.

10. Subrogation. Guarantor hereby agrees that he will not exercise any rights of subrogation which he may acquire due to any payment or performance of the obligations of Franchisee pursuant to this Agreement unless and until all amounts payable to Franchisor or its affiliates, and all obligations for the benefit of Franchisor or its affiliates, shall have been validly, finally and irrevocably paid and performed in full.

11. Reasonable Restraints; Remedies. Guarantor acknowledges that the covenants contained in this Agreement (including, without limitation, the territorial and time restraints) are reasonable and necessary and agrees that her failure to adhere strictly to the restrictions contained herein will cause substantial and irreparable damage to Franchisor, Franchisee and to Franchisor's other franchisees. In the event of any breach by Guarantor of any of the terms of this Agreement, Franchisor and/or Franchisee will be entitled to institute and prosecute proceedings, at law or in equity, in any court of competent jurisdiction, to obtain an injunction to enforce the provisions of this Agreement and to pursue any other remedy to which Franchisor and/or Franchisee may be entitled. Guarantor agrees that the rights conveyed by this Agreement are of a unique and special nature and that Franchisor's and Franchisee's remedy at law for any breach would be inadequate and agrees and consents that temporary or permanent injunctive relief may be granted in any proceeding which may be brought to enforce any provision hereof, without the necessity of posting bond therefor or proof of actual damages.

12. Enforceability. If the scope of any restriction contained in this Agreement is too broad to permit the enforcement of such restriction to its fullest extent, then such restriction will be enforced to the maximum extent permitted by law, and Guarantor hereby consents and agrees that such scope may be judicially limited or modified accordingly in any proceeding brought to enforce such restriction. Each covenant contained in this Agreement is independent and severable and, to the extent that any such covenant shall be declared by a court of competent jurisdiction to be illegal, invalid or unenforceable, such declaration will not affect the legality, validity or enforceability of any other provision contained herein or the legality, validity or enforceability of such covenant in any other jurisdiction.

13. No Waiver. No failure or delay on the part of Franchisor or its affiliates in exercising its rights hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in writing, specifying with particularity the nature of the waiver. No waiver of any such right will be Deemed a waiver of any other right hereunder. The rights provided for herein are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law.

14. Attorneys' Fees. Guarantor will pay reasonable attorneys' fees and expenses and all other costs and expenses that may be incurred by Franchisor or its affiliates in connection with enforcing this Agreement.

15. Massachusetts Law to Govern; Jurisdiction; Right to Jury Trial and Class Action Waived; Certain Damages Waived; Statute of Limitations.

(A) This Agreement will be governed by, and construed and enforced in accordance with, the law of Delaware, regardless of any conflict-of-law provisions to the contrary. Each party agrees that any litigation between the parties will be commenced and maintained only in the courts located in Massachusetts, and each party consents

to the jurisdiction of those courts; provided, however, that Franchisor may seek to obtain injunctive relief in any court that Franchisor may select.

(B) GUARANTOR HEREBY WAIVES THE RIGHT TO A JURY TRIAL, WAIVES THE RIGHT TO INITIATE OR PARTICIPATE IN A CLASS ACTION IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, ARBITRATION, AND WAIVES THE RIGHT TO SEEK OR COLLECT PUNITIVE, CONSEQUENTIAL AND SPECIAL DAMAGES IN ANY FORUM, INCLUDING, WITHOUT LIMITATION, ARBITRATION. NOTWITHSTANDING ANYTHING CONTAINED IN THIS AGREEMENT TO THE CONTRARY, GUARANTOR AGREES THAT ANY CLAIMS UNDER, ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE BROUGHT WITHIN TWO YEARS OF THE DATE ON WHICH THE UNDERLYING CAUSE OF ACTION ACCRUED, AND GUARANTOR HEREBY WAIVES ANY RIGHT TO BRING ANY SUCH ACTION AFTER SUCH TWO-YEAR PERIOD.

16. Binding Nature of Agreement. This Agreement will be binding upon Guarantor and her respective successors, heirs and assigns and will inure to the benefit of Franchisor, its affiliates and their respective successors and assigns.

17. Joint and Several. If more than one person signs this Agreement as a Guarantor, her, her or its obligation will be joint and several.

18. Entire Agreement; Amendment. This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof. This Agreement may not be modified or amended other than by an agreement in writing signed by each of the parties. The provisions of Section 18 are not intended to, nor will they, act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE

Date of Franchisee Agreement:

Printed Name(s) of Guarantor(s):

Name of Franchisee:

GUARANTORS

Signature: _____

Name:_____
(Print Name)

Date: _____

Address:_____

Signature: _____

Name:_____
(Print Name)

Date: _____

Address:_____

Signature: _____

Name:_____
(Print Name)

Date: _____

Address:_____

APPENDIX D

TO THE FRANCHISE AGREEMENT

COMMUNICATIONS ASSIGNMENT.

The undersigned Franchisee, hereby nominates SNAPCHISE LLC as Attorney-In-Fact to transfer all of Franchisee's right, title, and interest in all telephone numbers, facsimile numbers, and e-mail addresses to SNAPCHISE LLC.

This nomination is only effective where Franchisee is in default of the Franchise Agreement to which this Communications Assignment is attached and Franchisee has failed to cure such defaults under the terms of the Franchise Agreement; or where the Franchise has been released from the Franchise Agreement; or where the Term of the Franchise Agreement to which this Communication Assignment is attached has expired.

Franchisee: _____

By:_____

Title: _____

Dated: _____

As Individuals:

_____

Date: _____

_____

Date: _____

_____

Date: _____

APPENDIX E
TO THE FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AUTHORIZATION.

Authorization to honor charges drawn by and payable to SNAPCHISE LLC.

The undersigned depositor ("DEPOSITOR") hereby: 1.) authorizes SNAPCHISE LLC ("SNAPCHEF") to initiate debit entries and/or credit correction entries to the DEPOSITOR's checking and/or savings account indicated below and 2.) authorizes the depository designated below ("DEPOSITORY") to debit such accounts pursuant to SNAPCHEF's instructions. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debt is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever.

_____	_____
DEPOSITORY	Branch
_____	_____ _____
City	State Zip Code
_____	_____
Bank Transit/ABA Number	Account Number

This authority shall remain in full force and effect until DEPOSITORY has received joint written notification from SNAPCHEF 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 SNAPCHEF and DEPOSITOR with thirty (30) days' prior written notice of the termination of this authority. These rights are in addition to any rights DEPOSITOR may have under federal and state banking laws.

_____
DEPOSITOR (Print Name)

By: _____

Title: _____

Date: _____

Please attach one voided check for the above account.

APPENDIX F
TO THE FRANCHISE AGREEMENT

ADDENDUM TO LEASE

This Addendum to Lease (this "Addendum") is executed as of this _____ day of _____, 20_____, by and between _____, ("Franchisee") and _____ ("Landlord") as an addendum to the lease (as amended, renewed, and/or extended from time to time, "the Lease") for the premises located _____ at _____, (the "Location") dated as of _____.

WHEREAS, Franchisee has executed or intends to execute a Franchise Agreement (the "Franchise Agreement") with SNAPCHISE LLC("Company") for the operation of a SNAPCHEF Franchised Business at the Location, and as a requirement thereof, the lease for the Location must include the provisions contained in this Addendum; and

WHEREAS, Landlord and Franchisee agree that the terms contained herein shall supersede any terms to the contrary set forth in the Lease;

NOW THEREFORE, in consideration of mutual covenants set forth herein, the execution and delivery of the Lease, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord and Franchisee hereby agree as follows:

1. Landlord shall deliver to Company a copy of any notice of default or termination of the Lease at the same time such notice is delivered to Franchisee.

2. Notwithstanding anything to the contrary contained in the Lease, Franchisee shall have the absolute right to sublet, assign or otherwise transfer its interest in the Lease to Company or to a corporation or other entity with which Company may merge or consolidate, without Landlord's approval, written or otherwise.

3. Franchisee shall, if requested by Company, assign to Company, and Landlord hereby irrevocably and unconditionally consents to such assignment, all of Franchisee's rights, title and interest to and under the Lease upon any termination or non-renewal of the Franchise Agreement, but no such assignment shall be effective unless: (a) the Franchise Agreement is terminated or expires without the granting of successor rights; and (b) Company notifies the Franchisee and Landlord in writing that Company assumes Franchisee's obligations under the Lease.

4. Company shall have the right, but not the obligation, upon giving written notice of its election to Franchisee and Landlord, to cure any breach of the Lease.

5. The Lease may not be modified, amended, renewed or extended in any manner or assigned by Franchisee without Company's prior consent.

6. Franchisee and Landlord acknowledge and agree that Company shall have no liability or obligation whatsoever under the Lease unless and until Company assumes the Lease in writing pursuant to Sections 2, 3 or 4 above. Company shall assume all of Franchisee's obligations under the lease from and after the date of assignment, but shall have no obligation to pay any delinquent rent or to cure any other default under the lease that occurred or existed prior to the date of the assignment.

7. If Company assumes the Lease, as above provided, Company may further assign the Lease to another person or entity to operate the SNAPCHEF Franchised Business at the Location, subject to Landlord's consent, which consent shall not be unreasonably withheld or delayed. Landlord agrees to execute such further documentation to confirm its consent to the assignments permitted under this Addendum as Company may reasonably request.

8. Landlord and Franchisee hereby acknowledge that Franchisee has agreed under the Franchise Agreement that Company and its personnel or agents shall have the right to enter the Location for certain purposes. Landlord hereby agrees not to interfere with or prevent such entry by Company, its personnel or agents. Landlord and Franchisee hereby further acknowledge that in the event the Franchise Agreement expires (without the granting of successor rights) or is terminated, Franchisee is obligated to take certain steps under the Franchise Agreement to de-identify the location as a SNAPCHEF Franchised Business. Landlord agrees to permit Company, its personnel or agents, to enter the Location and remove signs, decor and materials displaying any marks, designs or logos owned by Company, provided Company shall bear the expense of repairing any damage to the Location as a result thereof.

9. Copies of any and all notices required or permitted hereby or by the Lease shall also be sent to Company at SNAPCHISE LLC, 800 Main St., Holden, Massachusetts 0520, Attn: President, or such other address as Company shall specify by written notice to Landlord.

10. Under the Franchise Agreement, any lease for the location of a SNAPCHEF Franchised Business is subject to Company's approval. Accordingly, the Lease is contingent upon such approval.

[SIGNATURE PAGE FOLLOWS]

WITNESS the execution hereof under seal as of the date stated above.

LANDLORD:

_____

By: _____

Name (printed): _____

Title: _____

FRANCHISEE:

_____

By: _____

Name (printed): _____

Title: _____

APPENDIX G

TO THE FRANCHISE AGREEMENT

STATE SPECIFIC ADDENDA TO THE FRANCHISE AGREEMENT

HAWAII FRANCHISE AGREEMENT AMENDMENT
Amendments to the SNAPCHEF Franchise Agreement

In recognition of the requirements of the Hawaii Franchise Investment Law, the undersigned agree to the following modifications to the SNAPCHISE, LLC Franchise Agreement (the "Franchise Agreement"), as follows:

1. Sub-Article 20.4. Sub-article 20.4.7, under the Article section titled "Conditions for Approval of Transfer," is supplemented by the addition of the following language:

   ; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied; and

   The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If this Sub-article contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

2. Sub-Article 21.4. Sub-article 21.4, under the Article section titled "Agreements/Releases," is supplemented by the addition of the following:

   ; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Hawaii Franchise Investment Law, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Hawaii Franchise Investment Law be satisfied; and

   The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If this subarticle contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.

3. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Hawaii State amendment to the SNAPCHISE, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: SNAPCHISE, LLC	Franchisee:
_____	_____
Signature	Signature
_____	_____
Name (print)	Name (print)
	_____
	Date

ILLINOIS FRANCHISE AGREEMENT AMENDMENT

Amendments to the SNAPCHEF Franchise Agreement

In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705/1 to 705/45, and Ill. Admin. Code tit. 15, §200.100 et seq., the undersigned agree to the following modifications to the SNAPCHISE, LLC Franchise Agreement (the "Franchise Agreement") and, if Franchisor and Franchisee both sign the SNAPCHISE, LLC, as follows:

1. Article 20.4 of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," the following language is added to the end of subarticle 20.4.7:

> ; excluding only such claims as the transferor and its Owners may have under the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45).

2. Article 21.4. of the Franchise Agreement, under the heading "Conditions for Renewal," the following language is added to the end of subarticle 21.4:

> ; excluding only such claims as the transferor and its Owners may have under the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45).

3. Article 25.13. of the Franchise Agreement, under the heading "Governing Law", shall be amended by the addition of the following statement added after the end of the last sentence of Article 25.13. of the Franchise Agreement:

> Illinois Addendum: Illinois law governs the agreements between the parties to this franchise.
>
> Section 4 of the Illinois Franchise Disclosure Act Provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside Illinois.
>
> Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
>
> Section 41 of the Illinois Franchise Disclosure Act Provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act, or any other law of Illinois is void.

4. Article 25.12 of the Franchise Agreement, under the heading "Enforcement and Construction", shall be amended by the addition of the following statement added after the end of the last sentence of Article25.12 of the Franchise Agreement:

> Illinois Addendum: Illinois law governs the agreements between the parties to this franchise.
>
> Section 4 of the Illinois Franchise Disclosure Act Provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration in a venue outside Illinois.
>
> Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
>
> Section 41 of the Illinois Franchise Disclosure Act Provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act, or any other law of Illinois is void.

5. Article 25.15 of the Franchise Agreement, under the heading "Waiver of Jury Trial", shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 25.15 of the Franchise Agreement:

> ; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Illinois Franchise Disclosure Act.

6. Article 25 of the Franchise Agreement, under the heading "Enforcement and Construction," shall be supplemented by the addition of the following new subarticle 25.22 to the Franchise Agreement:

> Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver or any liability under the Illinois Franchise Disclosure Act.

7. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act (815 ILCS 705/1 to 705/45) are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Illinois amendment to the SNAPCHISE, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: SNAPCHISE, LLC	Franchisee:
_____	_____
Signature	Signature
_____	_____
Name (print)	Name (print)
	_____
	Date
	_____
	Signature
	_____
	Name (print)
	_____
	Date

MARYLAND FRANCHISE AGREEMENT AMENDMENT

Amendments to the SNAPCHEF Franchise Agreement

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached SNAPCHISE, LLC Franchise Agreement (the "Franchise Agreement"), as follows:

1. Article 20.4 of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," subarticle 20.4.7 is supplemented with the addition of the following language:

; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of the Maryland Franchise Registration and Disclosure Law and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Maryland Franchise Registration and Disclosure Law be satisfied.

2. Article 21.4 of the Franchise Agreement, under the heading "Conditions for Renewal," the subarticle 21.4 is supplemented with the addition of the following language:

; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of the Maryland Franchise Registration and Disclosure Law and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of the Maryland Franchise Registration and Disclosure Law be satisfied.

3. Article 25 of the Franchise Agreement, under the heading "Enforcement and Construction," shall be amended by the addition of the following statement added to Article 25 of the Franchise Agreement:

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

4. Article 25.17 of the Franchise Agreement, under the heading "Limitations of Claims," shall be amended by the addition of the following statement added to Article 25.17 of the Franchise Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. Article 25 of the Franchise Agreement, under the heading "Enforcement and Construction," shall be supplemented by the addition of the following new subarticle 25.22 to the Franchise Agreement:

Nothing in this Agreement should be considered a waiver of any right conferred upon franchisee by the Maryland Franchise Registration and Disclosure Law.

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 Registration and Disclosure Law.

A general release required as a condition of renewal, sale and/or assignment or transfer of a Franchise Agreement shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law

6. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

7. 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 Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Maryland amendment to the SNAPCHISE, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: SNAPCHISE, LLC

_____
Signature

_____
Name (print)

Franchisee:

_____
Signature

_____
Name (print)

_____
Date

_____
Signature

_____
Name (print)

_____
Date

MINNESOTA FRANCHISE AGREEMENT AMENDMENT

Amendments to the SNAPCHEF Franchise Agreement

In recognition of the requirements of the Minnesota Statutes, Chapter 80C. and Minnesota Franchise Rules, Chapter 2860, the parties to the attached SNAPCHISE, LLC Franchise Agreement (the "Franchise Agreement"), as follows:

1. Article 20.4 of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," subarticle 20.4.7 is supplemented with the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given one hundred eighty (180) days-notice of nonrenewal of this Agreement by Franchisor.

2. Article 21.4 of the Franchise Agreement, under the heading "Conditions for Renewal," the subarticle 21.4 is supplemented with the addition of the following language:

; provided, however, that all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provisions of the Minnesota Franchise Act, Minn. Stat. Section 80C.14 et seq. and Minnesota Rules 2860.4400(D), shall remain in force; it being the intent of this provision that the non-waiver provisions of the Minnesota Rules 2860.4400(D) be satisfied; and

Minnesota law provides a franchisee with certain termination and non-renewal rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given one hundred eighty (180) days-notice of nonrenewal of this Agreement by Franchisor.

3. Under Article 14 of the Franchise Agreement, under the heading "Marks," the subarticle 14.8 shall be supplemented by the addition of the following:

Franchisor agrees to protect Franchisee, to the extent required by the Minnesota Franchise Act, against claims of infringement or unfair competition with respect to Franchisee's use of the Marks when, in the opinion of Franchisor's counsel, Franchisee's rights warrant protection pursuant to this Section 14.8.

4. Article 21.4 of the Franchise Agreement, under the heading "Conditions for Renewal," the subarticle 21.4 is supplemented with the addition of the following language:

Franchisor shall not unreasonably withhold consent to transfer the franchise agreement.

5. Under Article 22 of the Franchise Agreement, under the heading "Notice Without Opportunity to Cure," the subarticle 22.2. shall be supplemented by the addition of the following:

Article 22.2 will not be enforced to the extent prohibited by applicable law.

6. Under Article 22 of the Franchise Agreement, under the heading "Notice with Opportunity to Cure," the subarticle 22.3.8, shall be supplemented by the addition of the following:

Subarticle 22.3.8 will not be enforced to the extent prohibited by applicable law.

7. Under both subarticles 22.2 and 22.3 of the Franchise Agreement, the following is added:

Minnesota law provides a franchisee with certain termination rights. Minn. Stat. Sect. 80C.14 Subdivisions 3, 4, and 5 require, except in certain specified cases, that franchisee be given ninety (90) days-notice of termination (with sixty days to cure) of this Agreement.

8. Article 25.13. of the Franchise Agreement, under the heading "Governing Law", shall be amended by the addition of the following statement added after the end of the last sentence of Article 25.13. of the Franchise Agreement:

; except to the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

9. Article25.12 of the Franchise Agreement, under the heading "Choice of Law, Non-Binding Mediation, Binding Arbitration, and Consent to Jurisdiction", shall be amended by the addition of the following statement added to the end of the last sentence of Article 25.12 of the Franchise Agreement:

; except the extent otherwise prohibited by applicable law with respect to claims arising under the Minnesota Franchise Act.

10. Article 25.15 of the Franchise Agreement, under the heading "Waiver of Jury Trial", shall be supplemented by the addition of the following statement at the end of the sentence contained in Article 25.15 of the Franchise Agreement:

; except that nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by the Minnesota Franchise Act.

11. Article 25.17 of the Franchise Agreement, under the heading "Limitations of Claims," shall be amended by the addition of the following statement added to Article 25.17 of the Franchise Agreement:

Under the Minnesota Franchise Act, any claims between the parties must be commenced within three years of the occurrence of the facts giving rise to such claim, or such claim shall be barred.

12. Article 25 of the Franchise Agreement, under the heading "Enforcement and Construction," shall be supplemented by the addition of the following new subarticle 25.22 to the Franchise Agreement:

Any foregoing acknowledgments are not intended to nor shall they act as a release, estoppel or waiver or any liability under the Minnesota Franchise Act.

13. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Minnesota State amendment to the SNAPCHISE, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

[SIGNATURES ON FOLLOWING PAGE]

Franchisor: SNAPCHISE, LLC

_____
Signature

_____
Name (print)

Franchisee:

_____
Signature

_____
Name (print)

_____
Date

_____
Signature

_____
Name (print)

_____
Date

NEW YORK FRANCHISE AGREEMENT AMENDMENT

Amendments to the SNAPCHEF Franchise Agreement

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached SNAPCHISE, LLC Franchise Agreement (the "Franchise Agreement"):

E. Under Article 20.4 of the Franchise Agreement, under the heading "Conditions for Approval of Transfer," the subarticle 20.4.7 is supplemented with the addition of the following language:

; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

F. Under Article 21.4 of the Franchise Agreement, under the heading "Conditions for Renewal," the subarticle 21.4 is supplemented with the addition of the following language:

; provided, however, that all rights and causes of action arising in favor of Franchisee from the provisions of New York General Business Law Sections 680-695 and the regulations issued thereunder, shall remain in force; it being the intent of this provision that the non-waiver provisions of N.Y. Gen. Bus. Law Sections 687.4 and 687.5 be satisfied.

G. Article 25 of the Franchise Agreement and, under the heading "Enforcement and Construction," shall be supplemented by the addition of the following new subarticle 25.22 to the Franchise Agreement:

Nothing in this Agreement should be considered a waiver of any right conferred upon franchisee by New York General Business Law, Sections 680-695.

H. There are circumstances in which an offering made by SNAPCHISE, LLC would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if you are domiciled in New York or the Outlet will be opening in New York. SNAPCHISE, LLC is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

I. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the New York General Business Law, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this New York amendment to the SNAPCHISE, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: SNAPCHISE, LLC	Franchisee:
_____	_____
Signature	Signature
_____	_____
Name (print)	Name (print)
	_____
	Date

NORTH DAKOTA FRANCHISE AGREEMENT AMENDMENT

Amendments to the SNAPCHEF Franchise Agreement

In recognition of the North Dakota Franchise Investment Law, Section 51-19, the parties to the attached SNAPCHISE, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

The North Dakota Addendum is only applicable if you are a resident of North Dakota or if your SNAPCHEF Restaurant outlet will be located within the State of North Dakota.

1. Article 21.4 of the Franchise Agreement is hereby amended by the addition of the following language: "Provisions requiring North Dakota franchisees to sign a general release upon renewal of the franchise agreement are not enforceable in North Dakota."

2. Article 23.4 of the Franchise Agreement are hereby amended by the addition of the following language: "Covenants not to compete such as those mentioned above are generally considered unenforceable in the state of North Dakota."

3. Article 25.14 of the Franchise Agreement is hereby amended by the addition of the following language: "Covenants requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota may not be enforceable in North Dakota."

4. Article 25.13 of the Franchise Agreement is hereby amended by the addition of the following language: "for North Dakota Franchisees, North Dakota law shall apply."

5. Article 25.15 of the Franchise Agreement is hereby amended by the addition of the following language: "Provisions requiring a franchisee to consent to a waiver of trial by jury are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law."

6. Article 25.15 of the Franchise Agreement is hereby amended by the addition of the following language: "Provisions requiring the franchisee to consent to a waiver of exemplary and punitive damages are not enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law."

7. Article 25.17 of the Franchise Agreement is hereby amended by the addition of the following language: "Provisions requiring a franchisee to consent to a limitation of claims within one year have been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, for North Dakota franchisees, the statute of limitations under North Dakota Law will apply."

Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of North Dakota Law are met independently without reference to this amendment.

[SIGNATURES ON FOLLOWING PAGE]

Franchisor: SNAPCHISE, LLC

_____
Signature

_____
Name (print)

Franchisee:

_____
Signature

_____
Name (print)

_____
Date

_____
Signature

_____
Name (print)

_____
Date

WASHINGTON STATE FRANCHISE AGREEMENT AMENDMENT

Amendments to the SNAPCHEF Franchise Agreement

In recognition of the Washington State Franchise Investment Protection Act, Chapter 19.100 RCW, the parties to the attached SNAPCHISE, LLC Franchise Agreement (the "Franchise Agreement") agree as follows:

1. 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.

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

3. 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

5. Chapter 49.62 RCW limits the use of non-competition agreements and may supersede the franchise agreement's non-competition provisions. Washington law provides as follows: (1) an employee non- compete covenant is unenforceable unless the employee's annual earnings exceed $100,000; (2) a presumption is created that any non-compete covenant with a duration longer than 18 months is unreasonable and unenforceable; (3) a franchisor may not restrict, restrain or prohibit a franchisee from soliciting or hiring any employee of the franchisor or a franchisee of the same franchisor; (4) any contractual provision that requires an employee to adjudicate a non-competition covenant outside of Washington State is void and unenforceable.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Washington State amendment to the SNAPCHISE, LLC Franchise Agreement on the same date as the Franchise Agreement was executed.

Franchisor: SNAPCHISE, LLC

_____

Signature

_____

Name (print)

Franchisee:

_____

Signature

_____

Name (print)

_____

Date

_____

Signature

_____

Name (print)

_____

Date

ACKNOWLEDGMENT ADDENDUM TO
SNAPCHEF FRANCHISE AGREEMENT

As you know, you and we are entering into a Franchise Agreement for the operation of a SNAPCHEF franchise. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

Please review each of the following questions carefully and provide honest and complete responses to each question.

1. The date on which I first received a Franchise Disclosure Document about the Franchise was _____. ☐ Yes. ☐ No.

2. The date of my first face-to-face meeting with a franchise sales representative of the Franchisor to discuss the possible purchase of a franchise was _____. ☐ Yes. ☐ No.

3. The date on which I signed the contracts and agreements as disclosed in my Franchise Disclosure Document was _____. ☐ Yes. ☐ No.

4. The earliest date on which I delivered cash, check, or other consideration to the Franchisor in connection with the purchase of a franchise was _____. ☐ Yes. ☐ No.

5. Have you personally reviewed the Franchise Agreement and the Franchisor's Disclosure Document? ☐ Yes. ☐ No.

6. Do you understand all of the information contained in the Franchise Agreement and the Disclosure Document? ☐ Yes. ☐ No.

   If "No", what parts of the Franchise Agreement and/or the Disclosure Document do you not understand? (Attach additional pages, if necessary)

   _____
   _____
   _____

7. Have you discussed the benefits and risks of establishing and operating the franchise with an attorney, accountant, or other professional advisor? ☐ Yes. ☐ No.

8. Do you understand that the success or failure of your franchise will depend in large part upon your skills and abilities, competition from other agencies, interest rates, inflation, and other economic and business factors? ☐ Yes. ☐ No.

9. Has any employee speaking on behalf of the Franchisor made any statement or promise concerning the revenues, profits, or operating costs of any franchise operated by the Franchisor or its franchisees contrary to or different from the information contained in the Disclosure Document? ☐ Yes. ☐ No.

10. Has any employee speaking on behalf of the Franchisor made any statement or promise regarding the total amount of revenue you might achieve or operating profit you might realize from a franchise contrary to or different from the information in the Disclosure Document? ☐ Yes. ☐ No.

11. Has any employee speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating a franchise that is contrary to or different from the information contained in the Disclosure Document? ☐ Yes. ☐ No.

12. Has any employee speaking on behalf of the Franchisor made any statement, promise, or agreement concerning the advertising, 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 Disclosure Document? ☐ Yes. ☐ No.

13. Do you understand that your initial franchise fee is non-refundable upon entering into a Franchise Agreement? ☐ Yes. ☐ No.

If you have answered "Yes" to any one of questions 9-12 please provide a full explanation of each "Yes" answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of questions 9-12 please leave the following lines blank.

_____
_____
_____

By signing this Questionnaire, you agree that you understand that your answers are important to us and that we will rely on them, and you are representing that you have responded truthfully to the above questions.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed:_____

Printed Name: _____

Date:_____

APPROVED ON BEHALF OF
SNAPCHISE LLC

By:_____

Title:_____

Date:_____

SNAPCHEF®

EXHIBIT “B”
TO THE DISCLOSURE DOCUMENT

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

SNAPCHEF®
AREA DEVELOPMENT AGREEMENT

This Area Development Agreement ("**ADA**"), dated as of the date set forth on the last page of the ADA, by and between **SNAPCHISE LLC**, a Massachusetts limited liability company ("Franchisor"), and the party identified on the last page of the ADA ("Franchisee").

RECITALS

A. Franchisor and Franchisee have signed that certain Franchise Agreement, dated as of _____ (the "First Franchise Agreement"), with respect to the operation by Franchisee of a SNAPCHEF Business (the "First Office");

B. Franchisee desires to develop additional **SNAPCHEF** Business(s) (the "Subsequent Offices") pursuant to the terms and conditions of this Area Development Agreement (the "Development Agreement"); and

C. Subject to the terms and conditions of the ADA, Franchisor is willing to grant additional SNAPCHEF franchises to Franchisee.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in the ADA, and for other good and valuable consideration, the parties agree as follows:

1. Grant of Option to Establish Additional SNAPCHEF Business. Subject to and in accordance with the terms of the ADA, Franchisor grants to Franchisee, and Franchisee accepts, an option to execute additional franchise agreements (each a "Franchise Agreement") to establish and operate additional SNAPCHEF Businesses as described in Exhibit A in accordance with the development schedule (the "Development Schedule") as described in Exhibit A:

(a) Subject to and in accordance with the terms of the ADA, Franchisee (and his principals, directors, officers, managers and employees) will sign and deliver to Franchisor, in connection with each SNAPCHEF Business:

(i) a fully executed Franchise Agreement and such other ancillary agreements; and

(ii) the remainder of the applicable Initial Franchise Fee of $____ ($10,000 for each Franchise Agreement will be credited from the Development Fee) and other fees required to be paid at the time that a Franchise Agreement is executed. The Franchise Fee is not refundable and will be used for our general purposes; and

(iii) documents as Franchisor may then require in connection with the signing of Franchise Agreements in the form then being signed by new franchisees and will be subject to the terms of such Franchise Agreement (including, without limitation, the royalties, the advertising payments and other fees).

2. Development Fee. The Development Fee is calculated by multiplying $10,000 by the number of Subsequent SNAPCHEF Businesses that you and we agree are to be opened in accordance with the Development Agreement. In connection with the execution of the ADA, Franchisee shall pay Franchisor a fee equal to _____ (the "Development Fee"). The Development Fee is deemed fully earned by Franchisor upon execution of the ADA in consideration of lost development opportunities and is nonrefundable under any circumstances.

3. Royalties. Unless otherwise provided in the ADA, the royalties payable to us in conjunction with each Franchise Agreement and each Subsequent Office will be set forth in the Franchise Agreement executed in conjunction with each SNAPCHEF Business.

4. Notwithstanding anything contained in the ADA to the contrary, Franchisor may refuse to grant Franchisee a franchise or sign a Franchise Agreement or to allow Franchisee to open a Subsequent Office contemplated by the ADA due to Franchisee's failure to satisfy (in Franchisor's sole discretion) all of the conditions set forth in Section 4 of the ADA. In such event, any Development Fee paid to Franchisor with respect to the Subsequent Office(s) will not be refunded to Franchisee.

5. Conditions to Establishing Additional SNAPCHEF Businesses**.** Franchisee acknowledges and agrees that it is critical for Franchisor to protect the Trademarks and to maintain a high quality of services and products provided under the Trademarks. Accordingly, Franchisee acknowledges that Franchisor has a significant interest in granting franchises only to persons who operate their SNAPCHEF Business in accordance with the highest integrity and operational excellence, and agrees that Franchisee's right to establish and operate the Businesses will be subject to the satisfaction (in Franchisor's sole discretion) of each of the following conditions:

(a) Franchisee must sign a Franchise Agreement with respect to each Subsequent Office by the Commencement Date;

(b) the time that Franchisee seeks to sign a Franchise Agreement with respect to a Subsequent Office, Franchisee (and his Affiliates and their respective Principals, directors, officers, managers and employees) must not be in breach of his (or their) obligations under, or related to, the ADA, any Franchise Agreement or any other agreement with Franchisor or its Affiliates, and no fact or condition exists that, with the passage of time or the giving of notice, would constitute a breach;

(c) At the time that Franchisee seeks to sign a Franchise Agreement with respect to a Subsequent Office, (i) all SNAPCHEF Business operated by Franchisee (and all of his Affiliates) must be in full compliance with all operational and other requirements, rules and policies contained in Franchisor's Operation Manual and (ii) Franchisee must qualify (in Franchisor's sole discretion) for acceptance as a franchisee under Franchisor's then-current qualifications (including, without limitation, financial qualifications) for franchisees;

(d) Franchisee (and his Principals, directors, officers, managers and employees) signs and delivers to Franchisor, in connection with any such Subsequent Office, the Franchise Agreement (and such other ancillary agreements and documents as Franchisor may then require in connection with the signing of Franchise Agreements) in the form then being signed by new franchisees and will be subject to the terms of such Franchise Agreement including, without limitation, the royalties, the advertising payments and other fees; and

(e) Franchisee agrees that if Franchisee fails to satisfy (in Franchisor's sole discretion) each of the above conditions, Franchisee will not be entitled to establish or operate the additional SNAPCHEF Business contemplated by the ADA and that Franchisor will not be obligated to grant Franchisee any

additional franchises or sign any additional franchise agreements with Franchisee; provided, however, that Franchisee's rights with respect to Subsequent Offices to which both Franchisee and Franchisor have previously signed Franchise Agreements will not be subject to the terms of this Section 5, but will be subject to the terms of those Franchise Agreements.

6. Location of Subsequent Offices.

(a) Franchisee must establish and operate a Subsequent Office within each Territory that is contained within the Development Area, subject to the approval of that location by Franchisor, which approval may not be unreasonably withheld. Franchisee assumes all costs, liabilities, expenses and responsibilities for locating, obtaining, financing and developing sites for SNAPCHEF, and for constructing and equipping Offices at those sites. The selection of a site and the development of a SNAPCHEF Office at any site is the responsibility of Franchisee. The selection of a site by Franchisee is subject to our approval and must be in compliance with Franchisor's site selection procedures and its standards for demographic characteristics, parking, traffic patterns and the predominant character of the neighborhood, and other commercial characteristics of the site and any other factors Franchisor may consider relevant in reviewing a site selected by Franchisee. Franchisee must not enter into a binding commitment with a prospective seller or lessor of real estate with respect to the site for a SNAPCHEF Business until Franchisor has approved the proposed site. Franchisee specifically acknowledges that the selection of a site by Franchisee in compliance with Franchisor's site selection procedures and the approval of a site by Franchisor does not constitute a representation, promise or guarantee by Franchisor that the site and the SNAPCHEF Business to be operated at that site will be profitable or successful. Franchisee acknowledges that factors governing the success of a SNAPCHEF Business are unpredictable and beyond Franchisor's control. Franchisor is not responsible to Franchisee or to any other person or entity if a site approved by Franchisor fails to meet Franchisee's expectations for revenue or operational criteria.

(b) Notwithstanding anything contained in the ADA to the contrary, including, without limitation, Section 6(a):

(i) Franchisor and/or its Affiliates may market, directly or indirectly, services and/or products (including, without limitation, identical, similar or other services and products) under the Trademarks (or under other trademarks) through channels of distribution other than SNAPCHEF Business, including the Internet.

(ii) Franchisor reserves the right to market services and/or products (including, without limitation, identical, similar or other services and products) under the Marks (or under other trademarks) outside of the Development Area.

(iii) Franchisor reserves the right to market services and/or products (including, without limitation, identical, similar or other services and products) under trademarks other than the Marks within the Development Area.

(c) Franchisee acknowledges that Franchisor presently intends to develop Franchised Businesses (including franchised and company-owned units) throughout the United States and perhaps internationally and that one or more future Franchised Businesses (including franchised and company-owned units) may have an adverse effect on the revenues and profitability of existing Franchised Businesses, including Franchisee's Franchised Businesses. Franchisee further acknowledges that Franchisor has not made any representation or agreement, or provided Franchisee any assurance, that no future Franchised Business (including franchised and company-owned units) would adversely affect the revenues and profitability of Franchisee's Franchised Businesses.

7. Representations.

(i) If you are a corporation, a limited liability company or a partnership ("Entity"), you make the following representations and warranties: (a) you are duly organized and validly existing under the laws of the state of formation; (b) you are qualified to do business in the state, county, and city in which your SNAPCHEF Business is located; (c) execution of this Agreement and the development and operation of your SNAPCHEF Business is permitted by your governing documents; (d) unless waived in writing by us, your Articles of Incorporation, Articles of Organization or written partnership agreement must at all times provide that your activities are limited to the development and operation of SNAPCHEF Businesses and other businesses operated by you that are franchised by us or our affiliates; and (e) all interests in you are owned as set forth in attached _____; (f) each person owning 5% interest in Franchisee has executed a guaranty agreement undertaking to be bound by the provisions of the Franchise Agreement.

(ii) If you are an individual, a group of individuals, or a partnership comprised solely of individuals, you make the following additional representations and warranties: (a) each individual has signed this Agreement; (b) each individual will be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement; and (c) notwithstanding any transfer for convenience of ownership, each individual will continue to be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement.

8. Termination**.** This Agreement will terminate upon the earlier of:

(a) The failure to open a Subsequent Office prior to the corresponding Expiration Date(s) specified in Exhibit A of the ADA;

(b) the Insolvency of Franchisee;

(c) the breach by Franchisee (or any of his Affiliates) of any of his (or their) obligations under, or related to, the ADA, any Franchise Agreement or any other agreement with Franchisor or its Affiliates; and

(d) the date on which any Franchise Agreement previously signed by Franchisee (or any of his Affiliates) and Franchisor, or any other agreement between Franchisee (or any of his Affiliates) and Franchisor (or any of its Affiliates), is terminated.

9. Provisions. Each provision, condition and term of the ADA is material, and a breach or violation of any of them will constitute a default of that party's obligations under the ADA.

10. Definitions**.** All capitalized terms used, but not defined, in the ADA have the meanings given them in the Franchise Agreement.

11. Notices**.** All communications or notices required or permitted to be given or served under the ADA must be in writing and will be deemed to have been duly given or made if (a) delivered in person or by courier (including by Federal Express or other courier), (b) deposited in the United States mail, postage prepaid, for mailing by certified or registered mail, return receipt requested, or (c) faxed, and addressed to the address or fax number set forth on the last page of the ADA. All communications and notices will be effective upon delivery in person or by courier to the address set forth in the ADA, upon being deposited in the United States mail in the manner set forth above or upon being faxed in the manner set forth above. Any party may change his, her or its address or fax number by giving notice in writing, stating his, her or its new address, to the other party to the ADA as provided in the foregoing manner.

12. Transfers; Successors and Assigns**.**

(a) Notwithstanding anything contained in the ADA, or in any other agreement, to the contrary, Franchisee may not assign or otherwise transfer, by operation of law or otherwise, his rights under the ADA without the prior written consent of Franchisor, which consent may be withheld by Franchisor in its sole discretion. Any transfer of an equity interest in Franchisee, by operation of law or otherwise, and any merger or consolidation of Franchisee (if a corporation, partnership, limited liability company or other entity) will be deemed to be a transfer of the Franchised Business in violation of this Section 11. Any attempt by Franchisee to assign his rights under the ADA without Franchisor's prior written consent will be void.

(b) Notwithstanding anything contained in the ADA to the contrary, Franchisor may assign its rights under the ADA, or delegate any of its obligations hereunder, without the consent of Franchisee or any other person.

(c) Subject to Section 12 of the ADA, the ADA will be binding upon and inure to the benefit of the parties and their respective assigns, legal representatives, executors, heirs and successors.

13. Term. This Agreement shall expire on the earlier of: (i) date that the last Office contemplated by this Agreement opens for business; (ii) the last Expiration Date set forth in Development Schedule (Exhibit A); or (iii) the date that this Agreement is terminated.

14. Amendment, Modification or Waiver.

(a) Except as stated in the ADA, no amendment, modification or waiver of any condition, provision or term of the ADA will be valid or of any effect unless made in writing, signed by the parties and specifying with particularity the nature and extent of the amendment, modification or waiver.

(b) Failure on the part of any party to complain of any act or failure to act of another party or to declare another party in default, irrespective of how long the failure continues, will not constitute a waiver by that party of his, her or its rights under the ADA. Any waiver by any party of any default of another party will not affect or impair any right arising from any other or subsequent default.

(c) Franchisee understands and agrees that any and all individual Franchise Agreements executed by Franchisee and Franchisor for SNAPCHEF Businesses within the Development Area are independent of the ADA. The continued effectiveness of any Franchise Agreement does not depend on the continued effectiveness of this ADA. If any conflict arises with the ADA and any Franchise Agreement, the Franchise Agreement controls, has precedence and superiority (except with respect to the opening deadline for each Franchisee is granted the right to open under the ADA).

15. Entire Agreement**.** This Agreement, including the exhibits, contains the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements and understandings between the parties with respect to that subject matter. Each of the exhibits is incorporated in the ADA by this reference and constitutes a part of the ADA. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

16. Terminology**.** All captions, headings or titles in the paragraphs or sections of the ADA are inserted for convenience of reference only and do not constitute a part of the ADA or a limitation of the scope of the particular paragraph or section to which they apply. All personal pronouns used in the ADA, whether

used in the masculine, feminine, or neuter gender, will, where appropriate, include all other genders and the singular will include the plural and vice versa.

17. Counterparts**.** This Agreement may be executed in two or more counterparts, each of which will be considered one and the same agreement and will become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

18. Dispute Resolution.

(a) Mediation. Before you or we may bring an action in court, against the other, you and we must first meet to mediate the dispute (except as otherwise provided below). Any such mediation will be non-binding and will be conducted by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes. Notwithstanding anything to the contrary, this Section 18 will not bar you or us from obtaining judicial or injunctive relief for claims that are based solely on demands for monies owed, or from obtaining injunctive relief against threatened conduct that will cause us 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; including, without limitation, claims involving the Marks. The mediation proceeding will be conducted within 30 miles of our then-existing principal business location.

(b) Governing Law. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, the ADA, the Franchise, and all claims arising from the relationship between you and us will be governed by the laws of the State of Massachusetts, without regard to its conflict of laws rules, provided, however, that: (1) the provisions of Section 18 shall be interpreted and construed under the laws of the jurisdiction in which your SNAPCHEF Business is located.

(c) Consent to Jurisdiction and Venue. You and we agree that, to the extent any disputes cannot be resolved directly between us, you will file any suit against us only in the federal or state court having jurisdiction where our principal offices are located at the time suit is filed. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time suit is filed or in the jurisdiction where you reside or do business, where your SNAPCHEF Business is or was located, or where the claim arose. You consent to the personal jurisdiction of those courts over you and to venue in those courts.

(d) Waiver of Certain Damages and Rights.

(i) YOU AND WE WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM OF ANY PUNITIVE EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS) AGAINST EACH OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US, WE EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED.

(ii) THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT OR THE PERFORMANCE OF EITHER PARTY.

(iii) YOU AND WE WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A MEMBER IN ANY CLASS ACTION SUITS. THE PARTIES

AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN DEVELOPER, DEVELOPER'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY

(e) Reimbursement of Costs and Expenses. If either party brings an action to enforce the ADA in a judicial proceeding, the party prevailing in that proceeding will be entitled to reimbursement of costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, in contemplation of or subsequent to the filing of, the proceeding. If we utilize legal counsel (including in-house counsel employed by us) in connection with any failure by you to comply with the ADA, you agree to reimburse us for any of the above-listed costs and expenses incurred by us. In any judicial proceeding, the amount of these costs and expenses will be determined by the court and not by a jury.

(f) Rights and Remedies Cumulative. No right or remedy conferred upon or reserved to us or you by the ADA is intended to be, nor shall be deemed, exclusive of any other right or remedy in the ADA or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The provisions of this Section 18 shall survive the expiration or earlier termination of the ADA.

(g) Limitations of Claims. Any and all claims and actions arising out of or relating to the ADA, the relationship between you and us, or your operation of your SNAPCHEF Business, must be brought or asserted before the expiration of the earlier of: (1) the time period for bringing an action under any applicable state or federal statute of limitations; (2) 1 year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (3) 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 will be irrevocably barred. Our claims attributable to underreporting of sales, and claims of the parties for failure to pay monies owed and/or indemnification will be subject only to the applicable state or federal statute of limitations.

(h) Injunctive Relief. You recognize that your failure to comply with the terms of the ADA, including, but not limited to, your failure to fully comply with all post-termination obligations, is likely to cause irreparable harm to us, our Affiliates and the System. Therefore, you agree that, in the event of a breach or threatened breach of any of the terms of the ADA by you, we will 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 us will be in addition to, and not in lieu of, all remedies and rights that you otherwise may have arising under applicable law or by virtue of any breach of the ADA.

19. Attorneys' Fees**.** In the event of any claim, controversy or dispute arising out of or relating to the ADA, or the breach thereof, the prevailing party may recover reasonable attorneys' fees incurred in connection with any proceeding.

20. Construction**.** The parties acknowledge that each party was represented (or had the opportunity to be represented) by legal counsel in connection with the ADA and that each of them and his, her or its counsel have reviewed the ADA, or have had an opportunity to do so, and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be employed in the interpretation of the ADA or any amendments or any exhibits hereto or thereto.

21. Additional Actions**.** Each party agrees to do all acts and things and to make, execute and deliver such written instruments as may from time to time be reasonably required to carry out the terms and provisions of the ADA.

22. Computation of Time**.** Whenever the last day for the exercise of any privilege or discharge of any duty under the ADA falls upon Saturday, Sunday or any legal holiday under Massachusetts law, the party having that privilege or duty will have until 5:00 p.m. Boston time, on the next succeeding regular business day to exercise that privilege or to discharge that duty.

23. Currency**.** Unless otherwise directed by Franchisor in writing, all amounts contemplated by the ADA will be paid in United States Dollars and deposited in the bank account specified by the recipient. Computation of any amounts to be paid which require conversion between currencies will be made at the selling rate for United States Dollars quoted by Franchisor's primary bank on the date on which payment is made. Franchisee will pay all costs of currency exchange.

24. Authority**.** Any individual signing below on behalf of a corporation, partnership, Limited Liability Company or other entity personally represents that he has full authority to bind the party or parties on whose behalf he is signing.

25. Terrorist and Money Laundering Activities**.** Franchisee hereby represents and warrants to Franchisor that neither Franchisee, nor any of his Affiliates or their respective equity owners, directors, officers, employees, representatives and agents (collectively, the "Included People"), (a) is identified, by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals" or "Blocked Persons" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at www.treas.gov/offices/enforcement/ofac/) or (b) has violated any law prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act (text currently available at www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13224 (text currently available at www.treas.gov/offices/enforcement/ofac/sanctions/terrorism. html) or any similar law. Franchisee agrees that he will comply with, and will cause the Included People to comply with, all laws prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government. Franchisee further agrees that he will immediately notify Franchisor of the occurrence of any event, or the development of any circumstances, that might render any of the foregoing representations or warranties to be false, inaccurate or misleading.

26. Acknowledgement of Franchisee**.** Franchisee acknowledges that, except as expressly set forth in the Disclosure Document delivered to Franchisee, neither Franchisor, nor anyone acting on behalf of Franchisor, has made any claims or representations whatsoever regarding potential sales, profits or earnings achievable by Franchisee in connection with the conduct of the Franchised Business. Franchisee acknowledges that he has been informed and he understands that the successful operation of the Franchised Business will depend primarily upon the efforts, capabilities and management skills of Franchisee and general economic conditions and trends, and that he cannot rely upon the information set forth in the Disclosure Document as representations or warranties of the results that will be achieved by Franchisee in connection with his operation of the Franchised Business. Franchisee acknowledges and confirms that he has selected, or will select, the premises on which the Franchised Business will be established and operated by him, and that the decision to establish and operate the Franchised Business in those premises was, or will be, made solely by him, without any reliance upon any information provided (if any), recommendation made (if any) or approval given (if any) by Franchisor, its Affiliates or any of their respective shareholders, directors, officers, employees, representatives or agents. Franchisee accepts full responsibility for the consequences of his decision.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHERE OF, the parties hereto have executed and delivered this Agreement on the date indicated below.

EFFECTIVE DATE: _____

FRANCHISOR: SNAPCHISE LLC, a MASSACHUSETTS LLC

By: _____

Print Name: _____

Title: _____

Date: _____

FRANCHISEE:

Signature: _____

Print Name: _____

Date: _____

Signature: _____

Print Name: _____

Date: _____

Corporate Name (If Applicable):

_____

By: _____

Printed:_____

Title Corporate Official: _____

Date: _____

ADA EXHIBIT A

DEVELOPMENT AREA, SCHEDULE, and FEE

This Exhibit is attached to and is an integral part of the SNAPCHEF Area Development Agreement dated _____ between SHAPCHISE LLC and _____ [FRANCHISEE].

Franchisee's rights under this Agreement are conditioned upon its active development of the Development Area in accordance with the schedule below.

Development Area

Franchisee agrees to establish and continuously operate SNAPCHEF franchise businesses in each of the Territories listed in the following table. These territories are also shown on the map attached below.

Territory No.	Territory Name	Description
1		
2		
3		
4		
5		

Political boundaries described in this Exhibit A shall be considered fixed as of the Effective 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.

Development Schedule and Fees

You must have open and in operation in the Development Area such cumulative number of SNAPCHEF Businesses as set forth below as of each of the identified dates. Each such SNAPCHEF Business must be opened and operated pursuant to a duly executed Franchise Agreement.

Total Initial Franchise Fee due at Signing this Area Development Agreement along with associated Franchise Agreement(s): $39,500

Total Development Fee due at Signing this Area Development Agreement: $_____

Territory No.	Deadline Date for Territory Opening	Initial Franchise Fee for Territory	Initial Franchise Fee due at Signing	Development Fee due at Signing	Remainder of Initial Franchise fee due at Franchise Agreement Signing	Deadline for Signing Franchise Agreement
1	01/01/2022	$39,500	$39,500	$0	$0	Same as this Agreement
2	6 month after previous	$29,500	$0	$10,000	$19,500	90 days before open
3	6 month after previous	$29,500	$0	$10,000	$19,500	90 days before open
4	6 month after previous	$29,500	$0	$10,000	$19,500	90 days before open
5	6 month after previous	$29,500	$0	$10,000	$19,500	90 days before open

Insert Development Map Here

Franchisor: SNAPCHISE, LLC

_____
Signature

_____
Name (print)

Franchisee:

_____
Signature

_____
Name (print)

_____
Date

_____
Signature

_____
Name (print)

_____
Date

Corporate Name (If Applicable):

_____

By: _____

Printed:_____

Title Corporate Official: _____

Date: _____

ADA EXHIBIT B

STATE SPECIFIC ADDENDA TO THE AREA DEVELOPMENT AGREEMENT

ADDENDUM TO AREA DEVELOPMENT AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES

This Addendum to SNAPCHISE Area Development Agreement dated ____("Franchise Agreement") between SNAPCHISE, LLC ("SNAPCHISE") and_____("You") is entered into simultaneously with the execution of the Franchise Agreement.

Illinois Law governs the agreements between the parties to this franchise.

Payment of Initial Development Fees will be deferred until Franchisor has met its initial obligations, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

The Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any action which is otherwise enforceable in Illinois. However, a franchise agreement may provide for arbitration in a venue outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a Franchise Agreement are set forth Sections 19 and 20 of the Illinois Franchise Disclosure Act.

The Franchisor recommends that you use its designated national tenant broker to help you find a suitable site for this franchised business. While the Franchisor anticipates that a landlord/lessee will pay the commission to the national tenant broker, if the landlord/lessee does NOT pay the commission - then you must pay up to a $25,000 "success fee" for signing a lease.

Franchisor: SNAPCHISE, LLC

_____
Signature

_____
Name (print)

Franchisee:

_____
Signature

_____
Name (print)

_____
Date

_____
Signature

_____
Name (print)

_____
Date

ADDENDUM TO AREA DEVELOPMENT AGREEMENT REQUIRED FOR MINNESOTA FRANCHISEES

- Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchiser 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 Statute 80Cor (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 franchiser will comply with Minnesota Statute 80C.14 Subd. 3-5, 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

  (A) that consent to the transfer of the franchise will not be unreasonably withheld.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchiser 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 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 Minnesota Rule 2860.4400(J) also, a court will determine if a bond is required.

- The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

Franchisor: SNAPCHISE, LLC	Franchisee:
_____	_____
Signature	Signature
_____	_____
Name (print)	Name (print)
	_____
	Date

ADDENDUM TO AREA DEVELOPMENT AGREEMENT
REQUIRED FOR VIRGINIA FRANCHISEES

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for SNAPCHISE, LLC for use in the Commonwealth of Virginia shall be amended as follows:

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

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

Franchisor: SNAPCHISE, LLC

_____
Signature

_____
Name (print)

Franchisee:

_____
Signature

_____
Name (print)

_____
Date

_____
Signature

_____
Name (print)

_____
Date

ADDENDUM TO AREA DEVELOPMENT AGREEMENT
REQUIRED FOR WASHINGTON FRANCHISEES

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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

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

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

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

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

[SIGNATURES ON FOLLOWING PAGE]

Franchisor: SNAPCHISE, LLC

_____
Signature

_____
Name (print)

Franchisee:

_____
Signature

_____
Name (print)

_____
Date

_____
Signature

_____
Name (print)

_____
Date

ACKNOWLEDGMENT ADDENDUM TO
SNAPCHEF FRANCHISE AND AREA DEVELOPMENT AGREEMENTS

As you know, you and we are entering into a Franchise Agreement and Area Development Agreement for the operation and development of SNAPCHEF Franchised Businesses. The purpose of this Acknowledgment Addendum is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

Acknowledgments and Representations.

Please review each of the following questions carefully and provide honest and complete responses to each question.

1. The date on which I first received a Franchise Disclosure Document about the Franchise was _____. ☐ Yes. ☐ No.

2. The date of my first face-to-face meeting with a franchise sales representative of the Franchisor to discuss the possible purchase of a franchise was _____. ☐ Yes. ☐ No.

3. The date on which I signed the contracts and agreements as disclosed in my Franchise Disclosure Document was _____. ☐ Yes. ☐ No.

4. The earliest date on which I delivered cash, check, or other consideration to the Franchisor in connection with the purchase of a franchise was _____. ☐ Yes. ☐ No.

5. Have you personally reviewed the Franchise Agreement, the Franchisor's Disclosure Document, and the Area Development Agreement? ☐ Yes. ☐ No.

6. Do you understand all of the information contained in the Franchise Agreement, the Disclosure Document, and the Area Development Agreement? ☐ Yes. ☐ No.

   If "No", what parts of the Franchise Agreement, the Disclosure Document, and/or the Area Development Agreement do you not understand? (Attach additional pages, if necessary)

   _____
   _____
   _____

7. Have you discussed the benefits and risks of establishing and operating the franchise with an attorney, accountant, or other professional advisor? ☐ Yes. ☐ No.

8. Do you understand that the success or failure of your franchise will depend in large part upon your skills and abilities, competition from other agencies, interest rates, inflation, and other economic and business factors? ☐ Yes. ☐ No.

9. Has any employee speaking on behalf of the Franchisor made any statement or promise concerning the revenues, profits, or operating costs of any franchise operated by the Franchisor or its franchisees contrary to or different from the information contained in the Disclosure Document? ☐ Yes. ☐ No.

10. Has any employee speaking on behalf of the Franchisor made any statement or promise regarding the total amount of revenue you might achieve or operating profit you might realize from a franchise contrary to or different from the information in the Disclosure Document? ☐ Yes. ☐ No.

11. Has any employee speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating a franchise that is contrary to or different from the information contained in the Disclosure Document? ☐ Yes. ☐ No.

12. Has any employee speaking on behalf of the Franchisor made any statement, promise, or agreement concerning the advertising, 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 Disclosure Document? ☐ Yes. ☐ No.

13. Do you understand that your initial franchise fee is non-refundable upon entering into a Franchise Agreement? ☐ Yes. ☐ No.

If you have answered "Yes" to any one of questions 9-12 please provide a full explanation of each "Yes" answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of questions 9-12 please leave the following lines blank.

_____
_____
_____

By signing this Questionnaire, you agree that you understand that your answers are important to us and that we will rely on them, and you are representing that you have responded truthfully to the above questions.

NOTE: IF THE RECIPIENT IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed:_____

Printed Name: _____

Date:_____

APPROVED ON BEHALF OF
SNAPCHISE LLC

By:_____

Title:_____

Date:_____

SNAPCHEF®

EXHIBIT "C"
TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

SNAPCHISE, LLC

Financial Statements

PERIOD ENDED APRIL 30, 2022

SNAPCHISE, LLC
TABLE OF CONTENTS
APRIL 30, 2022

	Page No.
INDEPENDENT AUDITORS' REPORT	2 - 3
FINANCIAL STATEMENTS	
Balance Sheet	4
Statement of Operations and Retained Earnings	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 9

CAIN, BOURRET, JARRY & CRESSMAN LLC

CERTIFIED PUBLIC ACCOUNTANTS

Steven R. Bourret, CPA, CGMA
Carmel Pappas, CPA
Kara M. McSwiggin, CPA, MSA

David A. Jarry, CPA, MST
Kevin T. Jarry, CPA, MBA, MST
Renée B. Plummer, CPA

Kristin M. Cressman, CPA, MST
Beth A. Weeks, EA
Richard A. Kerouac, EA

INDEPENDENT AUDITORS' REPORT

Board of Directors and Members of
Snapchise, LLC
Holden, Massachusetts

Opinion

We have audited the accompanying balance sheet of Snapchise, LLC (a limited liability corporation) as of April 30, 2022, and compiled the related statements of operations, member's equity, and cash flows for the period then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Snapchise, LLC as of April 30, 2022, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Snapchise, LLC, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 Snapchise's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, 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.

1175 Mammoth Road • Dracut, MA 01826 • Voice: (978) 957-1421 • Fax: (978) 957-3480
12 Parmenter Road, Building D, Unit 3 • Londonderry, NH 03053 • Voice: (603) 432-9222 • Fax: (603) 432-0911

- 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 Snapchise'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 Snapchise'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.

Cain, Bourret, Jarry & Cressman LLC
Dracut, Massachusetts
June 21, 2022

SNAPCHISE, LLC
BALANCE SHEET
PERIOD ENDED APRIL 30, 2022

ASSETS

	2022
CURRENT ASSETS	
Cash	$ 10,000
OTHER ASSETS	
Organizational costs	35,500
TOTAL ASSETS	$ 45,500

LIABILITIES AND MEMBER'S EQUITY

CURRENT LIABILITIES	
Due to affiliate	35,500
MEMBER'S EQUITY	
Member's equity	10,000
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 45,500

See independent auditors' report and notes to financial statements.

SNAPCHISE, LLC
STATEMENT OF OPERATIONS AND MEMBER'S EQUITY
FOR THE PERIOD ENDED APRIL 30, 2022

	2022
REVENUE	
Revenue	$ -
Other income	-
Total Revenue	-
EXPENSES	
Organizational expenses	-
Other expenses	-
Total Expenses	-
NET INCOME (LOSS)	-
MEMBER'S EQUITY, BEGINNING OF PERIOD	-
MEMBER'S CAPITAL CONTRIBUTION	10,000
MEMBER'S EQUITY, END OF PERIOD	$ 10,000

See independent auditors' report and notes to financial statements.

SNAPCHISE, LLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED APRIL 30, 2022

	2022
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ -
Cash paid to suppliers and employees	-
Interest paid	-
Income taxes paid	
Net cash provided (used) by operating activities	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Member's capital contributions	10,000
Net cash provided (used) by financing activities	10,000
NET INCREASE (DECREASE) IN CASH	10,000
CASH, BEGINNING OF PERIOD	-
CASH, END OF PERIOD	$ 10,000
RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
NET INCOME (LOSS)	$ -
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Depreciation	-
(Increase) decrease in accounts receivable	-
Increase (decrease) in accounts payable	-
Increase (decrease) in accrued liabilities	-
Total adjustments	
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ -

See independent auditors' report and notes to financial statements.

SNAPCHISE, LLC
NOTES TO FINANCIAL STATEMENTS
PERIOD ENDED APRIL 30, 2022

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Business

The Company was organized under the laws of the Commonwealth of Massachusetts on March 21, 2022 as a Limited Liability Company (LLC) for the purpose of providing franchise opportunities to entrepreneurs who want to own and their own Snapchef operation, as a franchise. The franchise offered is a temporary and permanent employment placement services business for culinary staff, which additionally provides culinary training and related services and products.

Basis of Presentation

The Company's financial statements are prepared using the accrual method of accounting. In accordance with this method of accounting, revenue is recognized in the period in which it is earned and expenses are recognized in the period in which they are incurred. All revenue and expenses which are applicable to future periods have been presented as deferred or prepaid in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the certain reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the reporting period. Actual results could vary from those estimates.

Cash and Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash on hand, cash on deposit, and certificates of deposit, if any, with original maturities of three months or less.

Company Income Taxes

The Company is an LLC; as such, the Company will not be responsible for income taxes at the company level on its net income. Instead, its taxable income will be included on the owner's personal tax returns.

Advertising Costs

Advertising and franchise marketing costs will be included in operating expenses, and it is the Company's policy to expense these costs as incurred.

Organization and Startup Costs

The Company has incurred initial startup costs specifically related to its organization, creation of its initial franchise document and wages paid to its employee for creating the franchise model, state registrations and the initial offering. These costs will be amortized on a straight-line basis over a period of 60 months upon the start of operations.

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Company is in its initial startup phase and has no revenue as of the date of the accompanying financial statements. It is the company's policy to report income in accordance with the following standard when applicable.

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) number 2014-09, *Revenue from Contracts with Customers*, with an effective date for fiscal years beginning after December 15, 2018. For the year ended December 31, 2019, the Company elected to defer the adoption of ASC Topic 606, *Revenue from Contracts with Customers,* in accordance with FASB's one-year deferral election as a result of COVID-19.

The intent of the new ruling is to create consistency in and comparability of financial statements.

The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

To achieve that core principle, a Company should apply the following steps:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognize revenue when or as the entity satisfies a performance obligation.

This pronouncement does not include any changes for revenue termed as non-contract revenue such as interest income, rebates, insurance settlements, etc.

The Company's values assigned to the distinct performance obligations included within the initial franchise fee exceed the value of the initial franchise fee itself. Therefore, in accordance with ASC 606 the Company recognizes 100% of the initial franchise fee upon fulfilling the performance obligations. There was no retrospective adjustment required to the beginning retained earnings as a result of the new standard.

Note 2. DISCLOSURE ABOUT FAIR VALUE OF FINANCIAL INSUSTRUMENTS

The company estimates that the fair value of all financial instruments at April 30, 2022, as defined in FASB 107, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in the current market exchange.

Note 3. FRANCHISE AGREEMENT

The terms of the Company's franchise agreement will be as follows:

A. The Company will grant the right to use the Company name, trademark, and system in the franchisee's franchise development business.
B. The franchisee is obligated to pay a non-refundable initial franchise fee.
C. The franchisee is obligated to pay a monthly royalty fee. Certain other fees are also outlined in the agreement.
D. The franchisee is obligated to pay for a Marketing and Branding Starter Package which provides for exterior and interior signage, along with other marketing and promotional items.
E. The franchisee is obligated to pay for a Training and Kitchen Package, this package may be optional under certain circumstances, which provides for on-site training and outfitting the kitchen space.

Note 4. CONCENTRATION OF CREDIT RISK

The Company maintains its cash balances in bank accounts at high quality credit financial institutions. The balances, at times, may exceed federally insured limits (FDIC). Pursuant to section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), the standard maximum insurance amount was permanently raised to $250,000. At April 30, 2022, the Company did not exceed the FDIC insured limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. The Association monitors the credit-worthiness of the financial institutions in which it deposits money.

Note 5. DUE TO AFFILIATE

The initial startup costs were paid by a related party owned by the company's partners. There is no formal loan agreement and no interest is currently being charged. The repayment of the debt will be based on the future cash flows of the company, and as cash flow permits.

Note 6. OTHER SIGNIFICANT MATTERS

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. The World Health Organization has declared the outbreak a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. The extent of the operational and financial impact that COVID-19 may have on the Company depends on certain developments, as well as the impact on individual unit owners and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Company's future financial condition or results of operations is uncertain.

Note 7. SUBSEQUENT EVENTS

There were no subsequent events noted through June 21, 2022, the date the financial statements were available to be issued, that require disclosure in the accompanying financial statements.

CAIN, BOURRET, JARRY & CRESSMAN LLC

CERTIFIED PUBLIC ACCOUNTANTS

Steven R. Bourret, CPA, CGMA
Carmel Pappas, CPA
Kara M. McSwiggin, CPA, MSA
David A. Jarry, CPA, MST
Kevin T. Jarry, CPA, MBA, MST
Renée B. Plummer, CPA
Kristin M. Cressman, CPA, MST
Beth A. Weeks, EA
Richard A. Kerouac, EA

CONSENT OF THE INDEPENDENT AUDITOR

Cain, Bourret, Jarry & Cressman LLC hereby consents to the use in the Franchise Disclosure Document issued by Snapchise, LLC ("Franchisor") on June 21, 2022, as it may be amended, of our report dated June 21, 2022, relating to the financial statements of the Franchisor for the period March 21 through April 30, 2022.

Cain, Bourret, Jarry & Cressman LLC

Cain, Bourret, Jarry & Cressman LLC

1175 Mammoth Road • Dracut, MA 01826 • Voice: (978) 957-1421 • Fax: (978) 957-3480
12 Parmenter Road, Building D, Unit 3 • Londonderry, NH 03053 • Voice: (603) 432-9222 • Fax: (603) 432-0911

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EXHIBIT "D"
TO THE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND
LIST OF STATE AGENTS FOR SERVICE OF PROCESS

LIST OF STATE AGENCIES

California Department of Business Oversight 320 West 4th Street Los Angeles, California 90013 866-275-2677	***Indiana*** Franchise Section Indiana Securities Division Secretary of State Room E-111 302 West Washington Street, Indianapolis, Indiana 46204 317-232-6681	***Minnesota*** Minnesota Dept. of Commerce 85 7th Place East, Suite 500 Saint Paul, Minnesota 55101 651-539-1600
Connecticut Connecticut Dept. of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103 860-240-8230	***Kentucky*** Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601-3449 502-696-5300	***Nebraska*** Nebraska Department of Banking and Finance 1200 N Street – Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 402-471-3445
Florida Florida Department of Agriculture & Consumer Services Division of Consumer Services 2005 Apalachee Parkway Tallahassee, FL 32399-6500 850-410-3807	***Maine*** Bureau of Banking Securities Division 121 State House Station Augusta, Maine 04333 207-624-8551	***New York*** Bureau of Investor Protection & Securities New York State Dept. of Law 120 Broadway, 23rd Floor New York, New York 10271 212-416-8211
Hawaii Business Registration Division Securities Compliance Dept. of Commerce & Consumer Affairs 335 Merchant Street Honolulu, Hawaii 96813 808-586-2744	***Maryland*** Office of the Attorney General Securities Division 200 Saint Paul Place Baltimore, MD 21202 410-576-6360	***North Carolina*** Secretary of State Legislative Office Building 2 South Salisbury Street Raleigh, NC 27601-2903 919-807-2000
Illinois Illinois Attorney General 500 South Second Street Springfield, IL 62706 217-782-1090	***Michigan*** Michigan Attorney General's Office - Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 517-373-7117	***North Dakota*** North Dakota Office of Securities Commission 600 East Boulevard Bismarck, North Dakota 58505 701-328-2910

LIST OF STATE AGENCIES

Rhode Island Rhode Island Department of Business Regulation Securities Division 1511 Pontiac Avenue John Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	***Texas*** Secretary of State Statutory Document Section 1719 Brazos Austin, Texas 78701 512-475-1769	***Wisconsin*** Wisconsin Department Financial Institutions 345 West Washington Ave. Post Office Box 1768 Madison, Wisconsin 53701 608-266-9555
South Carolina Secretary of State 1205 Pendleton Street Suite 525 Columbia, SC 29201 803-734-1087	***Utah*** Department of Commerce Division of Consumer Protection 160 East 300 South Post Office Box 45804 Salt Lake City, Utah 84145-0804 801-530-6601	
South Dakota South Dakota Division of Securities 445 East Capitol Avenue Pierre, SD 57501-3185 605-773-4823	***Virginia*** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street Richmond, Virginia 23219 804-371-9051	

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

California California Commissioner of Business Oversight 320 West 4th Street Los Angeles, California 90013 213-576-7500	***Indiana*** Indiana Secretary of State Room E-111 201 State House 200 W. Washington Street Indianapolis, Indiana 46204 317-232-6531	***Minnesota*** Minnesota Commissioner of Commerce 85 7th Place East, Suite 500 Saint Paul, Minnesota 55101 651-539-1600
Connecticut Commissioner of Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, Connecticut 06103 860-240-8230	***Kentucky*** Kentucky Attorney General 700 Capitol Avenue Frankfort, Kentucky 40601 502-696-5300	***Nebraska*** Nebraska Department of Banking and Finance 1200 N Street – Suite 311 Post Office Box 95006 Lincoln, Nebraska 68509 402-471-3445
Florida Florida Department of Agriculture & Consumer Services Division of Consumer Services 2005 Apalachee Parkway Tallahassee, FL 32399-6500 850-410-3807	***Maine*** Bureau of Banking Securities Division 121 State House Station Augusta, Maine 04333 207-624-8551	***New York*** Secretary of State of New York 41 State Street Albany, New York 12231 518-474-4750
Hawaii Commissioner of Securities, Dept. of Commerce & Consumer Affairs 335 Merchant Street Honolulu, Hawaii 96813 808-586-2727	***Maryland*** Maryland Securities Commissioner Securities Division 200 Saint Paul Place Baltimore, MD 21202-2020 410-576-6360	***North Carolina*** Secretary of State Legislative Office Building 2 South Salisbury Street Raleigh, NC 27601-2903 919-807-2000
Illinois Illinois Attorney General 500 South Second Street Springfield, IL 62706 217-782-1090	***Michigan*** Michigan Dept. of Commerce, Corporations and Securities Bureau 6546 Mercantile Way Lansing, Michigan 48910 517-241-6470	***North Dakota*** North Dakota Office of Securities Commission 600 East Boulevard Bismarck, ND 58505 701-328-2910

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South Carolina Secretary of State 1205 Pendleton Street Suite 525 Columbia, SC 29201 803-734-1087	***Utah*** Department of Commerce Division of Consumer Protection 160 East 300 South Post Office Box 45804 Salt Lake City, Utah 84145-0804 801-530-6601	***Wisconsin*** Wisconsin Department Financial Institutions 345 West Washington Ave. Post Office Box 1768 Madison, Wisconsin 53701 608-266-9555
South Dakota Director of South Dakota Division of Securities 445 East Capitol Avenue Pierre, SD 57501-3185 605-773-4823	***Virginia*** Clerk, State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 804-371-9672	

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EXHIBIT “E”
TO THE DISCLOSURE DOCUMENT

COPY OF CURRENT FORM OF GENERAL RELEASE

RELEASE OF CLAIMS

THIS IS A CURRENT FORM THAT IS SUBJECT TO CHANGE OVER TIME.

For and in consideration of the Agreements and covenants described below, SNAPCHISE LLC, ("SNAPCHEF") and _____ ("Franchisee") enter into this Release of Claims ("Agreement").

RECITALS

A. SNAPCHISE LLC and Franchisee entered into a **SNAPCHEF** Franchise Agreement dated _____, ____, pursuant to which the Franchisor granted the Franchisee a franchise or license (the "Franchise") to operate a franchise business (the "Franchise Business").

B. The parties desire to terminate the original Franchise Agreement on the terms and conditions set forth in this Agreement.

C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, SNAPCHEF and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

AGREEMENTS

1. **Consideration**. [NOTE: Describe the consideration paid.] Additionally, The Franchise acknowledges and agrees that it has no right, title or interest in and to the trademarks associated with the Franchisor's franchise system. The Franchisee further represents that it has returned all intellectual property associated with the Franchise Business (including customer lists and the Operations Manual), and turned over all digital assets, including, but not limited to, all digitally-stored content (such as photos, images, videos and text files), whether stored at the Location or accessible via the internet, the cloud, or another digital storage device or stored with a third party digital storage provider (such as OneDrive® or Dropbox®); and all user names and passwords for any and all email accounts, social networking websites (such as Facebook ®, Twitter®, Google Business®, Instagram®, Glassdoor®) or any other online community pertaining to your Franchised Business.

2. **Release of Claims by SNAPCHISE LLC.** In consideration of, and only upon full payment of $_____ to SNAPCHEF, and the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, SNAPCHEF, for itself and for each of its affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of its past and present directors, officers, employees, attorneys, agents, assigns and representatives does hereby release and forever discharge Franchisee and each of his heirs, executors, successors, and assigns of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, disclosed or undisclosed, related to the Franchise Agreement. This release does not release Franchisee from any obligations he may have under this Agreement.

3. **Release of Claims by Franchisee.** In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisee, for himself and for each of his heirs, executors, administrators, insurers, attorneys, agents, representatives, successors, and assigns, does hereby release and forever discharge SNAPCHEF and each of its respective affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of their past and present directors, officers, employees, attorneys, agents, assigns and representatives in their capacities as such, of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney's fees), complaints, charges, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, related to the Franchise Agreement.

4. **Reservation of Claims Against Non-Settling Parties.** SNAPCHEF and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.

5. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

6. **Voluntary Nature of Agreement.** The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

7. **Non-Disparagement.** The parties agree that at no time will they make any derogatory statements about or otherwise disparage, defame, impugn, or damage the reputation of integrity of the others, providing that nothing in this paragraph will preclude any party from providing truthful information in response to compulsory legal process.

8. **Governing Law and Jurisdiction.** This Agreement will be construed and enforced in accordance with the law of the State of Massachusetts.

9. **Attorneys' Fees.** All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: _____, 20____ SNAPCHISE LLC

By_____
Its_____

Dated: _____, 20____ FRANCHISEE:_____

By_____
Its_____

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EXHIBIT "F"
TO THE DISCLOSURE DOCUMENT

OPERATIONS MANUAL
TABLE OF CONTENTS & PAGE COUNT

FRANCHISE OPERATIONS MANUAL

1 INTRODUCTION 9
1.1 Congratulations! 9
1.2 Purpose of this Manual 9
1.3 Importance of Confidentiality and Manual Updates 10
1.4 Snapchef Basecamp® 10
1.5 Acknowledgement of Receipt and Nondisclosure 11
2 WELCOME TO SNAPCHEF 13
2.1 What is Snapchef 13
2.2 Snapchef Mission Statement 13
2.3 Snapchef Vision 13
2.4 Snapchef Values 13
3 SUPPORT RESOURCES 14
3.1 Who To Call 14
3.2 Overview of Services Provided to Franchisees 14
3.3 Snapchef is Committed to your Success 18
3.4 Visits from Snapchef Corporate Staff 18
4 Pre-Opening Company Setup 19
4.1 Business Entity Formation 19
4.2 Site Selection 20
4.3 Bank Accounts 22
4.4 Insurance Coverage 23
4.5 Licensing and Code Requirements 24
4.6 Operations Manager 24
4.7 Office Setup, Furniture and Branding 25
4.8 Training Center Setup 26
4.9 Snapchef Signage 27
4.10 Software Installation 27
4.11 Utilities, Phone, Internet 28
4.12 Social Media and Website 28
4.13 Approved Vendors 29
4.14 Transportation for Hospitality Staff 30

4.15 Grand Opening 30
5 INITIAL FRANCHISEE TRAINING 35
5.1 Initial Classroom Training 35
5.2 Initial On-site Training 36
5.3 Additional Ongoing Training (Webinars, Sales Meetings, Etc.) 36
5.3.1 Topic Specific Addition Training Sessions 36
5.3.2 Update and Refresher Courses 37
5.3.3 Company Meeting 37
6 PERSONNEL 38
6.1 Building your SNAPfam 38
6.2 Position Descriptions 40
6.3 Employment Law Basics 41
6.4 Interviewing Applicants 42
6.4.1 Scheduling an Interview in Clear Company 43
6.5 Background Checks 44
6.5.1 References 45
6.5.2 Online Google Search 45
6.5.3 Sex Offender Search 46
6.5.4 Criminal Background Check 46
6.5.5 Important Information on Background Checks 47
6.5.6 Background Check Review 47
6.6 Hiring Steps in Clear Company 47
6.6.1 Find employee in Clear to send application package 48
6.6.2 To add Employees to Clear Company (By Manual Entry) 48
6.6.3 To send Onboarding Packet (on employees' profile) 49
6.6.4 Accept Forms or Reject Forms submitted from Employee 49
6.6.5 How to check Percentage of Employee's paperwork completion 51
6.6.6 Adding Employee number into SNAPware 52
6.7 Entering Employees Into SNAPware Database 52
6.7.1 SNAPware Database Entry for New Hires 52
6.8 Hiretech 57
6.8.1 After the employee is out for their first work assignment: 57

6.8.2 How to Upload I-9 form to SNAPware Database 58
6.8.3 How to Complete and Upload W-4 form to SNAPware Database 59
6.9 ADP Setup 61
6.9.1 Setting Up Employee in ADP 61
6.9.2 Creating ADP Account for the Employee 64
6.9.3 Terminating an Employee in ADP 65
6.9.4 ADP Individual Wisely Pay Card Enrollment 65
6.10 Orientation 66
6.11 How to set up the SNAPapp account for new employees 66
6.12 Training 68
6.13 Recordkeeping 68
6.14 Weekly Payroll and Timekeeping 69
6.14.1 Payroll and Taxes 70
6.14.2 Weekly Database Cleanup for Payroll and Invoicing 70
6.14.3 Payroll Adjustments 73
6.14.4 Exporting Payroll Excel Sheet from SNAPware 73
6.14.5 Importing Payroll Excel Sheet to ADP 75
6.15 HR Process Flow & Software Overview 77
6.16 Safety Procedures 78
6.17 Equal Employment Opportunity 80
6.18 Employee Discipline Process 82
6.19 Required Postings & Notifications 84
6.20 Power BI Reports 84
7 OFFICE POLICIES 85
7.1 Customer Service, Respect and Courtesy 85
7.2 Cleanliness 87
7.3 Employee Appearance / Uniforms 88
7.4 Computer Usage 89
7.5 Telephone Etiquette 90
7.6 Handling Complaints 90
7.7 Opening and Closing Procedures 91
8 RECRUITING 92
8.1 Recruiting Hospitality Employees 92

8.2 Position Descriptions 93
8.3 Hiring Workflow 94
8.4 Interviewing Applicants 94
8.5 Overview of Employee Onboarding Process 96
8.6 Orientation 98
8.6.1 Code of Conduct 98
8.6.2 Attendance 98
8.6.3 Hygiene and Uniforms 98
8.7 New Employee Training: Culinary and Administration 99
8.7.1 Orientation 99
8.7.2 Prerequisite Virtual Training 99
8.7.3 Prerequisite In-Person Training 100
8.7.4 Career Advancement Training 106
8.7.5 Formal Mentoring 106
9 STAFFING CLIENT ORDERS 107
9.1 Customer Service 107
9.2 Managing Client Orders 107
9.3 Scheduling Employee Shifts 107
9.4 Snapchef Online Portal and SNAPapp Setup For Clients 109
9.5 Fieldglass – Scheduling Sodexho Shifts 112
9.6 How to Collect Hours to Submit to Fieldglass 114
9.7 Submitting Hours into Fieldglass 115
9.8 Check what has been Approved for Invoicing in Fieldglass 116
9.9 Checking for time sheet approval for Invoicing on Fieldglass 117
9.10 Adding New Clients into the SNAPware Database 118
9.11 How to update Clients in SNAPware Database 121
9.12 How to add Client to QuickBooks 122
10 TRANSPORTATION 126
10.1 Arranging and Scheduling Transportation for Employees 126
10.2 Employee Drives Their Own Vehicle 126
10.3 Employee Drives Company Vehicle 127
10.4 Driving Policy 128
10.5 Accident Reporting 128

10.6 Ride Share and Public Transportation 129
11 RECORDKEEPING & ACCOUNTING 130
11.1 Recordkeeping 130
11.2 Accounting Requirements 131
11.3 Billing and Accounts Receivable 133
11.3.1 HOW TO PREPARE INVOICE SHEET FOR UPLOAD TO QUICKBOOKS 133
11.3.2 Check total hours from invoice sheet to reconciliation 133
11.3.3 How to import invoice sheet to QB using transaction pro 134
11.3.4 Send Invoices by Email 135
11.4 Billing and Accounts Receivable for Master Service Agreement Clients 135
12 REPORTING 137
12.1 Franchisee Reports 137
12.2 Royalty and Fee Payment 137
12.3 Failure to Report 138
12.4 Audits & Inspections 139
13 SALES PROCEDURES 140
13.1 Introduction 140
13.2 The Sales Process 140
13.2.1 Prospecting 141
13.2.2 Preparation 142
13.2.3 Approach 142
13.2.4 Presentation 143
13.2.5 Handling Objections 143
13.2.6 Closing and Follow-up 144
13.3 Understanding the Competition and Advantages 145
13.4 Pricing Policies 145
13.5 Referrals 146
13.6 Master Service Agreement Clients 147
13.7 Non-Master Service Agreement Clients 147
14 MARKETING 148
14.1 Introduction 148
14.2 Promoting Snapchef in your territory 148
14.3 Snapchef Advertising Fund 149

14.4 Logo/Branding Specifications 149
14.5 Approved Marketing Materials 149
14.6 Marketing Plan 149
14.7 Marketing Campaigns 150
14.7.1 Online Advertising 150
14.7.2 Email Campaigns 152
14.7.3 Billboards, City Buses and Subway Cars Oh My! 153
14.7.4 Company Signs 153
14.7.5 TV/Radio Advertising 154
14.7.6 Thank You Cards 154
14.7.7 Newspaper/Print Advertising 154
14.7.8 Salespersons and Recruiters 154
14.7.9 Referrals – Word of Mouth Marketing, Online Reviews 155
14.7.10 Unconventional Marketing 156
14.8 Public Relations and Press Releases 156
14.9 Community Involvement 157
14.10 Uniforms 158
14.11 Networking! 158
15 WEBSITE AND SOCIAL MEDIA 160
15.1 Webpage for your Snapchef Office 160
15.2 Social Media Accounts and Proper Usage 160
15.3 Limitations 161
16 TRADEMARKS AND TRADE SECRETS 162
16.1 Patents, copyrights and proprietary Information 162
16.2 Trademark Usage and guidelines 162
16.3 Examples of Trademark misuse 163
17 Example Forms, Policies, Procedures 164
17.1 Introduction 164
17.2 SAMPLE Interview Questions 165
17.3 SAMPLE Direct Deposit & Pay Card Request Form 168
17.4 SAMPLE Attendance Policy 170
17.5 SAMPLE Meal Break Waiver 173
17.6 SAMPLE Driving Policy 175

17.7 SAMPLE Alcohol & Controlled Substance Policy 185
17.8 SAMPLE Code of Conduct 188
17.9 SAMPLE No Smoking Policy 191
17.10 SAMPLE Bags and Objects Policy 194
17.11 SAMPLE Background Check Policy 196
17.12 SAMPLE Discriminatory Harassment Policy 208
17.13 SAMPLE Injury Reporting Policy 212
18 SAMPLE New Employee Orientation Presentation 213
19 Master Service Agreement Provisions 227
19.1 SNAPCHEF OPERATIONS GUIDELINES - COMPASS 228
19.2 SNAPCHEF OPERATIONS GUIDELINE - NEXDINE 230
19.3 SNAPCHEF OPERATIONS GUIDELINES - SODEXO 232
19.4 SNAPCHEF OPERATIONS GUIDELINES - ARAMARK 234
20 Brand Identity Guidelines 236

TOTAL PAGE COUNT: 253

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EXHIBIT "G"
TO THE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA TO THE
FRANCHISE DISCLOSURE DOCUMENT

California FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

3. Item 17 "Renewal, Termination, Transfer and Dispute Resolution: The Franchise Relationship," is supplemented by the addition of the following:

( ) 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.

(A) The franchisor, any person or franchise broker in Item 2 of the FDD is not subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.

(B) California Business and Professions Code 20000 through 20043 establish the rights of the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

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

(D) The franchise agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

(E) The franchise agreement requires binding arbitration. The arbitration will occur in Massachusetts with the costs being borne by the franchisee and franchisor.

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.

(F) The franchise agreement requires application of the laws of the State of Massachusetts. This provision may not be enforceable under California law.

4. Section 31125 of the California Corporations Code requires us to give you a Disclosure Document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

5. You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).

6. Business and Professions Code Section 20010 Voids a waiver of your rights under the Franchise Business and Professions Code Sections 20000 through 20043.

(5) Item 6 "Other Fees," is supplemented by the addition of the following statement: "The highest interest rate allowed by law in the State of California is ten percent (10%)."

(6) The following URL address is for the franchisor's website: www.snapchef.com

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT www.dbo.ca.gov.

Connecticut FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

1. Item 3 "Litigation," is supplemented by the addition of the following:

1. Neither the Franchisor nor any person identified in Items 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.

2. Neither the Franchisor nor any other person identified in Items 1 or 2 above has during the ten (10) year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.

3. Neither the Franchisor nor any person identified in Items 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.

4. Neither Company nor any person identified in Item 2 above 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) suspending or expelling these persons from membership in the association or exchange.

2. Item 4 "Bankruptcy," is supplemented by the addition of the following:

No entity or person listed in Items 1 and 2 of this Disclosure Document has, at any time during the previous ten (10) fiscal years (a) filed for bankruptcy protection, (b) been adjudged bankrupt, (c) been reorganized due to insolvency, or (d) been a principal, director, executive officer or partner of any other person that has so filed or was adjudged or reorganized, during or within one year after the period that the person held a position with the other person.

Hawaii FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

Exhibit F "FDD Receipts," is supplemented with the addition of the following:

The Receipt for this Disclosure Document (Exhibit "F") is supplemented to add the following:

(A) THIS FRANCHISE WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

(B) THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS BEFORE THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS BEFORE THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

(C) THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Illinois FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

DISCLOSURE REQUIRED BY THE STATE OF ILLINOIS

Illinois Law governs the Franchise Agreement.

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

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
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 the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Indiana FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

1. Item 8, "Restrictions on Sources of Products and Services," is supplemented by the addition of the following:

   Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not 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 by the franchisee.

2. Item 6, "Other Fees" and Item 9, "Franchisee's Obligations", are supplemented, by the addition of the following:

   The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented, by the addition of the following:

   - Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
   - Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.
   - ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non- competition covenant shall have a geographical limitation of the territory granted to Franchisee.
   - ITEM 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.
   - ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

Maryland FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented, by the addition of the following:

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

3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.

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

6. 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 Registration and Disclosure Law.

Michigan FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

1. 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 of your right to join an association of Franchisees.

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

   (C) A provision that permits us to terminate a franchise before the expiration of this term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure the failure.

   (D) A provision that permits us to refuse to renew a franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to us 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: (a) the term of the franchise is less than 5 years, and (b) you are prohibited by the franchise agreement 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 you do not receive at least 6 months advance notice of our intent not to renew the franchise.

J. A provision that permits us 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.

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

L. A provision that permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

   (i) The failure of the proposed transferee to meet our then-current reasonable qualifications or standards.
   (ii) The fact that the proposed transferee is our or Sub-franchisor's competitor.
   (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
   (iv) Your or proposed transferee's failure to pay us any sums or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

M. A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants us 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 us the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in Item 17(g).

N. A provision that permits us to directly or indirectly convey, assign or otherwise transfer our obligations to fulfill contractual obligations to you unless a provision has been made for providing the required contractual services.

2. If our most recent financial statements are unaudited and show a net worth of less than One Hundred Thousand Dollars ($100,000), you may request that we arrange for the escrow of initial investment and other funds you paid until our obligations, if any, to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At our option, a surety bond may be provided in place of escrow.

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

4. Any questions regarding this notice should be directed to: State of Michigan, Consumer Protection Division, Attention: Franchise Bureau, 670 Law Building, Lansing, MI 48913; telephone number (517) 373-3800.

Minnesota FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

ADDITIONAL RISK FACTORS:

6. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

7. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

AMENDMENT OF FDD DISCLOSURES:

A. Item 6, "Other Fees", Not sufficient funds are governed by Minnesota Statute 604.113, which puts a cap of Thirty Dollars ($30) on service charges.

B. Item 13, "Trademarks", Item 13 is supplemented by the addition of the following: As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the marks, so long as you were using the marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

C. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following: With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days- notice of termination (with 60 days to cure) and 180 days-notice of non-renewal of the Agreement.

D. Item 17 "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following: Item 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.

E. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

New York FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

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 SOURCES OF 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 THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

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 ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is 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 **Item 4**:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a

debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of **Item 5**:

   The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. 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.

6. 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.

7. The following is added to the end of the "Summary" section of **Item 17(j)**, titled "**Assignment of contract by franchisor"**:

   However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. 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.

North Dakota FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

1. Item 5, "Initial fees", Item 5 is supplemented by the addition of the following:

Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

2. Item 6, "Other Fees", Item 6 is supplemented by the addition of the following:

No consent to termination or liquidated damages shall be required from franchisees in the State of North Dakota.

3 Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following:

A. Any provision requiring a franchisee to sign a general release upon renewal of the franchise agreement has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

B. Any provision requiring a franchisee to consent to termination or liquidation damages has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

C. Covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statute, are unfair, unjust and inequitable. Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

D. Any provision in the Franchise Agreement requiring a franchisee to agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation must be agreeable to all parties and may not be remote from the franchisee's place of business.

E. Any provision in the Franchise Agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue in a forum outside of North Dakota is void with respect to any cause of action which is otherwise enforceable in North Dakota.

F. A part from civil liability as set forth in Section 51-19-12 of the 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 and it is unfair to franchise investors to require them to waive their rights under North Dakota Law.

G. Any provision in the Franchise Agreement requiring that the Franchise Agreement be construed according to the laws of a state other than North Dakota are unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

H. Any provision in the Franchise Agreement which requires a franchisee to waive his or her right to a jury trial has been determined to be unfair, unjust and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law.

Rhode Island FDD Amendment

Amendments to the SNAPCHEF
Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following:

A. The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

B. Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

Virginia FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17(h) is supplemented by the addition of the following:

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

Washington FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

In recognition of the Washington State Franchise Investment Protection Act, Chapter 19.100 RCW, the following amendments are made to the Franchise Disclosure Document:

1. 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.

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

3. 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

5. Chapter 49.62 RCW limits the use of non-competition agreements and may supersede the franchise agreement's non-competition provisions. Washington law provides as follows: (1) an employee non- compete covenant is unenforceable unless the employee's annual earnings exceed One Hundred Thousand Dollars ($100,000); (2) a presumption is created that any non-compete covenant with a duration longer than 18 months is unreasonable and unenforceable; (3) a franchisor may not restrict, restrain or prohibit a franchisee from soliciting or hiring any employee of the franchisor or a franchisee of the same franchisor; (4) any contractual provision that requires an employee to adjudicate a non-competition covenant outside of Washington State is void and unenforceable.

Wisconsin FDD Amendment
Amendments to the SNAPCHEF
Franchise Disclosure Document

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," Item 17 is supplemented by the addition of the following:

The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

1. 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

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

3. Chapter 49.62 RCW limits the use of non-competition agreements and may supersede the franchise agreement's non-competition provisions. Washington law provides as follows: (1) an employee non-compete covenant is unenforceable unless the employee's annual earnings exceed One Hundred Thousand Dollars ($100,000); (2) a presumption is created that any non-compete covenant with a duration longer than 18 months is unreasonable and unenforceable; (3) a franchisor may not restrict, restrain or prohibit a franchisee from soliciting or hiring any employee of the franchisor or a franchisee of the same franchisor; (4) any contractual provision that requires an employee to adjudicate a non-competition covenant outside of Washington State is void and unenforceable.

SNAPCHEF®

EXHIBIT "H"
TO THE 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	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

SNAPCHEF®

EXHIBIT "I"
TO THE DISCLOSURE DOCUMENT

FRANCHISE DISCLOSURE DOCUMENT RECEIPTS

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 SNAPCHISE LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant.

New York, Oklahoma, and Rhode Island law require that SNAPCHISE LLC provides this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, and Wisconsin law require that SNAPCHISE LLC provides this franchise 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 SNAPCHISE LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and appropriate state agency listed in Exhibit "D". SNAPCHISE LLC's registered agents authorized to receive service of process are listed in Exhibit "D".

The Franchisor is SNAPCHISE LLC located at 800 Main Street, Holden, MA 01520. Its telephone number is 844-424-3343.

Issuance Date: June 21, 2022

Franchise Sellers: Todd Snopkowski, CEO; Daniela Snopkowski, CFO; and Walter Miska, DFD, SNAPCHISE LLC, 800 Main Street, Holden, MA 01520; 844-424-3343.

SNAPCHISE LLC authorizes the respective state agencies identified in Exhibit D to receive service of process for it in the particular state.

I received a Disclosure Document issued April 1, 2022 (see State Applicable Effective Dates page located in Exhibit H of this disclosure document) that included the following Exhibits:

A. Franchise Agreement
B. Area Development Agreement
C. Financial Statements
D. List of State Administrators and List of State Agents for Service of Process
E. Copy of Current Form of General Release
F. Operations Manual Table of Contents and Page Count
G. State Specific Addenda to the Franchise Disclosure Document
H. State Effective Dates
I. Receipts

Please return one signed copy of this Receipt to the attention of Todd Snopkowski at SNAPCHISE LLC; 800 Main St. Holden, MA 01520

DATE: _____

_____ _____

Prospective Franchisee **SIGNATURE** Prospective Franchisee **PRINTED NAME**

(If Applicable) Corporation/Company Name

By: _____ **_____/_____**

Authorized **Corporate Officer Signature** **Corporate Officer Printed Name** Title

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 SNAPCHISE LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant.

New York, Oklahoma, and Rhode Island law require that SNAPCHISE LLC provides this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan, Oregon, and Wisconsin law require that SNAPCHISE LLC provides this franchise Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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Prospective Franchisee **SIGNATURE** Prospective Franchisee **PRINTED NAME**

(If Applicable) Corporation/Company Name

By: _____ **_____/_____**

Authorized **Corporate Officer Signature** **Corporate Officer Printed Name** Title