MAR 03 2017

Department of
Business Oversight

TasteBuds™
K·I·T·C·H·E·N

FRANCHISE DISCLOSURE DOCUMENT

Taste Buds Kitchen International LLC
a Maryland limited liability company
141 Wye River Drive
Queenstown, Maryland 21658
(410) 304-2062
www tbkfranchise com
www tastebudskitchen com
franchise@tastebudskitchen com

The franchise offered is for the operation of a culinary entertainment and educational experience for kids and families under the name "Taste Buds Kitchen® and using the franchisor's proprietary methods, techniques, trade dress, trademarks and logos

The total investment necessary to begin operation of a single Taste Buds Kitchen franchise is between $205,070 to $357,925 This includes $45,097-$45,597 that must be paid to the franchisor

We also offer the opportunity for a franchisee to sign an Area Development Agreement that will allow development of multiple franchises in a defined area The total initial investment necessary under the Area Development Agreement equals $22,500 multiplied by the total number of Kitchens to be developed This amount is payable to us We credit this development fee in increments of $22,500 against the initial franchise fee for each Kitchen developed upon the signing of each franchise agreement The total investment necessary to begin operation of each Taste Buds Kitchen under an Area Development Agreement is the same as that for a single unit The total amount paid to us, per location, is also the same as for a single unit

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English Read this disclosure document and all accompanying agreements carefully You must receive the 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 disclosure in different formats, contact Jeff Brelsford at 141 Wye River Drive, Queenstown, Maryland 21658 and (410) 304-2062 or jeff@tastebudskitchen com

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

Buying a franchise is a complex investment The information in this disclosure document can help you make up your mind More information on franchising, such as "*Buying a Franchise A Consumer Guide*" 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 March 1, 2017

STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit H for information about the franchisor or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN MARYLAND OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE AND LITIGATE WITH US IN MARYLAND THAN IN YOUR OWN STATE

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

3 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM $190,070 TO $306,925 THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF NOVEMBER 30 2016 WHICH IS $229,519

4 YOU MUST COMPLY WITH MINIMUM AND MAXIMUM PRICES SET BY THE FRANCHISOR FOR GOODS AND SERVICES YOU SELL THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND NET INCOME

5 THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND IT'S PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES

6 THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY THIS FRANCHISE COULD BE A HIGHER RISK INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY

7 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

STATE EFFECTIVE DATES

The following states require that this Disclosure Document be registered or filed with the state, or that an exemption from registration be filed California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, Wisconsin, Connecticut, Nebraska, Kentucky, Utah, Florida and Texas

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

State	Effective Date
California	Pending
Illinois	Pending
Maryland	Pending
Michigan	Pending
New York	Pending
Virginia	Pending
Washington	Pending
Florida	Exempt
Texas	Exempt

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of March 1, 2017

THE FOLLOWING PROVISION APPLY ONLY TO TRANSACTIONS GOVEREND BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

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

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

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

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except foi 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

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

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

Any questions regarding this notice should be directed to

State of Michigan Consumer Protection Division
Attn Franchise
670 G Mennen Williams Building
525 W Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration section contained in our Franchise Agreement and Area Development Agreement We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration section You acknowledge that we will seek to enforce that section as written

TABLE OF CONTENTS

ITEM 1	**8**
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	8
ITEM 2	**10**
BUSINESS EXPERIENCE	10
ITEM 3	**10**
LITIGATION	10
ITEM 4	**10**
BANKRUPTCY	10
ITEM 5	**10**
INITIAL FEES	10
ITEM 6	**11**
OTHER FEES	11
ITEM 7	**16**
ESTIMATED INITIAL INVESTMENT	16
ITEM 8	**20**
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	20
ITEM 9	**23**
FRANCHISEE'S OBLIGATIONS	23
ITEM 10	**25**
FINANCING	25
ITEM 11	**25**
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING	25
ITEM 12	**36**
TERRITORY	36
ITEM 13	**38**
TRADEMARKS	38
ITEM 14	**40**
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION	40
ITEM 15	**40**
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS	42
ITEM 16	**42**
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	42

ITEM 17 **43**
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION 43
ITEM 18 **50**
PUBLIC FIGURES 50
ITEM 19 **50**
FINANCIAL PERFORMANCE REPRESENTATIONS 50
ITEM 20 **55**
OUTLETS AND FRANCHISEE INFORMATION 55
ITEM 21 **57**
FINANCIAL STATEMENTS 57
ITEM 22 **57**
CONTRACTS 57
ITEM 23 **58**
RECEIPTS 58

EXHIBITS

A – Financial Statements
B – Franchise Agreement
C – Area Development Agreement
D – List of Franchisees and Area Development Agents
E – Franchisees and Area Development Agents Who Have Left the System
F – Table of Contents of Confidential Franchise Operations Manual
G – Multi-State Addendum
H – List of State Administrators/Agents for Service of Process

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

To simplify the language in this Disclosure Document, "TBK," 'we", "us" or 'our" means Taste Buds Kitchen International, LLC, the Franchisor "You" means the person (or persons), corporation, partnership, limited liability company or other legal entity that is granted the franchise If you are a legal entity, each of the following individuals must sign our Guaranty (i) each of your shareholders if you are a corporation, (ii) each of your partners if you are a general partnership, or (iii) each of your members and managers if you are a limited liability company All of the provisions of our Franchise Agreement (a copy of which is attached as Exhibit B to this Disclosure Document) will apply to you and to each individual who signs the Guaranty Each individual who signs the Guaranty must also agree to be bound by the confidentiality and non-competition covenants of the Franchise Agreement

The Franchisor

We are a Maryland limited liability company formed on November 13, 2013 We do business only under our corporate name and maintain our principal business address at 141 Wye River Drive, Queenstown, Maryland 21658 Our agents for service of process, which vary by state, are identified in Exhibit H to this Disclosure Document

We offer and sell franchises for the operation of a Taste Buds Kitchen (the "Kitchen" or the 'Franchised Business") We have never operated a Kitchen However, as noted below, our affiliate currently operates one Kitchen Beginning in November 2013, we began to offer franchises for Taste Buds Kitchen Studios We have never engaged in any other business activity or offered franchises in any other line of business

Our Parents, Predecessors and Affiliates

We have no parent or predecessor company Our affiliated company, Taste Buds Kitchen, LLC is a New York limited liability company that operates a business of the type now being franchised at 109 West 27th Street, 10th Floor, New York, NY 10001 Taste Buds Kitchen, LLC originally operated as Cupcake Kids' LLC beginning in September 2007 Cupcake Kids' LLC changed its "doing business as (d/b/a)" name to Taste Buds Kitchen in 2010 and changed the company name to Taste Buds Kitchen LLC on September 6, 2013 Taste Buds Kitchen LLC also owned and operated a "Kids Cooking Kiosk" at FAO Schwarz in New York, NY from August 13, 2012 to July 15, 2015 Neither Cupcake Kids' LLC nor Taste Buds Kitchen LLC has ever offered franchises in this or any other line of business and neither is an approved supplier of any product or service you must purchase or lease Taste Buds Kitchen LLC owns the Proprietary Marks which it has licensed to us so that we may sublicense these marks to our franchisees

Description of Franchise

We offer the right to establish and operate a Taste Buds Kitchen under the terms of a single unit franchise agreement within a specific Territory (the "Franchise Agreement") The franchise offered is for the operation of a culinary entertainment and educational experience for kids and families using our proprietary methods, techniques, trade dress, trademarks and logos Our Kitchens offer a clean and safe environment for both children and parents to experience the wonder of the kitchen where families can learn, laugh and cook Our kid's offerings are geared towards ages two to teen and our adult offerings are for everyone Events include cooking birthday parties, children & adult classes, private events and

corporate events in our Kitchen Studios as well as off-site locations We also offer our approved line of children's cooking merchandise including apparel, baking kits and utensils

Our franchisees operate under the trade name and mark "Taste Buds Kitchen" and the additional principal service marks, trademarks, trade names, logos, emblems and indicia of origin identified in Item 13 These principal marks and all other marks which may be designated by us in the future for use with the System (defined below) are referred to in this Disclosure Document as the "Marks" or "Proprietary Marks " The Kitchens are operated under the Marks and under a comprehensive and unique system (the "System") in accordance with the terms of the Franchise Agreement The System includes distinctive signage, interior and exterior design, decor and color scheme, uniform standards, specifications, and procedures for operations, quality and uniformity of products and services offered, inventory, management and financial control procedures, training and assistance, and advertising and promotional programs, all of which we may change, improve, and further develop, in our discretion

Area Development Agreement

In certain circumstances, we will offer the right to enter into an Area Development Agreement in the form attached as Exhibit C to this Disclosure Document (the ' Area Development Agreement") to develop more than one Kitchen to be located within a specifically described geographic territory (the "Development Area") described in the agreement We will determine the Development Area before you sign the Area Development Agreement You must establish the specified number of Kitchens within the Development Area according to a minimum performance schedule, and you must sign a separate Franchise Agreement for each Kitchen established under the Area Development Agreement For each Kitchen developed under the Area Development Agreement, you must sign the form of Franchise Agreement that we are then offering to new franchisees, but the Royalty Fee, and other continuing fees payable to us will be the same as for your first Kitchen

Market and Competition

The market for our franchises is in a growing stage of development and is highly competitive TBK is a part of the larger family recreation, educational and entertainment industry Children and their parents are our principal target market You will compete with other businesses and opportunities within our industry that share the same target market, including competing children's activities, athletics, cooking and learning event venues which may be locally owned or part of regional or national chains or franchise systems We may establish other Kitchens in your area (if permitted under the Franchise Agreement) and/or sell or license others to sell products in your area Also we may sell products through the Internet, toll-free telephone numbers, catalogs, or other similar means of distribution to customers at any location, which may be located in your area

Industry Regulations

The family recreation industry is heavily regulated Your Kitchen will be subject to various federal, state and local laws, and regulations affecting the Kitchen You must comply with all local, state and federal laws applicable to establishments handling food, including zoning, licensing, health, sanitation, safety, fire, insecticides, and use, storage and disposal of waste (including laws requiring recycling and regulating the use of certain types of containers and other materials potentially harmful to the environment) Various federal and state agencies, including the U S Food and Drug Administration and the U S Department of Agriculture and state and local health and sanitation agencies have regulations related to the preparation of food and the condition of facilities that offer food to the public The operation of your Kitchen may require a license for preparing and serving food on-premises Your

Kitchen will also be subject to other laws or regulations that are not specific to the industry, but apply to businesses generally You should investigate the application of these laws further

You or your Operating Principal (if you are an entity) and General Manager (and other employees as we may designate) must be ServSafe Manager Training (or similar) certified and must be adult-child-infant CPR & First Aid Certified from an accredited institution following American Heart Association guidelines and maintain current certifications at all times

ITEM 2
BUSINESS EXPERIENCE

Founder and Chief Executive Officer - Jessi Walter Brelsford

Jessi Brelsford has been our Founder and Chief Executive Officer since our inception in November 2013 She is also the Founder and Chief Executive Officer of Taste Buds Kitchen LLC since its formation in September 2007 to the present

Chief Operating Officer and Director of Facilities - Jeff Brelsford

Jeff Brelsford has been our Chief Operating Officer and Director of Facilities since November 2013 From July 2012 to November 2013 he was a Project Manager for A-Squared Architecture in New York City From July 2005 to July 2012 Jeff served as an Architectural Designer with ATCO Properties and Management in New York City

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item

ITEM 5
INITIAL FEES

Franchise Agreement

Initial Franchise Fee

You must pay us an initial franchise fee of $45,000 for the right to establish a single Taste Buds Kitchen under a Franchise Agreement You must pay the initial franchise fee in full when you sign the Franchise Agreement This fee is used in part for working capital and in part for profit The initial franchise fee is imposed uniformly on all franchisees and is not refundable under any circumstances

Currently, we pay a referral fee in the amount of $1,000 to existing franchisees, employees working at any Taste Buds Kitchen, and vendors who provide us with prospective franchisee leads that result in the signing of a Franchise Agreement This referral program is administered in our sole

discretion and may be changed or discontinued by us at any time The amount of the referral fee is subject to change at any time Those who are eligible to participate in this referral program and who refer prospective franchisees are not acting as our agent and do not speak for us, despite the receipt of a referral fee We do not control what these individuals say, and we cannot guarantee the accuracy of any statement made by them, to you or any other prospective franchisee

We also currently offer an incentive of $500 to (i) new franchise candidates who are approved by us and who sign a Franchise Agreement within 30 days of attending Discovery Day, and (ii) existing Taste Buds Kitchen franchise owners who sign a Franchise Agreement for an additional location within 30 days of being provided this Disclosure Document in connection with the additional location

Area Development Agreement

If you qualify to develop and operate more than one Kitchen, you must pay us a development fee in an amount equal to $22,500 multiplied by the number of Kitchens required to be developed under the Area Development Agreement (the "Development Fee") You will remain responsible for the payment of an initial franchise fee for each Kitchen you will develop, but we will credit this Development Fee in increments of $22,500 against that initial franchise fee upon the signing of each Franchise Agreement The Development Fee is imposed uniformly on all Area Developers, is fully earned by us when received and is not refundable

Technology Fund

You are required to pay $199 per month to the Technology Fund, to be paid on the first Wednesday each month, beginning with the month following the signing of the Franchise Agreement via EFT withdrawal This fee is uniformly imposed and is not refundable

Other than as described above, there are no other payments to us or our affiliate that must be made prior to opening your franchise

ITEM 6
OTHER FEES

Fees [1]	Amount	Due Date	Remarks
Royalty Fee [2]	9% of Gross Revenues	Payable weekly on Wednesday (unless Wednesday is not a business day, then it is due on the next business day)	Royalty Fees are calculated based on Gross Revenues for the previous week ending Sunday Amounts due will be withdrawn by EFT from your designated bank account and begin to accrue as soon as your Kitchen begins to generate any revenue

Fees [1]	Amount	Due Date	Remarks
Technology Fee	$199 per month	Payable on the first Wednesday of each month, beginning with the month following the signing of the Franchise Agreement	The Technology Fund is described in Item 11 Amounts due will be withdrawn by EFT from your designated bank account We reserve the right to increase this fee as we deem appropriate on an annual basis
Brand Development Fund [3]	1% of Gross Revenues We reserve the right to require you to contribute an additional 1% of your monthly Gross Revenues to the Brand Development Fund However, if we do so, we will decrease your Local Marketing contribution requirement from 3% to 2%	Payable on the first Wednesday each month, beginning with the month following the month in which you begin making sales in connection with your Franchised Business, in the same manner as the Royalty Fee	The Brand Development Fund is described in Item 11
Cooperative Marketing [4]	As determined by the members	As determined by the members	If a marketing cooperative is formed for your area, you must join the cooperative The first 1 5% you contribute to a cooperative will count toward your local marketing requirement
Seminars, Refresher Training and Conferences	Our then-current attendance fee, plus expenses The Current per person attendance fee is $350	As incurred	Periodic Seminars and Conferences will be held at our company headquarters in New York, New York or at a different location of our choosing These events will not exceed 4 days in length You must pay this fee as well as expenses related to your participation, including travel, lodging, meals and wages

Fees [1]	Amount	Due Date	Remarks
Initial Training (For additional, new or replacement employees)	Our then-current per person training fee, plus expenses The Current per person training fee is $2,500	Before Training	Training for the first two people is included in the initial fees If you request that we provide our initial training program to any additional employees, or to new or replacement employees during the term of your Franchise Agreement, you must pay our training fee as well as the trainees' expenses, including travel, lodging, meals and wages
Requested Additional On-Site Training	Our then-current per diem rate per trainer, plus expenses Currently $500 per 8 hour day, per instructor, plus expenses	When billed	If you request that we provide additional training at your Kitchen, or if as the result of an inspection or quality assurance audit we believe that remedial training is necessary, you must pay our daily fee for each trainer we send to your Kitchen, and you must reimburse each trainer's expenses, including travel, lodging and meals
Insufficient Funds Fee	$100	On demand, if incurred	Payable if there are insufficient funds in your account to pay fees due to us If you incur three insufficient funds fees in any 12 month period, we have the right to terminate your Franchise Agreement
Interest	18% per annum or the highest interest rate allowed by applicable law, whichever is greater	On demand	Interest may be charged on all overdue amounts Interest accrues from the original due date until payment is received in full
Audit Fee	Cost of audit (estimated to be between $1,000 and $5,000)	When billed	Payable only if we find, after an audit, that you have understated any amount you owe to us, including Gross Revenues by 2% or more You must also pay the understated amount plus interest

Fees [1]	Amount	Due Date	Remarks
Prohibited Product or Service Fine	$500 per day of use of unauthorized products or services	If incurred	In addition to other remedies available to us
Transfer Fee (Franchise Agreement)	50% of the then-current initial franchise fee	Upon completion of the transfer	No fee charged for a one time transfer from individual(s) to a corporate entity formed for convenience of ownership of the franchise No fee charged if transfer is to an existing System franchisee
Renewal Fee	One-Third (1/3) of the then-current initial franchise fee	Immediately upon date of renewal	Your renewal will not be effective until payment is made
Inspection and Testing	Reimbursement of our costs (not to exceed $1,000)	On demand	Payable if you request that we evaluate a product or supplier that we have not previously approved and that you want to use for your Kitchen Also payable if we determine that your Kitchen is offering items that do not conform to our specifications
Liquidated Damages	Will vary under circumstances	15 days following a termination for "cause"	See note [5]
Costs and Attorneys' Fees	Will vary under circumstances	On demand	If you default under your Franchise Agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating the Franchise Agreement
Indemnification	Will vary under circumstances	On demand	You must reimburse us for the costs we incur if we are sued or held liable for claims that arise from your operation of the Franchised Business or for costs associated with defending claims that you used the Proprietary Marks in an unauthorized manner
Gift Cards and Branded Supplies	To be determined	As needed	See note [6] Payable to our corporate store

Fees [1]	Amount	Due Date	Remarks
Insurance Premiums	Reimbursement of our costs, plus 15% administrative fee	On demand	If you do not maintain the required insurance coverages, we have the right (but not the obligation) to obtain insurance on your behalf
Management Fees	Will vary under circumstances	As needed	If we need to operate the Franchised Business due to your death, disability or, in our judgment, your inability to do so, we will manage the Kitchen and the reasonable compensation and expenses of our representative will be paid out of the Gross Revenues generated by the Kitchen

Notes

(1) All fees described in this Item 6 are non-refundable Except as otherwise indicated in the preceding chart, we impose all fees and expenses listed and you must pay them to us Except as specifically stated above, the amounts given may be due to changes in market conditions, our cost of providing services and future policy changes All fees currently are uniformly imposed (though in certain situations we may, but have no obligation to, waive or reduce the fees)

(2) For the purposes of determining the Royalty Fee to be paid under the Franchise Agreement, "Gross Revenues" means the total selling price of all services and products and all income of every other kind and nature related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit Gross Revenues expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments

The Royalty Fee will be withdrawn from your designated bank account by electronic funds transfer ("EFT") weekly on Wednesday based on the Kitchen's Gross Revenues for the preceding week ending Sunday If you do not report the Kitchen's Gross Revenues, we may debit your account for 120% of the last Royalty Fee that we debited If the fees we debit are less than the fees you actually owe us, once we have been able to determine the true and correct Gross Revenues, we will debit your account for the balance on a day we specify If the fees we debit are greater than the fees you actually owe us, we will credit the excess against the amount we otherwise would debit from your account during the following week

If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you

(3) We have established and administer a Brand Development Fund on behalf of the System (see Item 11) to provide national or regional creative materials for the benefit of the System The Brand Development Fund Fee will be withdrawn from your designated bank account by electronic funds transfer ("EFT") monthly on the first Wednesday of each month We reserve the right to require you to contribute

an additional 1% of your monthly Gross Revenues to the Brand Development Fund However, if we do so, we will decrease your Local Marketing contribution requirement from 3% to 2%

(4) Cooperatives, if any, will include all Kitchens in a designated geographic area, whether owned by us, our affiliates or our franchisees Each Kitchen has one vote in the cooperative No Cooperatives have been established as of the date of this Disclosure Document If a Cooperative is established, you will be required to contribute a minimum of 1 5% of your monthly Gross Revenues to the Cooperative, which you may apply toward satisfaction of your Local Marketing requirement Any amount you contribute to the Cooperative beyond 1 5% will not be credited toward your Local Marketing requirement

(5) If we terminate your Franchise Agreement for cause, you must pay us, within 15 days after the effective date of termination, liquidated damages equal to the average monthly Royalty Fees you paid or owed to us during the 12 months of operation preceding the effective date of termination multiplied by (a) 24 (being the number of months in two full years), or (b) the number of months remaining in the Agreement had it not been terminated, whichever is higher

(6) You must participate in our Gift Card program, which allows a Gift Card that is purchased at any Kitchen to be redeemed at any other Kitchen You are also required to purchase from us supplies for your Kitchen, including Taste Buds Kitchen Rectangular Stickers, I'm a Chef Tattoos, Taste Buds Kitchen Gift Box Stickers and other branded items that we determine, in our sole discretion, on an "as needed" basis

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee [1]	$44,500-45,000	Lump Sum	When Franchise Agreement is Signed	Us
Rent – 3 Months [2]	$9,000 to $27,000	As Arranged	As Arranged	Landlord
Lease and Utility Security Deposits [3]	$3,000 to $9,000	As arranged	As arranged	Landlord, Utility Companies
Leasehold Improvements [4]	$75,000 to $160,000	As arranged	As arranged	Contractor
Signage & Visual Branding [5]	$5,000-10,000	As arranged	As arranged	Approved Supplier
Furniture, Equipment, Appliances, & Utensils, [6]	$28,000 to $49,000	As arranged	As arranged	Approved Supplier

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Computer and Software[7]	$3,000 to $5,000	As arranged	As arranged	Us/Approved Suppliers
Blue Prints, Architecture & Design [8]	$7,000 to $12,000	As arranged	As arranged	Approved Supplier
Business Licenses and Permits [9]	$1,000 to $2,000	As arranged	As arranged	Government Agencies
Travel & living expenses while training [10]	$3,000 to $5,000	As arranged	As arranged	Airline, Hotel, Kitchen, etc
Professional Fees [11]	$1,500 to $3,000	As arranged	As arranged	Attorney, Accountant
Insurance – 3 Months [12]	$700 to $1,000	As arranged	As arranged	Insurance Companies
Initial Inventory and Supplies [13]	$2,000 to $4,000	As arranged	As arranged	Approved Supplier
Grand Opening Marketing [14]	$10,000	As arranged	As arranged	Approved Supplier
Additional Funds – 3 Months [15]	$12,000 to $15,000	As arranged	As arranged	Various
Certifications[16]	$370 to $925	As needed	The Operating Principal, General Manager and other employees we designate must obtain required certifications	Approved Supplier
Total [17]	$205,070 to $357,925			

In general, none of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable We do not directly or indirectly finance any portion of your initial investment All of our estimates assume that you will purchase the required items Your costs may be lower if you choose to lease some items

Notes

1 ***Initial Franchise Fee*** The initial franchise fee is discussed in Item 5 The low end assumes you have taken advantage of the $500 signing incentive

2 ***Rent*** Our estimates assume that you will lease space for your Kitchen Your Kitchen must be in an approved building or retail strip center, and you will need approximately 1,500 to 2,000 square feet Landlords may vary the base rental rate and some may charge rent based on a percentage of gross sales In addition to base rent, your lease may require you to pay common area maintenance charges ("CAM Charges") for your pro rata share of the real estate taxes and insurance, and your pro rata share of other charges The actual amount you pay under the lease will vary depending on the size of the Kitchen, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords and the prevailing rental rates in the geographic region

If you choose to purchase real property on which to build your Kitchen, your initial investment will probably be higher than what we estimate above If you purchase real property, we cannot estimate how this purchase will affect your total initial investment

3 ***Lease and Utility Security Deposits*** You will probably need to provide security deposits to your landlord and your local utilities, such as gas, electricity and water

4 ***Leasehold Improvements*** The cost of leasehold improvements will vary depending on numerous factors, including (i) the size and configuration of the premises, (ii) pre-construction costs (including demolition of existing walls and removal of existing improvements and fixtures), and (iii) cost of materials and labor, which may vary based on geography and location or whether you must use union labor for the build-out of your Kitchen These figures are our best estimate based on our experience in these matters These amounts may vary substantially based on local conditions, including the availability and prices of labor and materials These costs may also vary depending on whether certain of these costs will be incurred by the landlord or through landlord tenant improvement contributions and the condition of the space before you take possession of the premises Our estimate assumes that you have leased a "vanilla box" space and that more improvements are required Our estimate does not consider any tenant improvement allowance that you may negotiate

5 ***Signage & Visual Branding*** These amounts represent your cost for interior and exterior signage Your landlord or your local ordinances may have different restrictions it places on interior and exterior signage which may affect your costs

6 ***Furniture, Equipment, Appliances, & Utensils*** These figures represent the purchase of the necessary equipment from suppliers to operate your Kitchen The lower cost is indicative of the selection of standardized and value-priced equipment The higher cost is for a selection of standard equipment of a more prestigious brand The costs listed here do not include any transportation or set up costs Third-party financing may be available for qualified candidates for some of the equipment costs, however with such financing comes associated costs and fees which will cause the cost to exceed what is indicated in this chart

7 ***Computer and Software*** See Item 11 for information on the Computer and Software Requirements This includes the Technology Fee which is payable to us

8 ***Blueprints Architecture & Design*** We will provide you with prototype plans for the build-out of a Kitchen You must hire your own architect to adapt our plans to the specific shape and dimensions of the approved location for your Kitchen You may not use your architect's plans until they have been approved by us Our approval only relates to how well the build-out plans implement our prototype plans and implementation and presentation of the Proprietary Marks You and your architect must make sure that the plans comply with all applicable laws, rules,

regulations, ordinances and building codes, including any relating to accommodations for disabled persons We reserve the right to specify the designer and/or architect that you must use

9 ***Business Licenses and Permits*** These are estimates of the costs for obtaining local business licenses which typically remain in effect for one year These figures do not include occupancy and construction permits which are included in the blueprints estimate The cost of these permits and licenses will vary substantially depending on the location of the Franchised Business We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement

10 ***Travel & Living Expenses While Training*** We provide initial training for two persons (you or your Operating Principal and one other person) at no additional charge These estimates include only your out-of-pocket costs associated with attending our initial training program, including travel, lodging, meals and applicable wages Our low estimate assumes one person attends training, drives to training, and stays in budget accommodations Our high estimate assumes two people attend training and they each purchase discounted, advance purchase airline tickets and stay in mid-level accommodations Your costs may vary depending on your selection of lodging and dining facilities and mode and distance of transportation

11 ***Professional Fees*** We strongly recommend that you engage the services of an attorney and/or accountant to assist you in evaluating this franchise offering You may also wish to use an attorney to assist you in lease negotiations and/or to form an entity to own the franchise Your costs may vary depending on how much you rely on your chosen advisors

12 ***Insurance*** This estimate includes the estimated quarterly insurance premium for the insurance policies we require you to maintain Our insurance requirements are described in Item 8 You should contact your insurance agent and obtain an estimate of your actual insurance costs

13 ***Initial Inventory and Supplies*** Our estimate includes your initial inventory of food products, ingredients, beverages, paper goods and supplies for your Kitchen

14 ***Grand Opening Marketing*** You must conduct a grand opening marketing campaign We reserve the right to approve all advertisements used in your grand opening marketing campaign, and your campaign must be conducted in the 60 day period that typically takes place 30 days before and 30 days after the opening of your Kitchen We may designate a different time period for you to conduct the grand opening campaign We must approve of your grand opening marketing campaign before it is conducted

15 ***Additional Funds*** These estimates are your additional startup expenses for an initial three-month period, including payroll costs, but do not include any revenue that your Kitchen may earn in the first three months of operation These figures are estimates only and we cannot guarantee that you will not have additional expenses starting your business Your expenses will depend on factors such as how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions (the local market for our products or services), the prevailing wage rate, competition and the sales level reached during the initial period These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations

16 ***Certifications*** Our estimate includes your initial cost for you or your Operating Principal (if you are an entity), your General Manager and other employees we designate to obtain adult-child-infant First-Aid and CPR certification from an accredited institution following American Heart

Association guidelines and to obtain ServSafe Manager Training (or similar) certification Additionally, if you are not proficient in Apple OS, Apple Pages, Apple Numbers, Apple Mail or Quickbooks Online, you must take a course approved in advance by us, and at your expense, to obtain proficiency in such software

17 ***Total*** We relied upon our affiliate's experience in operating a similar business since 2007 and our general business knowledge when preparing these figures Your actual costs may vary greatly and will depend on factors such as the size and condition of the space and the cost to convert to a Kitchen, your management skill, experience and business acumen, local economic conditions, the local market for services, the prevailing wage rate, competition, and the sales level reached during the startup phase These amounts do not include any estimates for debt service These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee

We have not included a separate table for the initial investment if you sign an Area Development Agreement If you qualify to develop and operate more than one Kitchen, you must pay us a Development Fee in an amount equal to $22,500 multiplied by the number of Kitchens required to be developed under the Area Development Agreement You will remain responsible for the payment of the initial franchise fee for each Kitchen you will develop, but we will credit this Development Fee in increments of $22,500 against that initial franchise fee upon the signing of each Franchise Agreement Start-up costs pertaining to each of the Kitchens opened under the Area Development Agreement will be similar to the costs as estimated above, subject to factors that we cannot estimate or control, such as inflation If you execute an Area Development Agreement, your professional fees such as legal and financial may be higher

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

We, and our affiliates, have spent considerable time, effort and money to develop the TBK System Your Kitchen must conform to our high and uniform standards of quality, safety, cleanliness, appearance and service We anticipate that our standards will change over time You are expected to adhere to these changes

Part of the appeal of the TBK System is the quality and consistency of the products and services offered to customers Accordingly, you must purchase all food and beverage products, paper products, furniture, fixtures, decorations, uniforms, equipment, items and products containing the Proprietary Marks and other specified items exclusively in accordance with our standards and specifications that will be disclosed to you in the Operations Manual or otherwise

You must purchase these items from suppliers that we designate We will not permit you or another franchisee to be a supplier of any products or services to other TBK System Kitchens We reserve the right to designate our self or our affiliates as the only approved supplier for the items noted above Currently, our affiliate is the only approved supplier of Taste Buds Kitchen Rectangular Stickers, I'm a Chef Tattoos and Taste Buds Kitchen Gift Box Stickers We reserve the right to modify this list We reserve the right to earn a profit from the sale of these items to our franchisees Our officers, Jessi Walter Brelsford and Jeff Brelsford own an interest in us and in our affiliate None of our officers have an ownership interest in any other approved supplier

You must conduct employee background checks, which we estimate to cost approximately $30-$85 per person, to our approved suppliers You must thoroughly screen all potential employees and contractors in accordance with the policies outlined in the Training & Operations Manual before hiring them

Those items for which we have neither designated nor approved suppliers must be purchased in accordance with our standards and specifications as described in the Operations Manual or otherwise We have the right to modify specifications, standards, suppliers and approval criteria by providing you written notice There is no limit on our right to do so

We estimate that the current required purchases and leases described above in accordance with our standards and specifications and designated suppliers are approximately 100% of your overall purchases and leases to establish and operate the Kitchen

Approval of New Suppliers or Items

If we designate one or more exclusive suppliers for a particular good or service, you may not request to utilize an alternative supplier However, if an exclusive supplier has not been designated and you desire to purchase any item for which approval is required from a supplier that is not on our approved supplier list, you must request approval of the item or supplier in writing and we will evaluate the supplier and/or item for approval Although we are not contractually bound to evaluate any supplier or item within a definite time period, we will make a good faith effort to evaluate the supplier or item and to notify you of approval or disapproval within 30 days from the date we receive your written request

Before approving any supplier, we may take into consideration a) consistency of products and/or name brands, b) economies of scale achieved by larger volumes, c) delivery frequency and reliability, and d) certain other benefits that a particular supplier may offer, such as new product development capability When approving a supplier, we take into consideration the System as a whole, which means that certain franchisees may pay higher prices than they could receive from another supplier that is not approved We reserve the right to withhold approval of a supplier for any reason We do not release our standards and specifications or criteria for supplier approval to System franchisees

You may not purchase any item from any supplier for which approval is required until you have first received written notification of our approval You must reimburse us for our reasonable costs of evaluating and/or testing the proposed supplier or item, regardless of whether we approve the product or item (not to exceed $1,000)

We may withdraw our approval at any time if any items or supplier s performance does not meet our criteria, we change our specifications, standards, requirements or other reasons

Revenues of Franchisor and Affiliates

We, and our affiliates, may derive income or revenue from franchisee purchases We and/or our affiliates have the right to receive payments from any supplier, manufacturer, vendor or distributor to you or to other franchisees within our franchise system and to use these monies without restriction, and as we deem appropriate For the fiscal year ended November 30, 2016, neither we nor our affiliates earned revenue from approved suppliers based on their sales of products to TBK franchisees For the fiscal year ended November 30, 2016, our total revenues based on our audited financial statements was $137,564 We earned $47,607 from the sale of products to our franchisees, which was 34 6% of our total revenue

Approved Location

We must approve the location of your Kitchen and any applicable lease for the premises Our approval of the lease will be conditioned upon your execution, and your landlord's execution, of the Collateral Assignment of Lease and Consent of Lessor attached as Attachment B to the Franchise Agreement under which you, as the lessee, conditionally assign to us your rights under the lease

We will provide you with a sample layout and specifications for the Kitchen You must hire an architect to prepare your plans and make any necessary changes to our standard layout and specifications Our acceptance of your architect will not in any way be our endorsement of your architect or render us liable for your architect's performance or your architects' compliance with professional design standards or adherence to local codes Before we approve your final architectural renderings, plans, and specifications for your Kitchen, your architect or you must certify to us that the architectural renderings, plans, and specifications comply with the Americans with Disabilities Act (the "ADA"), the architectural guidelines under the ADA, and all applicable state and local codes for accessible facilities

You must hire a general contractor to complete the build-out of your Kitchen You must obtain certain items of machinery and equipment from sources we approve Our approval of your equipment source will not in any way be our endorsement of your equipment source or render us liable for your equipment source's performance You must obtain certain equipment for the opening of your Kitchen through vendors that we have approved

Computer Purchase

You must purchase our specified computerized point of sale ("POS") system or an alternative system we approve We reserve the right to designate our self or our affiliate as the sole supplier of the POS system We have the ability to change the minimum requirements for the POS system at our sole discretion at any time

You must purchase computer hardware and software as specified by us in the Operations Manual or otherwise We reserve the right to designate our self or our affiliate as the sole supplier of the computer hardware or software We estimate that you will be required to pay approximately $245 per month to third party software vendors

You must accept all major credit cards for customer purchases This requirement may require that you invest in additional equipment and that you incur fees from the credit card processing vendors that we designate

Advertising

All advertising and promotion of your Kitchen must conform to our specifications and standards and must be approved by us in advance You must submit to us, for our approval, copies of all advertising and promotional materials, including but not limited to, business cards, signs, displays and mail outs All advertising and promotional materials, signs, decorations, paper goods (including recipe cards, marketing boards and all forms and stationery used in the Kitchen) and other items we designate must bear the Marks in the form, color, location and manner we prescribe

You must comply with our rules, specifications, reporting requirements, and reimbursement procedures concerning the offer, sale, redemption, and accounting for gift certificates, gift cards and/or stored value cards You must participate in and comply with our rules, specifications, reporting requirements, and

reimbursement procedures concerning any loyalty card program and other system-wide marketing programs

Insurance Requirements

You must obtain and keep in force at a minimum the insurance we require in the Operations Manual or otherwise The mandatory insurance currently includes the following (i) comprehensive general liability insurance covering property damage, with limits of coverage of not less than $1,000,000 single limit for personal injury, $2,000,000 in the aggregate, and $1,000,000 for property damage, (ii) fire and extended insurance covering building, supplies, inventory, fixtures, furnishings and equipment in amounts equal to at least 90% of the market value of the building, supplies, inventory, fixtures, furnishings and equipment, (iii) workers' compensation insurance as required by the laws of the state in which the Kitchen is operated and employers' liability insurance with a limit per claim of not less than $1,000,000, (iv) business interruption insurance covering a period of not less than 12 months (with a maximum deductible of 72 hours), (v) automobile insurance with not less than $1,000,000 in coverage for any company vehicle, (vi) non-owned automobile insurance with not less than $1,000,000 in coverage if employees are using their vehicles for company business, (vii) personal/advertising injury insurance with not less than $1,000,000 in coverage, and (viii) employment practices liability insurance with not less than $1,000,000 in coverage The following coverage is recommended but is not required (i) a fidelity bond insuring against employee theft and related matters, and (ii) general umbrella coverage

If the lease for the Kitchen premises requires you to purchase insurance with higher limits than those we require, the lease insurance requirements will take precedence All insurance policies must contain a separate endorsement naming us and our affiliates as additional insureds and must be written by an insurance carrier accepted by us in writing No insurance policy may be subject to cancellation, termination, non-renewal or material modification, except upon at least thirty (30) days' prior written notice from the insurance carrier to us Upon request, you must provide us with a currently issued certificate of insurance evidencing coverage in conformity with our requirements We may increase or otherwise modify the minimum insurance requirements upon thirty (30) days' prior written notice to you, and you must comply with any modification

Purchasing or Distribution Cooperatives

We may negotiate purchase arrangements with some of our suppliers (including price terms and product allocations) for the benefit of System franchisees, but we are under no obligation to do so There are currently no purchasing or distribution cooperatives related to the TBK System

Material Benefits

We do not provide material benefits to franchisees, such as renewal rights or ability to purchase additional franchises, based on your use of approved or designated sources

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

In the table below, the following abbreviations have these meanings FA means the Franchise Agreement and ADA means the Area Development Agreement

	Obligation	Section in Agreement	Disclosure Document Item
a	Site selection and acquisition/ lease	FA – Section 2 ADA – Section 8	Items 8 and 11
b	Pre-opening purchases/leases	FA – Sections 6, 7 and 8	Items 5, 6, 7, 8 and 11
c	Site development and other pre-opening requirements	FA – Section 2	Items 1, 8 and 11
d	Initial and ongoing training	FA – Section 6	Items 5, 6 and 11
e	Opening	FA – Sections 2 and 6	Items 5, 6 and 11
f	Fees	FA – Sections 4,6,7,8,13,14,15,18 ADA – Sections 2 and 3	Items 5 and 6
g	Compliance with standards and policies/Manuals	FA – Sections 2, 3, 6, 8, 9, 10, 11 and 12	Items 11 and 14
h	Trademarks and proprietary information	FA – Sections 9 and 10 and Attachment D ADA – Section 7	Items 11, 13 and 14
i	Restrictions on products/services offered	FA – Section 7 ADA – Section 7	Items 8 and 16
j	Warranty and customer service requirements	FA – Section 7	Item 8
k	Territorial development and sales quotas	ADA – Section 2,3	Item 12
l	Ongoing product/service purchases	FA – Section 7	Items 6 and 8
m	Maintenance, appearance and remodeling requirements	FA – Sections 2, 7 and 14	Items 8 and 11
n	Insurance	FA – Section 12	Items 7 and 8
o	Advertising	FA – Section 8	Items 6, 8 and 11
p	Indemnification	FA – Section 15 ADA – Section 14	Item 6
q	Owner's participation/ management/staffing	FA – Sections 6, 14, 15 and 19 ADA – Section 7	Items 1, 11 and 15
r	Records and Reports	FA – Sections 4, 7 and 11	Item 6
s	Inspections and audits	FA – Sections 2, 7 and 11 ADA – Section 12	Items 6, 8 and 11
t	Transfer	FA – Section 14 ADA – Section 11	Items 6 and 17

Obligation	Section in Agreement	Disclosure Document Item
u Renewal	FA – Section 3 ADA – Section 5	Items 6 and 17
v Post-termination obligations	FA – Section 18 ADA – Section 10	Items 6 and 17
w Non-competition covenants	FA Section 10 and Attachment D-1 ADA – Section 12	Item 17
x Dispute Resolution	FA – Section 19 ADA – Section 19	Items 6 and 17
y Liquidated Damages	FA –Section 18	Item 6
z Guarantee of franchisee obligations	FA-Section 6 ADA-Attachment B	

ITEM 10
FINANCING

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

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

Except as listed below, Taste Buds Kitchen International, LLC is not required to provide you with any assistance

Pre-Opening Obligations

Area Development Agreement Under the Area Development Agreement, we will provide you with the following assistance

1 We will grant to you rights to a Development Area within which you will establish and operate an agreed-upon number of Kitchens under separate Franchise Agreements (Area Development Agreement – Section 1 1)

2 We will review the information regarding potential sites that you provide to us to determine whether the sites meet our standards and criteria for a Taste Buds Kitchen and, if the site meets our criteria, accept the site for a Kitchen (Area Development Agreement – Section 8 1)

3 We will provide you with standard specifications and layouts for building and furnishing the Kitchen (Area Development Agreement – Section 8 2)

4 We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications (Area Development Agreement – Section 8 3)

5 We will provide other resources and assistance as may be developed and offered to our Area Developers (Area Development Agreement – Section 8 4)

Franchise Agreement Before the opening of a Kitchen we will provide the following assistance and services

1 Our written site selection guidelines and the site selection assistance we deem advisable (Franchise Agreement, Section 5 1) We will also designate your Territory

2 We will provide you with standard specifications and requirements for building and furnishing the Kitchen You must hire an architect to prepare construction plans to suit the approved location and the construction plans must be approved by us before construction can begin (Franchise Agreement, Section 5 3)

3 On loan, via e-mail our Confidential Operations Manual, which we may revise during the term of your Franchise Agreement (Franchise Agreement, Sections 5 4 and 10 1)

4 A list of our approved suppliers, which is subject to change during the term of your Franchise Agreement (Franchise Agreement, Sections 5 9 and 7 4)

5 A five-day initial training program at our headquarters, as described below (Franchise Agreement, Sections 5 10 and 6 5)

Ongoing Obligations

During your operation of a Kitchen we will provide the following assistance and services

1 As we reasonably determine necessary, visits to and evaluations of the Kitchen and the products and services provided to make sure that our high standards of quality, appearance and service of the System are maintained (Franchise Agreement, Sections 5 2, 5 5 and 7 5 6)

2 Advice and written materials (including updates to the Manual) concerning techniques of managing and operating the Kitchen, including new developments and improvements in equipment, food products, recipes, packaging and preparation (Franchise Agreement, Section 5 6)

3 Training programs and seminars, franchisee meetings and other related activities regarding the operation of the Kitchen as we may conduct for you or Kitchen personnel generally, which may be mandatory for you, your General Manager and other Kitchen personnel (Franchise Agreement, Section 6 5)

4 At your request, additional on-site training at your Kitchen You must pay our per diem fee for each trainer providing the training as well as reimbursement of expenses (see Item 6) (Franchise Agreement, Section 6 5 2)

5 Administration of Brand Development Fund (Franchise Agreement, Section 8 3)

6 Indemnification against and reimbursement for all damages for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), if you and your Controlling Principals have fully complied with the terms of the Franchise Agreement (Franchise Agreement, Section 9 4)

7 Designate the minimum and/or maximum prices you may charge as permitted by applicable law (Franchise Agreement, Section 7 14)

Advertising Generally

When established, all franchisees must participate in our customer rewards/loyalty program and adhere to the guidelines we establish from time to time, as set forth in our Operations Manual We may change the program in any way in our discretion and we may discontinue the program at any time All Kitchens will be required to honor the rewards any customer receives as part of being a member of the program Further, you must participate in and comply with all advertising and promotional campaigns and activities that we conduct, including our gift card program Currently, if a gift card is purchased at one Kitchen but redeemed at another, the Kitchen that sells the gift card will be entitled to retain 20% of the value of the gift card and the Kitchen where the gift card is redeemed will receive 80% of the value of the gift card from the selling Kitchen The Kitchen where the gift card is redeemed will be responsible for invoicing the Kitchen where it was sold and the Kitchen where it was sold must promptly remit payment for the 80% owed to the invoicing Kitchen Gift cards will also be available for purchase from our website If a gift card purchased from our website is redeemed at your Kitchen, we will provide you with your redemption fee of 80% of the gift card value

Grand Opening Marketing Campaign

You must conduct a grand opening marketing campaign to promote the opening of your Kitchen, and you must spend $10,000 for this campaign You must submit to us your grand opening marketing plan and budget at least 45 days before your Kitchen's opening for our approval Your grand opening marketing campaign must be conducted in the 60 day period comprising 30 days before and 30 days after the opening of your Kitchen and may include promotional give-aways We may designate a different time period for you to conduct the grand opening campaign We must approve of your grand opening marketing campaign before it is conducted

Brand Development Fund

We will maintain a Brand Development Fund (the "Fund") to advertise the System and the products offered by Taste Buds Kitchens on a regional or national basis You must contribute 1% of your monthly Gross Revenues to the Fund to be paid on the first Wednesday each month, beginning with the month following the month in which you begin making sales in connection with your Kitchen, via EFT withdrawal We reserve the right to require you to contribute an additional 1% of your monthly Gross Revenues to the Fund However, if we do so, we will decrease your Local Marketing contribution requirement from 3% to 2%

If we have company owned units they may, but are not contractually required to, contribute to the Fund

The Fund will be maintained and administered by us or our designee We will prepare an annual statement of the Fund that will be made available to you if you request it We are not required to have the statements audited

We will receive an administrative fee for providing services to the Fund and the Fund will be used to pay all costs of the National Consumer Website described below, for the administration of the Fund including all personnel salaries related to the Fund and all costs relating to design, directing, writing, preparing, producing and placing all electronic (television, radio and internet) and online and offline print marketing and advertising materials of any nature to promote and/or enhance the identity and image of the Taste Buds Kitchen System, its franchisees, services, products or for any other purpose related to Taste Buds Kitchen or its locations, whether franchised or owned by us or by affiliated persons or entities The Fund

will be held in a non-interest bearing account separate from our other funds Unused funds will be carried over to the next fiscal year In our prior fiscal year, we had a combined Marketing & Technology Fund $23,235 was collected and $24,623 79 was spent Of the amount spent, 13% was spent on administration expenses, 17% was spent on production of marketing materials and 70% was spent on technology There were no media placement costs

We will determine how and where the Fund money will be spent in our sole discretion Marketing will not be designated for the benefit of any specific franchisee or Kitchen, but for the benefit of the System as a whole, as we may determine Services provided by this Fund may be suspended upon a franchisee's failure to pay the monthly Fund Fee, Royalty Fee or any other fee owed to us in a timely manner and will be reinstated only when payments and penalties are brought current

We will benefit from contacts by new franchisee candidates through our National Consumer Website, and our franchise opportunity information and application pages will be present within the site As with all other advertising materials, stationery and business cards, the site will also contain references to the fact that 'Franchises Are Available" and that "Each Taste Buds Kitchen Franchise Is Independently Owned and Operated " Other than as indicated above, it is not expected that any portion of the Fund will be spent to produce or place advertising that is primarily to solicit franchise sales

Local Marketing

You must conduct local marketing in your Territory and you must spend at least 3% of Gross Revenues each month on local marketing for your Kitchen To the extent that we require you to contribute an additional 1% of your monthly Gross Revenues to the Brand Development Fund we will decrease your Local Marketing contribution to 2% of monthly Gross Revenues Within 30 days of our request, you must provide us with proof of your local marketing expenditures, including verification copies of the advertisements

We must approve all marketing materials before you use them You must not advertise or use our Marks in any fashion on the Internet, World Wide Web or via other means of advertising through telecommunication without our express written consent

Any marketing that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding 12 month period must be submitted to us for our review not later than 10 days before you intend to use it Unless we provide our specific disapproval of the proposed materials, the materials are deemed approved Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials

We reserve the right to require you to include certain language in your local marketing, such as "Franchises Available" and our website address and phone number

Cooperative Marketing

We may designate any geographic area in which two or more Kitchens are located as a region for purposes of establishing a marketing Cooperative, or we may approve of the formation of a Cooperative by our franchisees The members of the Cooperative for any area will consist of all Kitchens, whether operated by us, our affiliates or our franchisees We have the right to dissolve, merge or change the structure of the Cooperatives Each Cooperative will be organized for the exclusive purposes of administering marketing programs and developing promotional materials for use by the members in local marketing, subject to our approval as described above If a Cooperative has been established for a geographic area where your Kitchen is located when the Franchise Agreement is signed, or if any

Cooperative is established during the term of the Franchise Agreement, you must become a member of the Cooperative If the Cooperative will operate according to written documents, we must approve of these documents, and a copy of the Cooperative documents applicable to the geographic area in which your Kitchen will be located will be provided to you if you request it You will not have to participate in more than one Cooperative

By vote of the members, the members will determine the amount that each member must contribute to the Cooperative You will be required to contribute a minimum of 1 5% of your monthly Gross Revenues to the Cooperative, which you may apply toward satisfaction of your Local Marketing requirement Any amount you contribute to the Cooperative beyond 1 5% will not be credited toward your Local Marketing requirement and you will be required to contribute the difference toward your Local Marketing requirement If the amount you contribute to a Cooperative is less than your Local Marketing requirement, you must still spend the difference locally All contributions to the Cooperative will be maintained and administered in accordance with the documents governing the Cooperative, if any The Cooperative will be operated solely as a conduit for the collection and expenditure of the Cooperative fees for the purposes outlined above No advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without first obtaining our approval Currently there are no Cooperatives in the System The Cooperative is not required to prepare an annual financial statement

Access to Graphic Designer

You will have access to our approved Advertising and Graphic Design Provider In addition to the materials approved by us and made available to you, you may request the Advertising and Graphic Design Provider to create advertising materials on your behalf specifically for your Taste Buds Kitchen If you do, you must pay the Advertising and Graphic Design Provider directly for the total cost of the materials, and the materials must be approved by us before being ordered by you We will retain exclusive rights to any and all materials requested to be produced by franchisees and we have the right, without payment of any kind, to make these materials available for use by us and all other franchisees You will have no rights in the materials other than our permission for use by you

The Event Planning System

You must use our designated registration and event planning software, computer hardware and other software that meet our specifications and that are capable of electronically interfacing with our computer system

The Registration and Event Planning System is designed to enable us to have immediate access to the information monitored by the system, and there is no contractual limitation on our access or use of the information we obtain You must install and maintain equipment or software in accordance with our specifications, to permit us to independently access the computer system This will permit us to electronically inspect and monitor information concerning your Kitchen's Gross Revenues and any other information that may be contained or stored in the equipment and software You must make sure that we have access at the times and in the manner we specify, at your cost

You must obtain and maintain high speed Internet access or other means of electronic communication, as specified by us It will be a material default under the Franchise Agreement if you do not maintain the equipment, lines and communication methods in operation and accessible to us at all times throughout the term of the Franchise Agreement We must have access at all times and in the manner that we specify

Website

Websites (as defined below) are considered as "advertising" under the Franchise Agreement, and are subject (among other things) to our review and prior written approval before they may be used (as described above) As used in the Franchise Agreement, the term "Website" means an interactive electronic document contained in a network of computers linked by communication software that you operate or authorize others to operate and that refers to the Kitchen, Proprietary Marks, us, or the System The term Website includes Internet and World Wide Web home pages

In connection with any Website, the Franchise Agreement states that you may not establish a Website related to the Proprietary Marks or the System, nor may you offer, promote, or sell any products or services, or make any use of the Marks, through the Internet or on social media without our prior written approval As a condition to granting any consent, we will have the right to establish any requirement that we deem appropriate, including a requirement that your only presence on the Internet will be through your location website

Customers will find your location website as a link on our National Consumer Website that will take them to your individual location Website ("Location Micro-Site") You do not have any responsibility for designing or hosting the National Consumer Website However, if any automatic electronic funds withdrawal of any payment owed by you to us is denied and remains unpaid for a period of seven days, your Location Micro-Site may be deactivated until payments and penalties are brought current, and for that period of time, you will be denied the benefits of your local Website

We will have the right to establish a Website or other electronic system providing private and secure communications between us, our franchisees, and other persons and entities that we decide are appropriate If we require, you must establish and maintain access in the manner we designate

We reserve the right to develop proprietary software or alternate sources to provide your Location Micro-Site hosting and/or other services If we do so, we or our designee shall license the software to you and you must pay any fees associated as a result You must comply with all standards and specifications prescribed by us in the Manual

We reserve the right to provide you password protected access to conduct all business-related e-mail operations through your private portion of your Location Micro-Site You may only use the Website and Internet presence provided by us You may not use any other form of Website, URL or Internet advertising

You are strictly prohibited from promoting your Kitchen or using the Marks on any social and/or networking Websites, such as Facebook, LinkedIn, Instagram, Pinterest, MySpace or Twitter, without our prior written consent

Computer and Accounting System

You must have a MAC OS computer system We recommend, but do not require, that you have a back-up device (either on-site or off-site) to back up your computer files You must have the current version of MAC OS software that we specify, including the current versions of Pages and Numbers, a laser or ink jet printer and fax machine You must also make sure that your computer system has the software necessary to allow us independent access to your computer system at all times You may purchase your computer system from any vendor, and we estimate that the initial cost of your computer system will be between $3,000 to $5,000

You must have a high speed internet service with internet access and e-mail We will use these methods to communicate with our franchisees We will provide you with an e-mail address, and we expect you to check your e-mail regularly Should you wish to have the use of an additional e-mail account, the cost for an additional e-mail account is estimated to be approximately $60 00 per month We will have independent access to all data relating to your Kitchen at all times, with no compensation to you

You will be required to pay to us a Technology Fee, currently in the amount of $199 00 per month This fee includes website hosting, updates, and basic website maintenance

We strongly recommend, but do not require, that you obtain an on-site maintenance contract for your computer system's hardware and software Since a maintenance contract is not required, we cannot estimate your annual cost for a maintenance contract The cost will depend, in part, on the services you choose, the rates charged by your provider and the length of the contract You will be required to pay access and or services fees to third party software vendors for the use of an Online Accounting System, an Online Payroll System, an E-mail Marketing Platform, a Registration and Event Planning System and a Website Integration Program We estimate that you will be required to pay approximately $245 per month for ongoing software support

We reserve the right to require you to purchase additional software and/or peripheral hardware for your computer system, and we reserve the right to require you to purchase an entirely new computer system There are no specific contractual obligations limiting the frequency or cost of your obligation to acquire upgrades and updates or to replace obsolete or worn out hardware or equipment, and there are no specific contractual limitations on our ability to require you to purchase these upgrades, updates or replacements Neither we nor any affiliate will provide you with any computer maintenance, updates or upgrades

Advisory Council

We may, in our discretion, form an advisory council to work with us to improve the System, the products offered by Taste Buds Kitchen, advertising conducted by the Brand Development Fund, and any other matters that we deem appropriate If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority We will have the right to form, change, merge or dissolve any advisory council

If formed, an advisory council will be comprised of our representatives and franchisee representatives The franchisee representatives may be chosen by us or elected by other franchisees in the System If you participate on an advisory council, you will pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings

Site Selection and Opening

You must assume all costs, liabilities, expenses and responsibility for locating, obtaining and developing a site for the Kitchen and for constructing and equipping the Kitchen at the accepted site You will select the site for the Kitchen subject to our acceptance and using our site selection criteria Before you lease or purchase the site for the Kitchen, you must locate a site that satisfies our site selection guidelines If we deem it necessary, we will conduct one on-site evaluation, but before we conduct the evaluation you must submit to us in the form we specify a description of the site, including evidence that the site satisfies our site selection guidelines, together with other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the site If you request an additional on-site evaluation or other location assistance, we reserve the right to require

you to pay our then-current per diem fee and reimburse our related expenses We reserve the right to approve deviations from our site selection standards based on the individual factors and components of a particular site

You must submit to us information and materials relating to the proposed site for our review no later than 90 days after you have signed the Franchise Agreement We will have 30 days after we receive all the information and materials we require concerning the proposed site to notify you whether the site has been accepted by us If we cannot agree on a suitable site for the Kitchen after you sign the Franchise Agreement, we may terminate the Franchise Agreement We do not warrant or guarantee that your Kitchen will be successful at any site that we accept Our acceptance only means that the site meets our minimum requirements for a Kitchen, subject to any deviation from our standards as we may permit

We will provide you with our current written site selection guidelines and any other site selection counseling and assistance we think are advisable Our criteria for site selection include location of the site and its setting (free-standing building, shopping center, downtown location, etc), availability of parking, visibility from main roads, availability, size and placement of signage, co-tenants in the shopping center or immediate area, accessibility to the site, condition of the premises and how much build-out or construction it will need, proximity to competitive businesses, and availability of utilities We will use these and other factors in determining the suitability of your proposed site for a Taste Buds Kitchen Once the location for your Kitchen has been determined, your Kitchen may not be relocated without our prior written consent You must provide us with a copy of the signed lease for your Kitchen location

We estimate that the time from when we approve the Accepted Location to the opening of the Kitchen will be approximately six to nine months This time may be shorter or longer depending on the time necessary to obtain financing, to obtain the permits and licenses for the construction and operation of the Kitchen, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Kitchen, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Kitchen, including purchasing inventory and supplies You must open the Kitchen and begin business within nine months after we approve the Accepted Location, unless you obtain a written extension of this time period from us If you are unable to open the Kitchen when required, we have the right to terminate your Franchise Agreement without providing a refund of any portion of the initial franchise fee

If you are an Area Developer, you must sign your first Franchise Agreement at the same time you sign the Area Development Agreement The typical length of time between the signing of the Franchise Agreement and the opening of your Kitchen is the same as for an individual franchisee Each additional Kitchen you develop must be opened according to the terms of your Minimum Performance Schedule

Training

No later than 30 days before the date the Kitchen begins operation, you or your Operating Principal must have completed, to our satisfaction, our five-day New Owners Training Program ("Initial Training Program") We will conduct this training at our corporate headquarters, our affiliate's Kitchen in New York City, or at another location we designate Initial training programs will be offered at various times during the year depending on the number of new franchisees entering the System, replacement General Managers and other personnel needing training, the number of new Kitchens being opened and the timing of the scheduled openings of Kitchens

We will provide instructors and training materials for two trainees (the cost of which is included in the initial franchise fee) You may also have additional personnel trained by us for the Kitchen, at your expense and for the additional per person training fee (currently $2,500) We will determine whether you, your Operating Principal or General Manager has satisfactorily completed initial training If you, your Operating Principal or General Manager does not satisfactorily complete the initial training program or if we determine that these persons cannot satisfactorily complete the training program, you must designate a replacement to satisfactorily complete the training before you will be permitted to open your Kitchen If none of these persons can complete the initial training program to our satisfaction, we have the right to terminate your Franchise Agreement

Any manager or Operating Principal subsequently designated by you must also receive and complete the initial training program to our satisfaction, even if this requires sending that manager or Operating Principal to our headquarters training program, at your expense We reserve the right to charge our then-current per person fee for the initial training if we provide training to a replacement or successor employee (if we have not approved you to provide the training) You must also pay for all expenses your managers and other personnel incur for any training program, including costs of travel, lodging, meals and applicable wages We may approve you to train replacement managers under our training program before permitting you to train your entire staff for a third or later Kitchen opening You may not train any personnel until we have approved you as a trainer

If, during the term of your Franchise Agreement, you request that we provide additional training or assistance on-site at your Kitchen, or if we determine it is necessary, you must pay our then-current per diem fee for each trainer we provide, and you must reimburse us for any expenses our trainers incur, such as costs of travel, lodging, and meals

The instructional materials used in the initial training include our Manual, marketing and promotion materials, materials related to the operation of the registration and Event Planning Software and any other materials that we believe will be beneficial to our franchisees in the training process

The training schedule and activities of the initial New Franchisee Training Program is described below

INITIAL TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Program Overview Company History, Mission & Vision, Business Lines, Core Values	1	0	New York City, New York
Business Practices Owner, Responsibilities, Goal Setting, Time Management, Policies / Compliance, Accountability	1	0	New York City, New York
Sales, Marketing, Advertising & Promotion Social Media, Local Advertising, Grass Roots, Newsletters, Digital Signage, Brand Management	3	0	New York City, New York

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Customer Service Customer Interaction, Issue Resolution, Suggesting Selling, Community Relations	2	0	New York City, New York
Reporting & Accounting Accounting System, Credit Card Reconciliation, Gift Card Sales, Sales Tax Reporting, Reporting, Ongoing License Fees	3	0	New York City, New York
Website Management Microsite, WP Admin, Photos, Blog	2	0	New York City, New York,
Kitchen Management Brand Standards, Partnerships, Equipment Operations, Equipment Maintenance, Safety & Hygiene, Food Handing, Kitchen Organization	2	0	New York City, New York
Inventory Management Merchandise, Vendor Supplies, Vendor Account Set-Up, Inventory Ordering	2	0	New York City, New York
Events & Recipes Content	2	0	New York City, New York
Event Types & Systems -Parties -Classes -Schools -Adults	6	0	New York City, New York
Event Management Sales, Registration, Guides, Grids & Checklists	4	0	New York City, New York
Kitchen Observation & Mock Events		6	New York City, New York
Office Operations Office & Event Hours, Opening Procedures, Phone Script, Closing Procedures	2	0	New York City, New York
Hiring & Staff Management Training, Staffing, Labor Cost Management, Employee Handbook, Volunteers, Pay Day	2	0	New York City, New York
Pre-opening Checklist Office-Set-ups, Macs & Software, Utility/Telephone/Internet, Kitchen Set-Up Starting Inventory, Team Assembly,	2	0	New York City, New York

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Website, Miscellaneous			
Total Hours	**34**	**6**	

The instructors primarily conducting our initial training program include Jessi Brelsford and Jeff Brelsford Jessi Brelsford has over 9 years of experience relevant to the subject matter she will be teaching She is our Founder and has been our Chief Executive Officer since our inception in November 2013 She is also the Founder and Chief Executive Officer of our affiliate, Taste Buds Kitchen LLC, which was formed in September 2007 Jeff Brelsford has approximately three years of experience relevant to the subject matter he will be teaching He has been our Chief Operating Officer and Director of Facilities since November 2013

The entire training program is subject to change due to updates in materials, methods, manuals and personnel without notice to you The subjects and time periods allocated to the subjects actually taught to a specific franchisee and its personnel may vary based on the individual needs and/or experience of those persons being trained

We may choose to hold an annual meeting of our franchisees to provide additional training, introduce new products or changes to the System, or for other reasons We may designate that attendance at an annual meeting is mandatory for you, your Operating Principal, your General Manager and/or other Kitchen personnel We may charge an attendance fee, which is currently $350 per person, and you will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages We will designate the location of any franchisee meeting, such as a resort hotel, but we will not designate an unreasonably expensive site We do not expect that any meeting will last longer than four days

We may also choose to hold refresher training courses, and we may designate that attendance at refresher training is mandatory for you, your Operating Principal, General Manager and/or other Kitchen personnel We may charge a fee for refresher training, currently $350 per person, and you will pay for all of the expenses incurred by your trainees, including travel, lodging, meals and wages

In addition to our initial training program, you, your managers and any other personnel we designate must complete ServeSafe Manager Training (or similar) and Adult-child-infant First-Aid and be CPR certified by an accredited institution following American Heart Association guidelines or other similar certifications The cost of these certifications is not included in the initial franchise fee and we do not provide certification You may need to receive periodic additional training and/or certification If you are not proficient in Apple OS, Apple Pages, Apple Numbers, Apple Mail or Quickbooks Online, you must take a course approved in advance by us, and at your expense, to obtain proficiency in such software

Confidential Franchise Operations Manual

The Table of Contents for our Manual is attached to this Disclosure Document as Exhibit F Our Operations Manual contains approximately 268 pages

ITEM 12
TERRITORY

Franchise Agreement

The Franchise Agreement grants you the right to operate one Kitchen at the specific location identified in the Franchise Agreement or subsequently identified and mutually acceptable to both you and us

If the lease term is shorter than the term of the Franchise Agreement and the lease cannot be renewed or extended, or you cannot continue for any other reason to occupy the premises of the Kitchen, you must relocate your Kitchen to a site mutually acceptable to you and us in order to complete the balance of the term of the Franchise Agreement You must give us notice of your intent to relocate, must procure a site acceptable to us within 60 days after closing the prior Kitchen location, and must open the new Kitchen for business within 180 days of closing the previous one We may or may not agree to such relocation based upon various criteria including, but not limited to area demographics, estimated market demand and proximity to other System Kitchens If you fail to comply with the relocation requirements, we may terminate the Franchise Agreement

We will provide you with a protected Territory subject to the following terms, conditions and limitations set forth in this Item if you are in compliance with the Franchise Agreement, we will not own, operate, franchise or license any other Kitchen within the Territory during the Term of the Franchise Agreement The continuation of your right to operate your Kitchen in the Territory is not dependent upon achieving a certain sales volume, market penetration or other contingency

You have no right to distribute any products offered in the Kitchen through any alternate channels of distribution such as the Internet, catalog sales, telemarketing or other direct marketing, inside or outside your Territory, without our prior written approval

You will not receive an exclusive Territory You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control

We and/or our affiliates reserve all other rights with respect to your Territory, which include but are not limited to (i) the right to own, operate, franchise or license, both within and outside the Territory, Kitchens, cafes and food distributors or retailers operating under names other than the Proprietary Marks, regardless of whether or not these other concepts offer products and services which are similar to or competitive with those offered by your Kitchen, and (ii) the right to distribute products and services in alternative channels of distribution and/or to establish a TBK Kitchen at a "Special Site", both within and outside the Territory, (which alternative channels of distribution and/or Special Sites include but are not limited to club stores, specialty stores, grocery stores, supermarkets, catering services, special events centers, parks, stadiums arenas, museums, art centers, military bases, airports, other public transportation facilities, government offices or institutions, department stores, health care facilities and other institutional food service facilities, hotels and motels, toll road or highway rest stops, colleges, universities, food concession stands, theaters, theme parks, amusement centers, truck stops, beaches, boardwalks and casinos, temporary events, in addition to sales of products by mail order, catalog, or via the internet, and any similar outlets or distribution methods)

We and our affiliates are under no obligation to pay you any compensation for selling similar products or services through other channels of distribution or at Special Sites under the same and/or different proprietary marks within the Territory

We and/or our affiliates retain the right to use and to license others to use the System for the operation and licensing of other System Kitchens at any locations outside of the Territory

Your Territory will consist of the lesser of an approximate eight (8) mile radius from your Kitchen or a population of 175,000 people We obtain the population count through the United States Census Bureau The radius of the Territory can be impacted by geographic and/or man-made conditions such as bodies of water, mountains, driving conditions and other factors which may necessitate the Territory being greater than or less than the radii mentioned above The Territory will be identified by a circle drawn on a map which is attached as Attachment A of the Franchise Agreement

You are unrestricted as to the geographic area from which you may accept business as a System franchisee but you may not actively solicit business from outside your Territory Except as we otherwise approve, you may not take part in any sales from a location other than the premises of the Kitchen

You are permitted to conduct off-site services within the Territory from your franchise location without our prior written consent, but you must have our prior written approval to conduct off-site services outside your Territory Consent may be revoked at any time

We or our affiliates will fulfill all orders placed through the retail portion of our Website, and you will not be entitled to any portion of the profits received from this, even if the customer's order is generated from or delivered in your Territory

We do not offer franchisees any option, right of first refusal or any similar right to acquire additional franchises within the Territory or contiguous territories

Area Development Agreement

Under the Area Development Agreement we grant you the right to develop and operate the number of Taste Buds Kitchens in the Development Area that is specified in the Minimum Performance Schedule, which is an exhibit to the Area Development Agreement The Development Area is typically described in terms of municipal or county boundaries but may be defined as a specified trade area in a municipality or otherwise, this is your protected territory The actual size of the Development Area will vary depending upon the availability of contiguous markets, our long range development plans, your financial and operational resources, area population and market conditions Our designation of a particular Development Area is not an assurance or warranty that there are a sufficient number of suitable sites for Kitchens in the Development Area for you to meet your Minimum Performance Schedule The responsibility to locate and prepare a sufficient number of suitable sites is solely yours and we have no obligation to approve sites which do not meet our criteria for you to meet the Minimum Performance Schedule

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

You will not receive an exclusive Development Area You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control

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

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

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

In addition, upon the earlier of the expiration of the term of the Area Development Agreement, which is when the last Kitchen to be developed within the Development Area opens for business, your protected rights under the Area Development Agreement with respect to the Development Area will terminate and we and our affiliates will have the right to operate and to grant to others development rights and franchises to develop and operate Kitchens within the Development Area This right will be subject only to the territorial rights under your franchise agreements for Kitchens in the Development Area and the right of first refusal described above The Development Area may not be altered unless we and you mutually agree to do so You are not granted any other option, right of first refusal or similar right to acquire additional Kitchens in your Development Area under the Area Development Agreement, except as described above There are no minimum sales goals, market penetration or other contingency that you must meet to keep the protection of your Development Area, except that you must meet your Minimum Performance Schedule

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the right to use certain trademarks, trade names, service marks, symbols, emblems, logos and indicia of origin designated by us These Marks may be used only in the manner we authorize and only for the operation of your Franchised Business The Area Development Agreement does not grant to you any right to use the Marks

Our affiliate, Taste Buds Kitchen, LLC registered the following principal Marks with the U S Patent and Trademark Office ("USPTO") on the Principal Register

Mark	Application Date	Serial Number	Registration Date	Registration Number
Taste Buds Kitchen (Word Mark)	8/19/2014	86,370,377	7/21/2015	4775692
Taste Buds Kitchen (Word Mark)	4/23/2012	85,605,426	12/11/2012	4257258
Cupcake Kids!	5/31/2008	77,487,994	1/27/2009	3567015

We also own and claim common law trademark rights in the trade dress used in your Kitchen Our common law trademark rights and trade dress are also included as part of the Proprietary Marks We do not currently have a federal registration for our logo Therefore, our trademark does not have as many legal benefits and rights as one with a federally-registered logo If your right to use the logo is challenged, you may have to change to an alternate logo, which may increase your expenses

Under a license agreement with Taste Buds Kitchen, LLC dated November 14, 2013 (the "License Agreement"), Taste Buds Kitchen, LLC has licensed us to use the Proprietary Marks and to sublicense them to our franchisees in operating their kitchens Taste Buds Kitchen, LLC may terminate the License Agreement (which runs for 30 years and is renewable for an additional term of 20 years) if we fail to correct any of the following within 30 days after written notice (1) any default under the License Agreement, (2) improper use of the Proprietary Marks that could adversely affect their validity or protectability, or (3) our bankruptcy, insolvency, or appointment of a receiver No other agreement limits our right to use or license the Proprietary Marks

Our affiliate intends to file all affidavits and any and all renewals, when due, for the Proprietary Marks listed above

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court involving the Proprietary Marks, nor any pending infringement, opposition, or cancellation proceedings or material litigation involving the Proprietary Marks There are no agreements currently in effect that significantly limit our right to use or license the use of the Proprietary Marks in any manner material to the franchise Other than the rights of our affiliate, described above, we are not aware of any superior rights that could affect your use of the Proprietary Marks

Your rights to the Proprietary Marks are derived solely from your Franchise Agreement You may have the right to potentially use future trademarks, service marks and logos that we may subsequently license to you You will only use the Proprietary Marks as we authorize In using the Proprietary Marks, you must strictly follow our rules, standards, specifications, requirements and instructions which may be modified by us in our discretion All goodwill associated with the Proprietary Marks remains our exclusive property You may not use the Proprietary Marks with any unauthorized product or service or in any way not explicitly authorized by the Franchise Agreement When your Franchise Agreement expires or terminates, all rights for you to use the Proprietary Marks shall cease and you shall not maintain any rights to use any Proprietary Mark

You cannot use the Proprietary Marks (or any variation of the Proprietary Marks) as part of a corporate name or with modifying words, designs or symbols except for those which we license to you You may

not use our registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us You may not apply for any trademark or service mark

In the event of any infringement of, or challenge to, your use of any of the Proprietary Marks, you must immediately notify us, and we will have sole discretion to take such action as deemed appropriate We will indemnify and hold you harmless from any suits, proceedings, demands, obligations, actions or claims, including costs and reasonable attorneys' fees, for any alleged infringement under federal or state trademark law arising solely from your authorized use of the Proprietary Marks in accordance with the Franchise Agreement or as otherwise set forth by us in writing, if you have notified us promptly of the claim We reserve the right, under the Franchise Agreement, to substitute different Proprietary Marks for use in identifying the System and the businesses operating under the System if the current Proprietary Marks no longer can be used, or if we, in our sole discretion, determine that substitution of different Proprietary Marks will be beneficial to the System If we substitute any of the Proprietary Marks, you must bear the cost and expense of all substitutions at your Kitchen (for example, changing signage, business cards, etc)

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

No patents or patent applications are material to the franchise

We claim common law protection and copyrights for many aspects of our business including, without limitation, our Operations Manual and other manuals, advertising and promotional materials, our training materials and programs, our menus, and our websites We have not registered these copyrights with the United States Copyright Office, but need not do so at this time to protect them

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials We do not know of any superior prior rights or infringing uses that could materially affect your use of our copyrighted materials

Confidential Operations Manual

You must operate your Kitchen according to the strict standards, methods, policies and procedures specified in the Operations Manual We may revise the contents of the Operations Manual and you must comply with each new or changed standard, at your own expense You must make sure that the Operations Manual is kept current at all times If there is any dispute as to the contents of the Operations Manual, the terms of the master copy maintained by us at our corporate office will be controlling

The Operations Manual will remain our sole property and must be kept in a secure place at your Kitchen We may, instead of providing you with a hard copy of the Manual, make our Manual available electronically

Confidential Information

You must treat the confidential information as confidential and use all reasonable efforts to maintain this information as secret and confidential

You may never during the Term, including any renewal, of the Franchise Agreement, or after the Franchise Agreement expires or terminates, reveal any of our confidential information to another person or entity, or use our confidential information for the benefit of any other person or entity You may not copy any of our confidential information except as we may authorize You may only use the Operations Manual and our confidential information as described in the Franchise Agreement You may only divulge confidential information to those of your staff and personnel who must have access to it to operate your Kitchen

Any and all information, knowledge, know-how, techniques and data which we designate as confidential will be deemed confidential for purposes of your Franchise Agreement Examples of confidential information include, without limitation (1) site selection, construction plans and design specifications, (2) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, (3) recipes, ingredients and food preparation techniques, (4) knowledge of specifications for and suppliers of, and methods of ordering, certain products, ingredients, materials, equipment and supplies, (5) knowledge of the operating results and financial performance of other TBK System Kitchens, (6) the Operations Manual, (7) training materials and programs, (8) customer data, and (9) all password-protected portions of our website, intranets and extranets and the information they contain (including the email addresses of our franchisees)

All data that you collect from customers of the Kitchen or through marketing is deemed to be owned exclusively by us and/or our affiliates You must install and maintain security measures and devices necessary to protect the customer data from unauthorized access or disclosure, and you may not sell or disclose to anyone else any personal or aggregated information concerning any customers You have the right to use the customer data only in connection with your Kitchen, while the Franchise Agreement is in effect If you transfer the Franchised Business to a new owner, who will continue to operate it under an agreement with us, you may transfer the customer data to the new owner as part of the going concern value of the business

You must require your owners, officers, directors, managers and any personnel having access to any of our confidential information to sign a confidentiality agreement in which these individuals agree to maintain the confidentiality of information regarding the System that they receive in the course of their employment or affiliation with your Kitchen The agreement must be in a form satisfactory to us, including specific identification of us as a third party beneficiary of the non-disclosure covenants, with the independent right to enforce them

All new products, items, services and other developments, whether they be of our original design or variations of existing services or techniques, or your original design or variations of existing services or techniques, will be deemed a work made for hire and we will own all rights in them If they do not qualify as works made for hire, you will assign ownership to us under the Franchise Agreement You will not receive any payment, adjustment or other compensation in connection with any new products, items, services or developments

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

We strongly recommend that you (or, if you are an entity, your Operating Principal) personally participate in the operation of your Kitchen The Operating Principal must be an equity owner in the Franchised Business (in an amount of at least 10%) and have the authority to bind you in all operational decisions regarding the franchise We will have the right to rely on any statement, agreement or representation made by the Operating Principal You may not change the Operating Principal without our prior written approval

If you or your Operating Principal does not participate in the day-to-day operation of your Kitchen, you will need a General Manager to be responsible for the direct on-premises supervision of the Kitchen at all times during the hours of operation However, you are still responsible for the operations of your Kitchen

Both the franchisee (in the case of an individual), your Operating Principal (in the case of an entity) and the General Manager must satisfactorily attend and complete our initial training program

At all times, you will keep us advised of the identity of your General Manager Your General Manager need not have any equity interest in the Franchised Business You will disclose to your General Manager only the information needed to operate your Kitchen and the General Manager will be advised that any confidential information is our trade secret

In addition, you (or if you are an entity, your officers, directors, partners, shareholders, members and their spouses) and your spouse are required to execute a Confidentiality, Non-Disclosure and Non-Competition Agreement in the form attached as Attachment D-1 to the Franchise Agreement All of your employees must execute the Confidentiality and Non-Disclosure Agreement in the form attached as Exhibit D-2 to the Franchise Agreement If you are a legal entity, each of the following individuals must sign our Guaranty (i) each of your shareholders if you are a corporation, (ii) each of your partners if you are a general partnership, or (iii) each of your members and managers if you are a limited liability company Spouses are not required to sign the Guaranty

You must hire all employees of your Kitchen and are solely responsible for the terms of their work, training, compensation, management, promotions, terminations, and oversight Our System standards may provide guidance to you as to the Kitchen's staffing levels and identifying the Kitchen's management personnel and may regulate dress and appearance However, your employees are under your day-to-day control at your Kitchen You must communicate clearly with your employees in your employment agreements, employee manuals, human resources materials, written and electronic correspondence, pay checks and other materials that you (and only you) are their employer, and we, as the Franchisor, are not their employer and do not engage in any employer-type activities (including those described above) for which only you are responsible

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to limit your business to the operation of the Kitchen You may not conduct any other business or activity at the Kitchen without our written permission You are not permitted to rent out your Kitchen or host any events at your Kitchen which are not affiliated with Taste Buds Kitchen and approved by us You may only sell products at retail and may not engage in the wholesale or distribution of any

product You cannot offer free products or services unless approved by us in connection with an "Open House" at your Kitchen

You may only offer or sell products and services that are approved by us and must offer for sale all products and services as designated by us We may add, delete or alter approved products or services that you are required or allowed to offer in our reasonable discretion There are no limits on our right to do so You must discontinue selling and offering any products, services or items that we, in our sole discretion, disapprove in writing at any time

In offering products for sale, you may only use products, materials, ingredients, supplies, recipes, paper goods, uniforms, fixtures, furnishings, signs and equipment approved by us and must follow exact methods of product storage and preparation that meet our requirements You may not deviate from our standards or specifications without our prior written consent On a case-by-case basis, we may allow you or other franchisees to offer additional services, products or programs that are not otherwise part of the franchise System We will decide which franchisees can offer additional services and products based on test marketing, the franchisees' qualifications and operational history, differences in regional or local markets and other factors

We have the right to set restrictions on the pricing and sizes of all products that are sold or distributed, including the ability to determine the pricing and sizes You may not create unapproved rewards or loyalty programs

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements You should read these provisions in the agreements attached to this disclosure document

	Provision	Section in Franchise Agreement	Summary
a	Length of the term of the franchise	Section 3 1	Term continues for 10 years from the date of the Franchise Agreement unless terminated earlier
b	Renewal or extension of the term	Section 3 2	Up to two additional terms of 10 years each

	Provision	Section in Franchise Agreement	Summary
c	Requirements for franchisee to renew or extend	Section 3 2	You must provide us with notice that you wish to renew, be in compliance with the terms of your Franchise Agreement, lease and all other agreements with us, be able to continue to occupy the premises for the period of the new term, be current in all payments required by the Franchise Agreement to us or our affiliate during the previous 12 months, remodel and/or refurbish your Kitchen if we require, sign then-current Franchise Agreement, sign general release, and pay the renewal fee You may be asked to sign a contract with materially different terms and conditions than your original contract, but the boundaries of your territory will remain the same, and the fees on renewal will not be greater than the fees that we then impose on similarly situated renewing franchisees
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	Not applicable
f	Termination by franchisor with "cause"	Section 17 1 1	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination
g	"Cause" defined – curable defaults	Sections 17 2	We may terminate you for cause if you fail to cure certain defaults, including if you or any of your affiliates fail to pay any monies owed to us, or our affiliates or vendors, and do not cure within 5 days after notice (or longer period if required), fail to obtain and maintain required insurance within 10 days after notice, fail to propose a qualified replacement Operating Principal or General Manager within 10 days of notice, or fail to cure any other default that is susceptible of cure, except those listed in Section (h) below, within 30 days after notice

Provision	Section in Franchise Agreement	Summary
h "Cause" defined – defaults which cannot be cured	Sections 17 1 2 and 17 1 3	We may terminate you for cause without opportunity to cure if you become insolvent, make a general assignment for benefit of creditors, file a petition or have a petition initiated against you under federal bankruptcy laws, are adjudicated bankrupt or insolvent, have outstanding judgments against you for over 30 days, are dissolved, have a receiver or other custodian appointed for your business or, have a levy against your business property, have a suit to foreclose any lien or mortgage against the Franchised Business' premises or equipment that is not dismissed within 30 days, sell unauthorized products or services, fail to find an accepted location within time required, fail to remodel when required, fail to open Kitchen when required, abandon or lose right to the Kitchen premises, are convicted of a felony or other crime that may have an adverse effect on the System or Marks, transfer any interest without our consent or maintain false books or records, fail to comply with in-term covenants or fail to execute required covenants, fail to transfer as required upon death or disability, submit false reports to us use the Marks in an unauthorized manner, commit 3 material events of default in any 12 month period, have 3 insufficient fund fees in any 12 month period, fail to complete required training, or if there is a threat or danger to the public health or safety in connection with the Franchised Business In addition, a default under one agreement with us may result in a termination of all of your other agreements with us This is known as a cross-default provision

	Provision	Section in Franchise Agreement	Summary
i	Franchisee's obligations on termination/non-renewal	Section 18	Obligations include You must stop operating the Kitchen and using the Marks and System and completely de-identify the business, cancel assumed names incorporating the Marks, pay all amounts due to us or our affiliates, return the Manual and all other proprietary materials and destroy any electronic of digital copies, furnish an itemized list of marketing materials bearing the Marks, assign telephone numbers, and Internet listings, comply with confidentiality and restrictive covenant requirements, pay liquidated damages (if applicable), and at our option, sell or assign to us your rights in the Kitchen premises and the equipment and fixtures used in the business
j	Assignment of contract by Franchisor	Section 14 1	We have the right to transfer or assign the Franchise Agreement to any person or entity without restriction However, no assignment will be granted except to an assignee that, in our good faith judgment, is willing and able to assume our obligations
k	'Transfer" by franchisee – defined	Section 14 2 1	Includes sale, assignment, conveyance, pledge, mortgage or other encumbrance of any interest in the Franchise Agreement, the Kitchen or you (if you are not a natural person)
l	Franchisor approval of transfer by franchisee	Section 14 2 2	You must obtain our consent before transferring any interest We will not unreasonably withhold our consent
m	Conditions for franchisor approval of transfer	Section 14 2 2	Conditions include You must pay all amounts due us or our affiliates, not otherwise be in default of any agreements with us or our affiliates, sign a general release, and pay a transfer fee Transferee must meet our criteria, complete training to our satisfaction, renovate as required by us and sign then-current Franchise Agreement
n	Franchisor's right of first refusal to acquire franchisee's business	Section 14 4	Within 30 days after notice, we have the option to purchase the transferred interest on the same terms and conditions

	Provision	Section in Franchise Agreement	Summary
o	Franchisor's option to purchase franchisee's business	Section 18 12	Upon termination or expiration of the Franchise Agreement, we have the right to purchase certain assets of the Kitchen
p	Death or disability of franchisee	Section 14 5	If you or a Principal is a natural person, on death or permanent disability, transferee must be approved by us, or franchise must be transfer to someone approved by us within 12 months after death or within six months after notice of permanent disability
q	Non-competition covenants during the term of the franchise	Section 10 3 1	You are prohibited from operating or having an interest in a Competitive Culinary Entertainment Business without our prior written consent
r	Non-competition covenants after the franchise is terminated or expires	Section 10 3 2	You and your Principals are prohibited for two years from expiration or termination of the franchise from operating or having an interest in a Competitive Culinary Entertainment Business within your Territory, within 20 miles of your Territory or within 20 miles of any Kitchen in the System
s	Modification of the agreement	Sections 10 1 5 and 19 2	The Franchise Agreement may not be modified unless mutually agreed to in writing You must comply with Manual as amended
t	Integration/merger clause	Section 19 2	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable federal and/or state law) Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable However, nothing in the Franchise Agreement is intended to disclaim the representations made in the Disclosure Document
u	Dispute resolution by arbitration or mediation	Sections 19 7, 19 8, 19 9, 19 10 and 19 11	All disputes must be litigated in Queen Anne's County, Maryland (subject to state law)
v	Choice of forum	Section 19 8	Maryland (subject to state law)
w	Choice of Law	Section 19 8	Maryland applies (subject to state law)

THE AREA DEVELOPER RELATIONSHIP

	Provision	Section in Area Development Agreement	Summary
a	Length of the franchise term	6	Length of the Minimum Performance Schedule
b	Renewal or extension of the term	5	After all Kitchens have been developed, we may negotiate in good faith another Area Development Agreement
c	Requirements for area developer to renew or extend	Not applicable	
d	Termination by area developer	Not applicable	The Agreement does not provide for this But you may seek to terminate on any grounds available to you at law
e	Termination by franchisor without cause	Not applicable	
f	Termination by franchisor with cause	9	We can terminate if you commit any one of several listed violations
g	"Cause" defined – curable defaults	9	If you use the Marks or System without our consent, participating in a competing business, failure to pay money to us when due, you begin developing a Kitchen before all of your pre-development obligations are met, failure to obtain our consent when required, you open any Kitchen before a Franchise Agreement for that Kitchen has been signed, failure to execute required covenants
h	"Cause" defined – non-curable defaults	9	Failure to meet your minimum performance schedule, failure to comply with applicable laws, if all of your Kitchens stop operating, unauthorized transfer, you make a material misrepresentation to us, conviction by you or your owners of an indictable offense, bankruptcy or insolvency, if a Franchise Agreement with us is terminated according to its terms (this is a cross-default provision)
i	Area Developer's obligations on termination/ non-renewal	10	You must stop selecting sites for Kitchens, and you may not open any more Kitchens

	Provision	Section in Area Development Agreement	Summary
j	Assignment of contract by franchisor	11	No restriction on our right to assign However, no assignment will be made except to an assignee that, in our good faith judgment, is willing and able to assume our obligations under the Area Development Agreement
k	Transfer" by area developer– defined	11	Includes transfer of any interest in the Area Development Agreement
l	Franchisor approval of transfer by area developer	11	We have the right to approve all transfers, our consent not to be unreasonably withheld
m	Conditions for franchisor approval of transfer	11	Conditions for transfer include not being in default, at least 25% of all Kitchens required to be developed are open or under construction, all debts are paid, the buyer meets our current criteria for new Area Developers, execution of a general release (where legal), payment of transfer fee, buyer personally guarantees all obligations
n	Franchisor's right of first refusal to acquire area developer's business	11	We have the right to match the offer
o	Franchisor's option to purchase area developer's business	Not applicable	
p	Death or disability of area developer	11	Interest must be transferred to an approved party within 12 months
q	Non-competition covenants during the term of the franchise	12	You are prohibited from operating or having an interest in a competing business without our prior written consent, except for Kitchens operated under Franchise Agreements with us
r	Non-competition covenants after the franchise is terminated or expires	12	For two years, no operating or having an interest in a Competitive Culinary Entertainment Business within your Development Area, within 20 miles of your Development Area or within 20 miles of any Kitchen in the System
s	Modification of the agreement	18	Area Development Agreement may not be modified unless mutually agreed to in writing

	Provision	Section in Area Development Agreement	Summary
t	Integration/merger clause	18	Only the terms of the Area Development Agreement are binding (subject to state law) Any representations or promises outside of the Disclosure Document and the Area Development Agreement may not be enforceable However, nothing in the Area Development Agreement is intended to disclaim the representations made in the Disclosure Document
u	Dispute resolution by arbitration or mediation	19	All disputes must be litigated in Queen Anne's County, Maryland (subject to state law)
v	Choice of forum	19	Maryland (subject to state law)
w	Choice of law	18	Maryland law applies (subject to state law)

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or any franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in this 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

For the purposes of this Item 19, "Gross Revenue" is defined as all revenue related to the Taste Buds Kitchen, excluding client refunds, discounts approved by us and sales taxes collected and remitted to the proper authorities

I Combined Affiliate and Franchised Kitchen Figures

The following table reprints the yearly Gross Revenues achieved by the 1 Affiliate-owned and 3 franchisee-owned Taste Buds Kitchens that were open during 12 months or more as of our last fiscal year end The below average figures have been calculated by taking the total Gross Revenue of all applicable Kitchens divided by the total number of applicable Kitchens in each category

	Highest Performing	Lowest Performing	Average	Kitchens Above Average	Median
All Kitchens	$1 909,602	$120,768	$710,166	1 of 4	$405,147
Franchisee-Owned Kitchens	$437 790	$120 768	$310 354	2 of 3	$372,501
Affiliate-Owned Kitchens	$1 909 602	$1 909,602	n/a	n/a	n/a

II Affiliate Owned Kitchen

The following represents an example of the actual Gross Revenue achieved and the number of Events Hosted by our affiliate-owned Kitchen for the past four years (excluding operating expenses) This Kitchen opened the doors of its facility in 2010 Gift Cards & Products were not tracked separately as a sales category until 2015 These results do not include Gross Revenue from the "Kids Cooking Kiosk" which was located at FAO Schwarz in New York, New York from August 13, 2012 until July 15, 2015

Gross Revenue & Events Hosted

2016	Gross Revenue	% of Gross Revenue	No Events
Adults	$810 660	42%	619
Birthday Parties	$256,558	13%	175
Camps	$466,586	24%	281
Semesters	$199 911	10%	688
Workshops	$119 513	6%	258
Gift Card & Products	$56 339	3%	-
	$1,909,567		

2015	Gross Revenue	% of Gross Revenue	No Events
Adults	$429,933	30%	430
Birthday Parties	$245 395	17%	178
Camps	$401,538	28%	296
Semesters	$222,429	16%	635
Workshops	$114,373	8%	225
Gift Card & Products	$31,294	2%	
	$1,444,962		
2014	**Gross Revenue**	**% of Gross Revenue**	**No Events**
Adults	$277,285	24%	272
Birthday Parties	$219 517	19%	148
Camps	$358 159	31%	258
Semesters	$184,856	16%	580
Workshops	$115 535	10%	219
	$1,155,353		
2013	**Gross Revenue**	**% of Gross Revenue**	**No Events**
Adults	$137 246	16%	148
Birthday Parties	$180 135	21%	139
Camps	$231,602	27%	194
Semesters	$214 447	25%	728
Workshops	$94 356	11%	200
	$857,786		

This Kitchen offered substantially the same products and services to the public as you will

III Franchised Kitchens

In 2016, our franchisees operated three Kitchens One franchised Kitchen opened on 2/27/15, one franchised Kitchen opened on 5/15/15 and one franchised Kitchen opened on 7/27/15 Below are examples of actual Gross Revenue achieved and the number of Events Hosted by those three franchisees

Full-year data has been included for all three Kitchens for 2016 and partial-year data has been included for 2015 for the two Kitchens that were open for more than 6 months

Gross Revenue & Events Hosted

Kitchen A — opened 2/27/15	**Gross Revenue 2016**	**Gross Revenue 2015**	**% Gross Revenue 2016**	**% Gross Revenue 2015**	**No Events 2016**	**No Event 2015**
Adults	$107 725	$42 366	29%	23%	149	63
Birthday Parties	$55,757	$29,680	15%	16%	109	59
Camps	$122,911	$68,330	33%	37%	172	148
Semesters	$42,173	$16 820	11%	9%	294	96
Workshops	$30,974	$22,315	8%	12%	135	151
Gift Card & Products	$12,962	$6 465	3%	3%		
	$372,501	**$185,977**			**859**	**517**
Kitchen B — opened 5/15/15	**Gross Revenue 2016**	**Gross Revenue 2015**	**% Gross Revenue 2016**	**% Gross Revenue 2015**	**No Events 2016**	**No Events 2015**
Adults	$123,503	$56 686	28%	28%	139	79
Birthday Parties	$69,717	$30 916	16%	15%	117	53
Camps	$136,090	$65,065	31%	32%	167	131
Semesters	$41 614	$16 843	10%	8%	222	69
Workshops	$38,729	$18,768	9%	9%	127	70
Gift Card & Products	$28,140	$15 422	6%	8%	-	
	$437,793	**$203,698**			**772**	**402**
Kitchen C — opened 7/27/15	**Gross Revenue 2016**		**% Gross Revenue 2016**		**No Events 2016**	
Adults	$34 736		29%		81	
Birthday Parties	$14,166		12%		45	
Camps	$42,049		35%		135	
Semesters	$12,309		10%		42	
Workshops	$11 534		10%		92	
Gift Card & Products	$5 974		5%		-	
	$120,768				**395**	

IV Projected Cost of Goods Sold

The tables below represent the projected labor costs and cost of goods sold for a two hour cooking class The costs of goods sold includes ingredients and paper products and is projected to be approximately $4 60 per client (based on an average of our open Kitchens) The cost of goods sold does not include cooking utensils and equipment as these items are used repeatedly

The labor costs include a lead instructor per class at a rate of $15 per hour and an assistant for each additional 6 students at a rate of $11 per hour Each team member is schedule to begin work an hour prior to the class starting and completes work an hour after the class is over

These hourly pay rates are an average of what our open Kitchens currently pay their instructors and assistants The hourly labor rate does not include payroll taxes, bonuses, workers' compensation or any other benefits These costs are believed to be reliable, although there may be a variance from market to market, and they are subject to change

2-Hour Class

	6 clients	**12 clients**	**24 clients**
Labor Cost	$60	$104	$192
Cost of Goods Sold	$28	$55	$110

V Notes

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

Actual results vary from Kitchen to Kitchen and we cannot estimate the results of any particular franchisee Your revenues may vary significantly depending on a number of factors, including the location of your Kitchen and how you operate your business

The figures used in this statement are gross revenues only The information presented above has not been audited Net income will vary from Kitchen to Kitchen depending upon factors such as rental or real estate costs, costs of goods sold, labor costs and other costs relating to the operation of the Kitchen You should conduct an independent investigation of the costs and expense you will incur in operating your Taste Buds Kitchen

We strongly urge you to consult with your financial advisor or personal accountant concerning the financial analysis that you should make in determining whether or not to purchase a Taste Buds Kitchen franchise

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

Other than the preceding financial performance representation, Taste Buds Kitchen International 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 Jeff Brelsford at 141 Wye River Drive Queenstown, Maryland 21658 and (410) 304-2062, the Federal Trade Commission, and the appropriate state regulatory agencies

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No 1
Systemwide Outlet Summary
For years 2014, 2015, 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	0	0	0
	2015	0	3	+3
	2016	3	3	0
Company-Owned*	2014	1	1	0
	2015	1	1	0
	2016	1	1	0
Total Outlets	2014	1	1	0
	2015	1	4	+3
	2016	4	4	0

* The Company-owned Outlet reflected in the above chart is owned and operated in New York City by our affiliate, as described in Item 1

Table No 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2014, 2015, 2016

State	Year	Number of Transfers
None	2014	0
	2015	0
	2016	0
Total	2014	0
	2015	0
	2016	0

Table No 3
Status of Franchised Outlets
For years 2014, 2015, 2016

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
MA	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
TX	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
MT	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
TOTAL	**2014**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2015	**0**	**3**	**0**	**0**	**0**	**0**	**3**
	2016	**3**	**0**	**0**	**0**	**0**	**0**	**3**

Table No 4
Status of Company-Owned Outlets
For years 2014, 2015, 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
New York	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Total	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1

The Outlet in the above chart is owned and operated in New York City by our affiliate

Table No 5
Projected Openings as of November 30, 2016

States	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	1	1	0
Illinois	1	1	0
Kansas	0	1	0
New York	0	1	0
North Carolina	1	1	0
Ohio	0	1	0
Pennsylvania	0	1	0
Total	0	7	0

A list of the names of all franchisees and the addresses and telephones numbers of their franchises will be provided in Exhibit D to this disclosure document when applicable

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or area developer who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the applicable Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit E to this disclosure document when applicable **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Taste Buds Kitchen System

There are no trademark-specific organizations formed by our franchisees that are associated with the Taste Buds Kitchen System

ITEM 21
FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit A is our audited financial information as of November 30, 2014, November 30, 2015 and November 30, 2016

Our fiscal year end is November 30th

ITEM 22
CONTRACTS

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments

1 Franchise Agreement (Exhibit B)
- A - Accepted Location and Territory
- B - Collateral Assignment of Lease

C - Statement of Ownership Interests and Franchisee's Principals
D-1 - Confidentiality, Non-Disclosure and Non-Competition Agreement
D-2- Confidentiality and Non-Disclosure Agreement
E - Electronic Transfer Authorization
F - Internet Websites and Listing Agreement, Telephone Listing Agreement
G - Power of Attorney (Tax)
H - Transfer of a Franchise to a Corporation or Limited Liability Company
I- Franchisee Disclosure Acknowledgment Statement
J - Guaranty
K - General Form of Release

2 Area Development Agreement (Exhibit C)
A Certification by Area Developer
B Guaranty
C Transfer of a Franchise to a Corporation or Limited Liability Company
D Minimum Performance Schedule
E Protected Area

3 Multi-State Addendum (Exhibit G)

ITEM 23
RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document Please return one signed copy to us and retain the other for your records

Exhibit B

FRANCHISE AGREEMENT

Taste Buds Kitchen International, LLC

TASTE BUDS KITCHEN INTERNATIONAL LLC

FRANCHISE AGREEMENT

_____

FRANCHISEE

_____

DATE OF AGREEMENT

TABLE OF CONTENTS

ARTICLE 1 2

GRANT 2

1 1 Grant of Franchise 2
1 2 Accepted Location 2
1 3 Relocation 2
1 4 Territory 2
1 5 Our Reserved Rights 3

ARTICLE 2 3

SITE SELECTION, PLANS AND CONSTRUCTION 3

2 1 Your Responsibility to Locate a Site 3
2 2 Site Selection 4
2 3 Zoning Clearances, Permits and Licenses 4
2 4 Design of Kitchen 4
2 5 Build-Out of Kitchen 5
2 6 Opening Date Time is of the Essence 5

ARTICLE 3 5

TERM AND RENEWAL 5

3 1 Term 5
3 2 Renewal 6
3 3 Refusal to Renew Franchise Agreement 6
3 4 Renewal Under Law 6
3 5 Your Election Not to Renew 7

ARTICLE 4 7

FEES 7

4 1 Initial Franchise Fee 7
4 2 Royalty Fees 7
4 3 Payments to Us 7
4 4 Interest on Overdue Amounts 8
4 5 Definition of Gross Revenues 8
4 6 Insufficient Funds Fees 8
4 7 Payment of Additional Fees 8
4 8 Technology Fee 8

ARTICLE 5 9

OUR OBLIGATIONS 9

5 1 Site Selection Guidelines 9
5 2 On-Site Evaluation 9
5 3 Design Plans 9
5 4 Confidential Operations Manual 9
5 5 Visits and Evaluations 9
5 6 Marketing and Promotional Materials 9
5 7 Management and Operations Advice 9
5 8 Products for Resale 9
5 9 Approved Suppliers 10
5 10 Initial Training Program 10

5 11 Marketing Cooperatives *10*

ARTICLE 6 **10**

YOUR AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS 10
6 1 Use Commercially Reasonable Efforts *10*
6 2 Representations of Corporate Entity *10*
6 3 Operating Principal *12*
6 4 General Manager *12*
6 5 Training *13*
6 6 Franchisee Meetings *14*
6 7 Hiring Practices *14*
6 8 Certifications *15*
6 9 Compliance with Laws *15*
6 10 Compliance with All Other Obligations *15*

ARTICLE 7 **15**

FRANCHISE OPERATIONS 15
7 1 Compliance with Standards *15*
7 2 Maintenance of Kitchen *15*
7 3 Remodeling and Redecorating *16*
7 4 Approved Suppliers *16*
7 5 Operation of Kitchen in Compliance with Our Standards *16*
7 6 Proprietary Products *18*
7 7 Advertising and Promotional Materials *18*
7 8 Complaints *19*
7 9 Power of Attorney for Telephone Listings etc *19*
7 10 Power of Attorney for Taxes *19*
7 11 Vehicles *19*
7 12 Unapproved Products and Services *19*
7 13 Customer Surveys *20*
7 14 Pricing *20*

ARTICLE 8 **20**

MARKETING AND PROMOTION 20
8 1 Participation in Marketing *20*
8 2 Local Marketing *20*
8 3 Brand Development Fund *21*
8 4 Cooperative Marketing Funds *22*
8 5 Conduct of Marketing Our Approval *23*
8 6 Grand Opening Marketing Campaign *23*
8 7 Websites *23*

ARTICLE 9 **24**

MARKS 24
9 1 Use of Marks *24*
9 2 Ownership of Marks Limited License *24*
9 3 Limitation on Use of Marks *25*
9 4 Notification of Infringement or Claim *26*
9 5 Retention of Rights by Us *26*

ARTICLE 10 **26**

CONFIDENTIALITY AND NON-COMPETITION COVENANTS 26
10 1 Confidential Operations Manuals 26
10 2 Confidential Information 27
10 3 Non-Competition 28
10 4 Failure to Comply 30

ARTICLE 11 30

BOOKS AND RECORDS 30
11 1 Books and Records 30
11 2 Reports 30
11 3 Inspections Audits 30
11 4 Correction of Errors 31
11 5 Authorization of Us 31
11 6 We are Attorney-in-Fact 31

ARTICLE 12 31

INSURANCE 31

ARTICLE 13 33

DEBTS AND TAXES 33
13 1 Taxes 33
13 2 Payments to Us 33
13 3 Tax Disputes 33
13 4 Compliance with Laws 33
13 5 Notification of Action or Proceeding 33

ARTICLE 14 34

TRANSFER OF INTEREST 34
14 1 Transfer by Us 34
14 2 Transfer by You 34
14 3 Transfer to a Corporation or Limited Liability Company 36
14 4 Our Right to Purchase Business 36
14 5 Death or Disability 38
14 6 No Waiver of Claims 39

ARTICLE 15 39

INDEMNIFICATION 39
15 1 Indemnification by You 39
15 2 Notification of Action or Claim 39
15 3 We May Settle 40
15 4 Losses and Expenses 40
15 5 Indemnitees Do Not Assume Liability 40
15 6 Recovery from Third Parties 40
15 7 Survival of Terms 41

ARTICLE 16 41

RELATIONSHIP OF THE PARTIES 41
16 1 No Relationship 41
16 2 Independent Contractor 41
16 3 You are Not Authorized 41

ARTICLE 17 41

TERMINATION 41
17 1 Automatic Termination – No Right to Cure *41*
17 2 Notice of Termination – 30 Days to Cure (unless stated otherwise) *43*
17 3 Cross-Defaults Non-Exclusive Remedies etc *44*
17 4 Our Right to Discontinue Services to You *44*
17 5 Amendment Pursuant to Applicable Law *45*

ARTICLE 18 **45**

POST-TERMINATION 45
18 1 Cease Operations *45*
18 2 Stop Using the System *45*
18 3 Cancellation of Assumed Names *45*
18 4 No Use of Similar Marks *45*
18 5 Payment of Sums Owed *46*
18 6 Payment of Damages Costs and Expenses *46*
18 7 Delivery of Manuals and Materials *46*
18 8 Confidential Information *46*
18 9 Marketing and Promotional Materials *46*
18 10 Assignment to Us *46*
18 11 Assignment of Lease *46*
18 12 Our Right to Purchase *47*
18 13 Kitchen Assets *48*
18 14 Assignment of Options by Us *48*
18 15 Telephone Numbers Yellow Pages Listings etc *48*
18 16 Liquidated Damages *49*

ARTICLE 19 **49**

MISCELLANEOUS 49
19 1 Notices *49*
19 2 Entire Agreement *50*
19 3 No Waiver *50*
19 4 Our Prior Approval *50*
19 5 No Warranty or Guaranty *50*
19 6 Continued Obligation to Pay Sums *50*
19 7 Venue Governing Law *51*
19 8 Agreement Regarding Governing Law and Choice of Forum *51*
19 9 Waiver of Punitive Damages *51*
19 10 Execution in Multiple Counterparts *51*
19 11 Captions *51*
19 12 Survival of Terms *52*
19 13 Severability of Provisions *52*
19 14 Joint and Several Obligations *52*
19 15 Rights and Remedies Cumulative *52*
19 16 Terminology *52*
19 17 References *53*
19 18 No Rights or Remedies Except to the Parties *53*
19 19 Effectiveness of Agreement *53*
19 20 Modification of the System *53*
19 21 Operation in the Event of Absence or Disability *54*
19 22 Step-In Rights *54*
19 23 Costs and Legal Fees *54*

ARTICLE 20 **55**

SECURITY INTERESTS 55
20 1 Collateral *55*
20 2 Indebtedness Secured *55*
20 3 Additional Documents *55*
20 4 Possession of Collateral *55*
20 5 Our Remedies in Event of Default *55*
20 6 Special Filing as Financing Statement *56*

ARTICLE 21 **56**

TECHNOLOGY 56
21 1 Computer Systems and Software *56*
21 2 Data *57*
21 3 Privacy *57*
21 4 On-line Use of Proprietary Marks *57*
21 5 No Outsourcing Without Prior Written Consent *57*
21 6 Changes to Technology *57*

ARTICLE 22 **58**

YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS 58
22 1 Your Representations *58*
22 2 Your Acknowledgments *58*

ATTACHMENTS
A - Accepted Location and Territory
B - Collateral Assignment of Lease
C - Statement of Ownership Interests and Franchisee's Principals
D -1 Confidentiality, Non-Disclosure and Non-Competition Agreement
D -2 Confidentiality and Non-Disclosure Agreement
E - Electronic Transfer Authorization
F - Internet Websites and Listing Agreement, Telephone Listing Agreement
G - Power of Attorney (Tax)
H - Transfer of a Franchise to a Corporation or Limited Liability Company
I- Franchisee Disclosure Acknowledgment Statement
J - Guaranty
K - General Form of Release

TASTE BUDS KITCHEN INTERNATIONAL LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the 'Agreement') is made and entered into by and between Taste Buds Kitchen International LLC, a Maryland limited liability company having its principal place of business at 141 Wye River Drive, Queenstown, Maryland 21658 ("we", "us" or "our") and _____, a _____ corporation/limited liability company/partnership, having its principal place of business at _____ ("you" or "your") on the date this Agreement is executed by us below (the "Effective Date")

WITNESSETH

WHEREAS, as the result of the expenditure of time, skill, effort and money, we and our affiliate have developed and own a unique and distinctive system (hereinafter "System") relating to the establishment and operation of a Kitchen offering culinary entertainment and educational experience for kids and families using the franchisor's proprietary methods, techniques, trade dress, trademarks and logos ("Kitchen" or "Franchised Business")

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, and furnishings, proprietary products and ingredients, proprietary recipes, uniform standards, specifications, and procedures for operations, quality and uniformity of products and services offered, procedures for inventory, management and financial control, training and assistance, and advertising and promotional programs, all of which may be changed, improved, and further developed by us from time to time,

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark "Taste Buds Kitchen ®" and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as "Marks"),

WHEREAS, we and our affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service,

WHEREAS, you understand and acknowledge the importance of our high standards of quality, cleanliness, appearance and service and the necessity of operating the business franchised hereunder in conformity with our standards and specifications, and

WHEREAS, you desire to use the System in connection with the operation of a Kitchen at the location accepted by us as herein provided, as well as to receive the training and other assistance provided by us in connection therewith

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments set forth herein, the receipt and sufficiency of which are hereby acknowledged, agree as follows

ARTICLE 1
GRANT

1 1 Grant of Franchise

In reliance on the representations and warranties of you and your Principals (as defined in Section 19 16) hereunder, we hereby grant to you, upon the terms and conditions in this Agreement, the right and license, and you hereby accept the right and obligation, to operate a Taste Buds Kitchen under the Marks and the System in accordance with this Agreement You and the Principals have represented to us that you have entered into this Agreement with the intention to comply fully with the obligations to construct a Kitchen hereunder and not for the purpose of reselling the rights to develop the Kitchen hereunder You and the Principals understand and acknowledge that we have granted such rights in reliance on the business skill, financial capacity, personal character of, and expectations of performance hereunder by you and the Principals and that this Agreement and the rights and obligations hereunder may not be transferred until after the Kitchen is open for business to the public in accordance with Section 2 6, and then only in accordance with Article 16 hereof

1 2 Accepted Location

The specific street address of the Kitchen location accepted by us shall be set forth in Attachment A (Location" or "Accepted Location") You shall not relocate the Kitchen without our express prior written consent, which consent shall not be unreasonably withheld This Agreement does not grant to you the right or license to operate the Kitchen or to offer or sell any products or services described under this Agreement at or from any location other than the Accepted Location

1 3 Relocation

If you are unable to continue the operation of the Kitchen at the Accepted Location because of the occurrence of a force majeure event (as described in Section 17 1 3(e)), then you may request our approval to relocate the Kitchen to another location in the Territory, as that term is defined below, which approval shall not be unreasonably withheld Any other relocation outside the Territory or a relocation of the Kitchen not caused by force majeure shall also be subject to our prior approval If we elect to grant you the right to relocate the Kitchen, then you shall comply with the site selection and construction procedures set forth in Article 2

1 4 Territory

Upon the execution of this Agreement or when the Accepted Location is determined, whichever occurs later, you will be assigned a protected territory (the "Territory") that will also be described in Attachment A Except as provided in this Agreement, and subject to your and the Principals' material compliance with this Agreement, any other agreement among you or any of your affiliates (defined for the purposes hereof as any entity that is controlled by, controlling or under common control with such other entity) and us, we shall not establish or authorize any other person or entity, other than you, to establish a Kitchen in the Territory during the term of this Agreement and any extensions hereof You acknowledge and understand that the rights granted hereunder pertain only to the establishment of a Kitchen You acknowledge and agree that our affiliates currently operate, or may in the future operate, Kitchens under different marks and with operating systems that are the same as or similar to the System, and that any such Kitchens might compete with your Kitchen You further agree and acknowledge that the license granted hereby is only for the operation of one (1) Kitchen and only at a location accepted by us

1 5 Our Reserved Rights

Except as expressly limited by Section 1 4, we and our affiliates retain all rights with respect to Kitchens, the Marks and the sale of any products and services outside of your Territory, including, without limitation, the right

1 5 1 to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Kitchens and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside the Territory, and under any terms and conditions we deem appropriate "Alternative distribution channels" include, but are not limited to, the Internet, catalog sales, grocery stores, club stores, telemarketing or other direct marketing sales,

1 5 2 to operate and to grant others the right to operate Kitchens located outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to your Kitchen,

1 5 3 to operate and to grant others the right to operate Kitchens at special sites within and outside the Territory under any terms and conditions we deem appropriate, and

1 5 4 the right to acquire and operate a business operating one or more Kitchens located or operating in the Territory

As used in this Agreement, "Special Sites" shall include, without limitation, club stores, specialty stores, grocery stores, supermarkets, catering services, special events centers, parks, stadiums, arenas, museums, art centers, military bases, airports, other public transportation facilities, government offices or institutions, department stores, health care facilities and other institutional food service facilities, hotels and motels, toll road or highway rest stops, colleges, universities, food concession stands, theaters, theme parks, amusement centers, truck stops, beaches, boardwalks and casinos, temporary events, in addition to sales of products by mail order, catalog, or via the internet, and any similar outlets or distribution methods) and retail Kitchen locations being sublet under a lease to a master concessionaire, whether currently existing or constructed or established subsequent to the date hereof You understand and acknowledge that the Territory granted to you herein does not grant you any rights to a Special Site, even if such Special Site is located within the boundaries of your Territory

ARTICLE 2
SITE SELECTION, PLANS AND CONSTRUCTION

2 1 Your Responsibility to Locate a Site

You assume all cost, liability, expense and responsibility for locating, obtaining and developing a site for the Kitchen within the Territory, and for constructing and equipping the Kitchen at such site You shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to a site for the Kitchen unless the site is accepted by us as set forth below You acknowledge that the location, selection, procurement and development of a site for the Kitchen is your responsibility, that in discharging such responsibility you shall consult with real estate and other professionals of your choosing, unless we designate a supplier for these services, and that our approval of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied by us that the Kitchen operated at that site will be profitable or otherwise successful

2 2 Site Selection

2 2 1 If you do not already have possession of a location that we have accepted upon your execution of this Agreement, then prior to acquiring by lease or purchase a site for the Kitchen, but within ninety (90) days of the date this Agreement is executed, you shall locate a site for the Kitchen that satisfies the site selection guidelines provided to you by us pursuant to Section 5 1 and shall submit to us in the form specified by us a description of the site, including evidence reasonably satisfactory to us demonstrating that the site satisfies our site selection guidelines, together with such other information and materials as we may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site We shall have thirty (30) days after receipt of this information and materials to accept or decline, in our sole discretion, the proposed site as the location for the Kitchen In our discretion, we may conduct one (1) on-site evaluation of the proposed location for the Kitchen No site may be used for the location of the Kitchen unless it is first accepted in writing by us You acknowledge and agree that our acceptance of a location for the Kitchen is not a warranty or guaranty, express or implied, that you will achieve any particular level of success at the location or that your Kitchen will be profitable Our acceptance of a location for the Kitchen only signifies that the location meets our then-current minimum criteria for a Taste Buds Kitchen We reserve the right to approve deviations from our site selection standards based on the individual factors and components of a particular site, but any such approvals shall be granted in our sole discretion

2 2 2 If you elect to purchase the premises for the Kitchen, you shall submit a copy of the proposed contract of sale to us for our written approval prior to its execution and shall furnish to us a copy of the executed contract of sale within ten (10) days after execution If you will occupy the premises of the Kitchen under a lease or sublease, you shall submit a copy of the lease or sublease to us for written acceptance prior to its execution and shall furnish to us a copy of the executed lease or sublease within ten (10) days after execution No lease or sublease for the Kitchen premises shall be accepted by us unless a Collateral Assignment of Lease, prepared by us and executed by us, you and the lessor or sublessor, in substantially the form attached as Attachment B, is attached to the lease and incorporated therein We shall have ten (10) days after receipt of the lease, sublease or the proposed contract of sale to either accept or decline such documentation prior to its execution If we do not provide our specific approval of the lease, sublease or contract of sale within this ten (10) day period, then it shall be deemed not accepted

2 2 3 After a location for the Kitchen is accepted by us and acquired by you pursuant to this Agreement the Location shall be described in Attachment A

2 3 Zoning Clearances, Permits and Licenses

You shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances or regulations or which may be necessary as a result of any restrictive covenants relating to the Kitchen premises Prior to beginning the construction of the Kitchen, you shall (i) obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of the Kitchen, and (ii) certify in writing to us that the insurance coverage specified in Article 12 is in full force and effect (or provide us with a certificate of insurance evidencing coverage) and that all required approvals, clearances, permits and certifications have been obtained Upon written request, you shall provide to us additional copies of your insurance policies or certificates of insurance and copies of all such approvals, clearances, permits and certifications

2 4 Design of Kitchen

You must obtain any architectural, engineering and design services required for the construction of the Kitchen at your own expense from an architectural design firm approved or designated by us You shall adapt the prototypical architectural and design plans and specifications for construction of the

Kitchen provided to you by us in accordance with Section 5 3 as necessary for the construction of the Kitchen and shall submit such adapted plans to us for our review If we determine, in our reasonable discretion, that any such plans are not consistent with the best interests of the System, we may prohibit the implementation of such plans, and in this event will notify you of any objection(s) within ten (10) days of receiving such plans If we fail to notify you of an objection to the plans within this time period, you may use such plans If we object to any such plans, we shall provide you with a reasonably detailed list of changes necessary to make the plans acceptable We shall, upon a re-submission of the plans with such changes, notify you within ten (10) days of receiving the resubmitted plans whether the plans are acceptable If we fail to notify you in writing of any objection within such time period, you may use the resubmitted plans You acknowledge that our review of such plans relates only to compliance with the System and that acceptance by us of such plans does not constitute a representation, warranty, or guarantee, express or implied, by us that such plans are accurate or free of error concerning their design or structural application

2 5 Build-Out of Kitchen

You shall commence and diligently pursue construction or remodeling (as applicable) of the Kitchen You must hire a general contractor to complete the build-out of your Kitchen Commencement of construction shall be defined as the time at which any site work is initiated by you or on your behalf at the location accepted for the Kitchen Site work includes, without limitation, paving of parking areas, installing outdoor lighting and sidewalks, extending utilities, demising of interior walls and demolishing of any existing premises During the time of construction or remodeling, you shall provide us with such periodic reports regarding the progress of the construction or remodeling as may be reasonably requested by us In addition, we may make such on-site inspections as we may deem reasonably necessary to evaluate such progress You shall notify us of the scheduled date for completion of construction or remodeling no later than thirty (30) days prior to such date Within a reasonable time after the date of completion of construction or remodeling, we may, at our option, conduct an inspection of the completed Kitchen You acknowledge and agree that you will not open the Kitchen for business without our written authorization and that authorization to open shall be conditioned upon your strict compliance with this Agreement

2 6 Opening Date, Time is of the Essence

You acknowledge that time is of the essence Subject to your compliance with the conditions stated below, you shall open the Kitchen and commence business not later than nine (9) months from the date we approve the Accepted Location The date the Kitchen actually opens for business to the public is herein called the "Opening Date" Prior to opening, you shall complete all exterior and interior preparations for the Kitchen, including installation of equipment, fixtures, furnishings and signs, pursuant to the plans and specifications reasonably approved by us, and shall comply with all of your other pre-opening obligations, including, but not limited to, those obligations described in Sections 6 2 through 6 7, to our reasonable satisfaction If you fail to reasonably comply with any of such obligations, except for delay caused by a force majeure event as described in Section 17 1 3(e), we shall have the right to prohibit you from commencing business

ARTICLE 3
TERM AND RENEWAL

3 1 Term

Unless sooner terminated as provided in Article 17 hereof, the term of this Agreement shall continue from the date stated on the first page hereof for a period of ten (10) years

3 2 Renewal

Subject to the provisions of this Section, you shall have an option (exercisable only by written notice delivered to us less than nine (9) months, but more than six (6) months, prior to the end of the Initial Term of this Agreement) to renew the franchise hereunder for up to two (2) additional periods of ten (10) years each, if

3 2 1 you have been, throughout the Initial Term of this Agreement, in substantial compliance, and at the expiration of such Initial Term are in full compliance, with this Agreement, the lease and all other agreements between you and us or companies associated or affiliated with us,

3 2 2 you enter into our then-current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of franchises (which then-current Franchise Agreement may materially differ from this Agreement, including a higher rate of fees, different methods of calculating fees due, and different payment methods, which shall be the same as those set out in the franchise agreements being executed at the time of renewal),

3 2 3 you are able to maintain possession of the Accepted Location for the Kitchen (or at relocated premises pursuant to Section 1 3 hereof) pursuant to a lease reasonably acceptable to us,

3 2 4 you refurbish, upgrade, and/or renovate your Kitchen as we require in order that your Kitchen will meet our then-current standards and image for a Taste Buds Kitchen,

3 2 5 the landlord of the Accepted Location consents to a renewal or extension of the lease,

3 2 6 at the time the renewal option is exercised and at the time such renewal commences, all monetary obligations to us and any affiliate of ours must be current and must have been current at all times during the preceding twelve (12) months,

3 2 7 you execute a general release running in favor of us, our affiliates and our respective officers, directors and shareholders in a form similar to that in Exhibit K, releasing all claims against us, our officers, directors and shareholders, and

3 2 8 you pay to us a renewal fee in an amount equal to one-third (1/3) of our then-current initial franchise fee for a single unit franchisee

3 3 Refusal to Renew Franchise Agreement

We can refuse to renew your franchise if your lease, sublease or other document by which you have the right to occupy the Accepted Location is not extended before your renewal term is to take effect to cover the period of the renewal or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the renewal term We may also refuse to renew your franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure any defaults incurred during the Initial Term of this Agreement, if applicable

3 4 Renewal Under Law

Even though we decline the renewal of your franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time If that happens, to the extent it is allowed by the concerned law, rule, regulation, statute, ordinance or order,

your renewal term will be subject to the conditions of the Franchise Agreement we are using for new franchisees at the time the renewal period begins If we are not then offering new franchises, your renewal period will be subject to the terms in the Franchise Agreement that we indicate If for any reason that is not allowed, the renewal term will be governed by the terms of this Agreement

3 5 Your Election Not to Renew

For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us our then-standard Franchise Agreement and other ancillary documents required by us for a renewal franchise within thirty (30) days after we have delivered them to you

ARTICLE 4
FEES

4 1 Initial Franchise Fee

You shall pay to us an initial franchise fee of Forty Five Thousand Dollars ($45,000) which shall be paid upon the execution of this Agreement The amount of the initial franchise fee when so paid shall be deemed non-refundable and fully earned in consideration of the administrative and other expenses incurred by us in granting the franchise hereunder and for our lost or deferred opportunity to grant such franchise to any other party We offer an incentive of $500 to (i) new franchise candidates who are approved by us and who sign a Franchise Agreement within 30 days of attending Discovery Day, and (ii) existing Taste Buds Kitchen franchise owners who sign a Franchise Agreement for an additional location within 30 days of being provided the Disclosure Document in connection with the additional location If you are taking advantage of this incentive, your Initial Franchise Fee will be $44,500 00

4 2 Royalty Fees

4 2 1 During the term of this Agreement, you shall pay to us, in partial consideration for the rights herein granted, a Royalty fee of nine percent (9%) of Gross Revenues ("Royalty Fee") Such Royalty Fee shall be due and payable on Wednesday of each week based on the Gross Revenues for the preceding week ending Sunday, provided that such day is a business day If the date on which such payments would otherwise be due is not a business day, then payment shall be due on the next business day

4 2 2 If any state imposes a sales or other tax on the Royalty Fees, then we have the right to collect this tax from you

4 3 Payments to Us

By executing this Agreement, you agree that we shall have the right to withdraw funds from your designated bank account each week by electronic funds transfer ("EFT") in the amount of the Royalty Fee and any other payments due to us and/or our affiliates If you do not report the Kitchen's Gross Revenues, we may debit your account for one hundred twenty percent (120%) of the last Royalty Fee that we debited If the Royalty Fees we debit are less than the Royalty Fees you actually owe to us, once we have been able to determine the Kitchen's true and correct Gross Revenues, we will debit your account for the balance on a day we specify If the Royalty Fees we debit are greater than the Royalty Fees you actually owe, we will credit the excess against the amount we otherwise would debit from your account during the following week You shall, upon execution of this Agreement or at any time thereafter at our request, execute such documents or forms as we or your bank determine are necessary for us to process

EFTs from your designated bank account for the payments due hereunder If payments are not received when due, interest may be charged by us in accordance with Section 4 5 below Upon written notice to you, you may be required to pay such fees directly to us in lieu of EFT, at our sole discretion

4 4 Interest on Overdue Amounts

You shall not be entitled to withhold payments due us under this Agreement on grounds of alleged non-performance by us hereunder- Any payment or report not actually received by us on or before its due date shall be deemed overdue Time is of the essence with respect to all payments to be made by you to us All unpaid obligations under this Agreement shall bear interest from the date due until paid at the greater of (i) eighteen percent (18%) per annum, or (ii) the maximum rate allowed by applicable law Notwithstanding anything to the contrary contained herein, no provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law If any excess of interest is provided for herein, or shall be adjudicated to be so provided in this Agreement, the provisions of this paragraph shall govern and prevail, and neither you nor your Controlling Principals shall be obligated to pay the excess amount of such interest If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment and reduction of any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder then such excess shall be repaid to the party that paid such interest

4 5 Definition of Gross Revenues

"Gross Revenues" shall mean the total selling price of all services and products and all income of every other kind and nature related to the Kitchen, whether for cash or credit and regardless of collection in the case of credit If a cash shortage occurs, the amount of Gross Revenues will be determined based on the records of the point of sale system and any cash shortage will not be considered in the determination Gross Revenues expressly excludes taxes collected from your customers and paid to the appropriate taxing authority and customer refunds or adjustments

4 6 Insufficient Funds Fees

If there are not sufficient funds in your account to permit us to debit the account for the payments you owe us, you will pay to us an insufficient funds fee equal to One Hundred Dollars ($100) This fee is in addition to interest on any overdue amount, as described in Section 4 5 above, and any fees charged by your bank If you incur three (3) insufficient funds fees within any twelve (12) month period, we may terminate this Agreement without providing you the opportunity to cure the default

4 7 Payment of Additional Fees

You shall pay such other fees or amounts described in this Agreement

4 8 Technology Fee

In order to provide for inevitable, but unpredictable changes to technological need and opportunities, you agree that we shall have the right to collect funds for modifications and enhancements made to the website, proprietary software and for other maintenance and support services we offer Accordingly, you agree to pay to us, on the first Wednesday of each month beginning in the month following the singing of this Agreement, via EFT, our then-current technology fee We reserve the right to increase this fee as we deem appropriate on an annual basis

ARTICLE 5
OUR OBLIGATIONS

We agree to provide the services described below with regard to the Kitchen

5 1 Site Selection Guidelines

We will provide our written site selection guidelines and such site selection assistance as we may deem advisable

5 2 On-Site Evaluation

We may, in our discretion, conduct one (1) on-site evaluation of a site that you propose to us for your Kitchen, provided that we have received all required information and materials concerning such site prepared pursuant to Article 2

5 3 Design Plans

We will provide, on loan, via e-mail one (1) set of prototypical architectural and design plans and specifications for a Kitchen You shall, at your expense, have such architectural and design plans and specifications adapted for construction of the Kitchen in accordance with Article 2 using an architect or design that we have approved or designated

5 4 Confidential Operations Manual

On loan, via e-mail one (1) set of Confidential Operations Manuals and such other manuals and written materials as we shall have developed for use in the Franchised Business (as the same may be revised by us from time to time, the "Manuals"), as more fully described in Section 10 1 The Manuals may, in our discretion, be provided or made available electronically

5 5 Visits and Evaluations

Visits to the Kitchen and evaluations of the products sold and services rendered therein from time to time as reasonably determined by us, as more fully described in Section 7 5 6

5 6 Marketing and Promotional Materials

Certain marketing and promotional materials and information developed by us and/or our affiliate from time to time for use by you in conducting in-store marketing and local marketing for the Kitchen at a reasonable cost to you We shall have the right to review and approve or disapprove all marketing and promotional materials that you propose to use, pursuant to Article 8

5 7 Management and Operations Advice

Advice and written materials concerning techniques of managing and operating the Kitchen from time to time developed by us, including new developments and improvements in Kitchen equipment, food products and the packaging and preparation thereof and additional items offered Notwithstanding the foregoing, you understand and acknowledge that we reserve the right, in our sole discretion, to grant to certain Taste Buds Kitchens variances from our standard offerings to accommodate regional or local tastes or ingredients Nothing in this Agreement requires us to grant to you a similar variance

5 8 Products for Resale

From time to time and at our reasonable discretion, at a reasonable cost, make available for resale to your customers certain merchandise identifying the System, such as logoed merchandise and

memorabilia, and other proprietary products in sufficient amounts to meet customer demand We may specify that you must purchase such merchandise from us, our affiliate, or another designated supplier

5 9 Approved Suppliers

A list of approved suppliers as described in Section 7 4 from time to time as we deem appropriate

5 10 Initial Training Program

An initial training program for up to two (2) people (you or your Operating Principal and one other person), as well as other training programs in accordance with the provisions of Section 6 5

5 11 Marketing Cooperatives

Establishment and administration of a marketing cooperative in accordance with Article 8

ARTICLE 6
YOUR AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

6 1 Use Commercially Reasonable Efforts

Each of you and the Principals covenants and agrees that they shall make all commercially reasonable efforts to operate the Kitchen so as to achieve optimum sales

6 2 Representations of Corporate Entity

If you are a corporation, limited liability company, or partnership, you and the Principals represent, warrant and covenant that

6 2 1 You are duly organized and validly existing under the state law of your formation,

6 2 2 You are duly qualified and are authorized to do business in each jurisdiction in which your business activities or the nature of the properties owned by you require such qualification,

6 2 3 Your corporate charter, operating agreement, or written partnership agreement shall at all times provide that your activities are confined exclusively to the operation of the Kitchen, unless otherwise consented to in writing by us,

6 2 4 The execution of this Agreement and the consummation of the transactions contemplated hereby are within your corporate power, if you are a corporation, or if you are a limited liability company, permitted under your operating agreement, or if you are a partnership, permitted under your written partnership agreement and have been duly authorized by you,

6 2 5 If you are a corporation or a limited liability company, copies of your articles of incorporation, bylaws, operating agreement, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by us shall be furnished to us prior to the execution of this Agreement, or, if you are a partnership, copies of your written partnership agreement, other governing documents and any amendments thereto shall be furnished to us prior to the execution of this Agreement, including evidence of consent or approval of the entry into and performance

of this Agreement by the requisite number or percentage of partners, if such approval or consent is required by your written partnership agreement,

6 2 6 If you are a corporation, partnership or other form of legal entity other than an individual, the ownership interests in you are accurately and completely described in Attachment C Further, if you are a corporation, you shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in you or, if you are a partnership or other form of legal entity, you shall maintain at all times a current list of all owners of an interest in the partnership or entity You shall immediately provide a copy of the updated list of all owners to us upon the occurrence of any change of ownership and otherwise make your list of owners available to us upon reasonable written request,

6 2 7 If you are a corporation, you shall maintain stop-transfer instructions against the transfer on your records of any of equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to us that it is held subject to all restrictions imposed upon assignments by this Agreement If you are a partnership or limited liability company, your written agreement shall provide that ownership of an interest in the entity is held subject to all restrictions imposed upon assignments by this Agreement,

6 2 8 You must have provided us with your most recent financial statements Such financial statements present fairly your financial position, at the dates indicated therein and with respect to you, the results of your operations and your cash flow for the years then ended You agree that you shall maintain at all times, during the term of this Agreement, sufficient working capital to fulfill your obligations under this Agreement Each of the financial statements mentioned above shall be certified as true, complete and correct and shall have been prepared in conformity with generally accepted accounting principles applicable to the respective periods involved and, except as expressly described in the applicable notes, applied on a consistent basis No material liabilities, adverse claims, commitments or obligations of any nature exist as of the date of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on your financial statements

6 2 9 If, after the execution of this Agreement, any person ceases to qualify as one of your Principals (defined in Section 19 16) or if any individual succeeds to or otherwise comes to occupy a position which would, upon designation by us, qualify him as one of your Principals, you shall notify us within ten (10) days after any such change and, upon designation of such person by us as one of your Principals or as a Controlling Principal, as the case may be, such person shall execute such documents and instruments (including, as applicable, this Agreement) as may be required by us to be executed by others in such positions,

6 2 10 Your Principals shall each execute and bind themselves to the confidentiality and non-competition covenants set forth in the Confidentiality, Non-Disclosure and Non-Competition Agreement which forms Attachment D-1 to this Agreement (see Sections 10 2 2 and 10 3 4) The Controlling Principals shall, jointly and severally, guarantee your performance of all of your obligations, covenants and agreements hereunder pursuant to the terms and conditions of the guaranty contained herein, and shall otherwise bind themselves to the terms of this Agreement as stated herein, and

6 2 11 You and the Principals acknowledge and agree that the representations, warranties and covenants set forth above in Sections 6 2 1 through 6 2 10 are continuing obligations of you and the Principals, as applicable, and that any failure to comply with such representations, warranties and covenants shall constitute a material event of default under this Agreement You and the Principals

will cooperate with us in any efforts made by us to verify compliance with such representations, warranties and covenants

6 3 Operating Principal

If you will not actively participate in the daily operation of the Kitchen franchised hereunder (such as if you are a corporate entity and/or you own multiple Kitchens), then you shall designate and retain at all times an operating principal ("Operating Principal") to direct the operation and management of the Kitchen The Operating Principal must be an equity owner and shall be responsible for the daily operation of the Kitchen and shall be our primary contact with respect to operations matters The Operating Principal shall, during the entire period he/she serves as Operating Principal, meet the following qualifications

6 3 1 The Operating Principal shall satisfy our educational and business experience criteria as set forth in the Manual as defined herein or otherwise in writing by us,

6 3 2 The Operating Principal shall devote full time and best efforts to the supervision and management of the Kitchen,

6 3 3 The Operating Principal shall be an individual acceptable to us,

6 3 4 The Operating Principal shall at all times own at least a ten percent (10%) interest in you, and

6 3 5 The Operating Principal shall satisfy the training requirements set forth in Section 6 5 If, during the term of this Agreement, the Operating Principal is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section, you shall promptly notify us and designate a replacement within thirty (30) days after the Operating Principal ceases to serve, such replacement being subject to the same qualifications listed above (including completing all training and obtaining all certifications required by us) You shall provide for interim management of the Kitchen until such replacement is so designated, such interim management to be conducted in accordance with the terms of this Agreement Any failure to materially comply with the requirements of this Section 6 3 shall be deemed a material event of default under Section 17 1 3(o) hereof

6 4 General Manager

If neither you nor your Operating Principal will be participating in the day-to-day operation of your Kitchen you shall designate and retain at all times a general manager ("General Manager") to direct the operation and management of the Kitchen The General Manager shall be responsible for the daily operation of the Kitchen and may be one of the Controlling Principals The General Manager shall, during the entire period he/she serves as General Manager, meet the following qualifications

6 4 1 The General Manager shall satisfy our educational and business experience criteria as set forth in the Manuals as defined herein or otherwise in writing by us,

6 4 2 The General Manager shall devote full time and best efforts to the supervision and management of the Kitchen,

6 4 3 The General Manager shall be an individual acceptable to us, and

6 4 4 The General Manager shall satisfy the training requirements set forth in Section 6 5 and must execute the Confidentiality and Non-Disclosure Agreement attached as Attachment D-2 hereto If, during the term of this Agreement, the General Manager is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section, you shall promptly (not later than seven (7) days after the event) notify us and designate a replacement within sixty (60) days after the General Manager ceases to serve, such replacement being subject to the same qualifications listed above (including completing all training and obtaining all certifications required by us) You shall provide for interim management of the Kitchen until such replacement is so designated, such interim management to be conducted in accordance with the terms of this Agreement Any failure to materially comply with the requirements of this Section 6 4 shall be deemed a material event of default under Section 17 1 3(o) hereof

6 5 Training

You agree that it is necessary to the continued operation of the System and the Kitchen that your personnel receive such training as we may reasonably require, and accordingly agree as follows

6 5 1 Not later than thirty (30) days prior to the Opening Date, up to two (2) trainees (you or your Operating Principal and your General Manager) shall have completed, to our reasonable satisfaction, our initial training program, including classroom training and training in an operating Kitchen at such location(s) as may be designated by us If you request that we provide our initial training program to any additional trainees, you shall pay our then-current, per person training fee for each additional trainee and you must reimburse us for any expenses our trainers incur, such as costs of travel, lodging, and meals

We shall determine, in our reasonable discretion, whether a manager has satisfactorily completed initial training If the initial training program is (a) not completed within the timeframe required by us, (b) not satisfactorily completed by any manager, or (c) if we in our reasonable business judgment, based upon the performance of the manager, determine that the training program cannot be satisfactorily completed by any such person, you shall designate a replacement to satisfactorily complete such training Any manager subsequently designated by you shall also receive and complete such initial training We reserve the right to charge a reasonable fee for providing our initial training program to any replacement or successor manager or other Kitchen personnel You shall be responsible for any and all expenses incurred by you or your Operating Principal, your General Manager and other Kitchen personnel in connection with any initial training program, including, without limitation, costs of travel, lodging, meals and applicable wages

6 5 2 Upon your reasonable request or as we shall deem appropriate, we shall, during the term hereof and subject to the availability of personnel, provide you with additional trained representatives who shall provide on-site remedial training and assistance to your Kitchen personnel For this additional training and assistance, you shall pay the per diem fee then being charged to franchisees under the System for the services of such trained representatives, plus their costs of travel, lodging, and meals

6 5 3 We reserve the right to conduct additional or refresher training programs, seminars and other related activities regarding the operation of the Kitchen Such training programs and seminars may be offered to you, your managers or other Kitchen personnel generally, and we may designate that such training programs and seminars are mandatory for you, your Operating Principal, General Manager, or other Kitchen personnel We may charge our then current fee to attend the training

programs for any refresher training, and you shall pay for all of the expenses incurred by your trainees, including travel, lodging, meals and wages

6 6 Franchisee Meetings

We reserve the right to hold meetings for all franchisees and other Taste Buds Kitchen operators, which meetings shall not occur more frequently than annually We shall not be required to hold such meetings until we believe it is prudent to do so These meetings may be used to provide additional training, introduce new products or changes to the System, or for other reasons We reserve the right to designate that attendance at any franchisee meeting is mandatory for you, your Operating Principal, your General Manager and/or other Kitchen personnel You must pay our then-current attendance fee to attend the meeting and you will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages

6 7 Hiring Practices

You and the Principals understand that compliance by all franchisees operating under the System with our training, development and operational requirements is an essential and material element of the System and that we and franchisees operating under the System consequently expend substantial time, effort and expense in training management personnel for the development and operation of their respective Kitchens Accordingly, you and the Principals agree that if you or any Principal shall, during the term of this Agreement, designate as General Manager or employ in a managerial position any individual who is at the time or was within the preceding ninety (90) days employed in a managerial or supervisory position by us or our affiliates, including, but not limited to, individuals employed to work in Kitchens operated by us or by our affiliates, or by any other franchisee, then such former employer of such individual shall be entitled to be compensated for the reasonable costs and expenses, of whatever nature or kind, incurred by such employer in connection with the training of such employee The parties hereto agree that such expenditures may be uncertain and difficult to ascertain and therefore agree that the compensation specified herein reasonably represents such expenditures and is not a penalty An amount equal to the compensation of such employee for the six (6) month period (or such shorter time, if applicable) immediately prior to the termination of his employment with such former employer shall be paid by you to the former employer prior to such individual assuming the position of General Manager or other managerial position unless otherwise agreed with the former employer In seeking any individual to serve as General Manager, or in such other managerial position, you and the Principals shall not discriminate in any manner whatsoever to whom the provisions of this Section apply, on the basis of the compensation required to be paid hereunder, if you or any Principal designate or employ such individual The parties hereto expressly acknowledge and agree that no current or former employee of us, you, or of any other entity operating under the System shall be a third party beneficiary of this Agreement or any provision hereof Notwithstanding the above, solely for purposes of bringing an action to collect payments due under this Section, such former employer shall be a third party beneficiary of this Section 6 7 We hereby expressly disclaim any representations and warranties regarding the performance of any employee or former employee of ours, or any franchisee under the System who is designated as your General Manager or employed by you or any of the Principals in any capacity, and we shall not be liable for any losses, of whatever nature or kind, incurred by you or any Principal in connection therewith

6 8 Certifications

You (or your Operating Principal if you are an entity) and your General Manager must be ServSafe Manager Training (or similar) certified and must be adult-child-infant CPR & First Aid Certified from an accredited institution following American Heart Association guidelines and maintain current certifications at all times You must also conduct employee background checks on all employees Further, if you are not proficient in Apple OS, Apple Pages, Apple Numbers, Apple Mail or Quickbooks Online, you must take a course approved in advance by us, and at your expense, to obtain proficiency in such software

6 9 Compliance with Laws

You shall comply with all requirements of federal, state and local laws, rules, regulations, and orders, including but not limited to obtaining the appropriate licenses and permits required by your local or state government

You and your Principals 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 Principals certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Principals otherwise are not in violation of, any of the Anti-Terrorism Laws "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, 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 Principals, or any blocking of your or your Principals' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement

6 10 Compliance with All Other Obligations

You shall comply with all other requirements and perform such other obligations as provided hereunder

ARTICLE 7
FRANCHISE OPERATIONS

7 1 Compliance with Standards

You understand the importance of maintaining uniformity among all of the Kitchens and the importance of complying with all of our standards and specifications relating to the operation of the Kitchen

7 2 Maintenance of Kitchen

You shall maintain the Kitchen in a high degree of sanitation, repair and condition, and in connection therewith shall make such additions, alterations, repairs and replacements thereto (but no others without our prior written consent) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment (including, but not limited to, point of sale or computer hardware and software systems), and decor as we may reasonably direct in order to maintain System-wide integrity and uniformity You shall also obtain, at your cost and expense, any new or additional equipment (including point of sale or computer hardware and software systems), fixtures, supplies and other products and materials which may be reasonably required by us for you to offer and sell new items from the Kitchen or to provide the Kitchen services by alternative means Except as may be expressly provided in the Manuals, no material alterations or improvements or changes of any kind in design, equipment, signs, interior or exterior décor items,

fixtures or furnishings shall be made in or about the Kitchen or its premises without our prior written approval, which shall not be unreasonably withheld

7 3 Remodeling and Redecorating

To assure the continued success of the Kitchen, you shall, upon our request, remodel and/or redecorate the Kitchen premises, equipment (including point of sale or computer hardware and software systems), signs, interior and exterior décor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Kitchen to our then-current System-wide standards and specifications We agree that we shall not request such remodeling and/or redecorating more frequently than every five (5) years during the term of this Agreement, except that if the Kitchen franchise is transferred pursuant to Article 14, we may request that the transferee remodel and/or redecorate the Kitchen premises as described herein

7 4 Approved Suppliers

You shall comply with all of our standards and specifications relating to the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including point of sale and computer hardware and software systems) and other products used or offered for sale at the Kitchen Except as provided in Sections 7 6 and 7 7 with respect to certain materials bearing the Marks and proprietary products, you shall obtain such items from suppliers (including manufacturers, distributors and other sources) who continue to demonstrate the ability to meet our then-current standards and specifications for food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment and other items used or offered for sale at Kitchens and who possess adequate quality controls and capacity to supply your needs promptly and reliably, and who have been approved in writing by us prior to any purchases by you from any such supplier, and who have not thereafter been disapproved by us

If you desire to purchase, lease or use any products or other items from an unapproved supplier, you shall submit to us a written request for such approval, or shall request the supplier itself to do so, together with payment of our then-current evaluation fee You shall not purchase or lease from any supplier until and unless such supplier has been approved in writing by us We shall have the right to require that our representatives be permitted to inspect the proposed supplier's facilities, and that samples from the supplier be delivered, either to us or to an independent laboratory designated by us, for testing We reserve the right, at our option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria Nothing herein shall be construed to require us to approve any particular supplier

7 5 Operation of Kitchen in Compliance with Our Standards

To ensure that the highest degree of quality and service is maintained, you shall operate the Kitchen in strict conformity with such of our methods, standards and specifications set forth in the Manuals and as may from time to time otherwise be prescribed in writing In particular, you also agree

7 5 1 To sell or offer for sale all items, products and services required by us and in the method, manner and style of distribution prescribed by us, only as expressly authorized by us in writing in the Manuals or otherwise in writing You understand and acknowledge that you may not provide catering services Further, you are not permitted to rent out your Kitchen or host any events at your Kitchen which are not affiliated with Taste Buds Kitchen and approved by us You may only sell products at retail and may not engage in the wholesale or distribution of any product You cannot offer free products or services unless approved by us in connection with an "Open House" at your Kitchen

7 5 2 To sell and offer for sale only the items, products and services that have been expressly approved for sale in writing by us, to refrain from deviating from our standards and specifications without our prior written consent, and to discontinue selling and offering for sale any items, products or services which we may, in our sole discretion, disapprove in writing at any time Notwithstanding the foregoing, you understand and agree that we have the right, in our sole discretion, to grant to certain Taste Buds Kitchens variances from our standard offerings to accommodate regional or local tastes or ingredients, and that nothing in this Agreement requires us to grant to you a similar variance

7 5 3 To maintain in sufficient supply and to use and sell at all times only such food and beverage items, ingredients, products, materials, merchandise, supplies and paper goods that conform to our standards and specifications, to prepare all items in accordance with our recipes and procedures for preparation contained in the Manuals or other written directives, including, but not limited to, the prescribed measurements of ingredients, and to refrain from deviating from our standards and specifications by the use or offer of non-conforming items or differing amounts of any items, without our prior written consent

7 5 4 To permit us or our agents, during normal business hours, to remove a reasonable number of samples of food or non-food items from your inventory or from the Kitchen, without payment therefor, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether such samples meet our then-current standards and specifications In addition to any other remedies we may have under this Agreement, we may require you to bear the cost of such testing if the supplier of the item has not previously been approved by us or if the sample fails to conform with our reasonable specifications

7 5 5 To purchase or lease and install, at your expense, all fixtures, furnishings, equipment (including point of sale and computer hardware and software systems), decor items, signs, vehicles, and related items as we may reasonably direct from time to time in the Manuals or otherwise in writing, and to refrain from installing or permitting to be installed on or about the Kitchen premises, without our prior written consent, any fixtures, furnishings, equipment, vehicles, decor items, signs, games, vending machines or other items not previously approved as meeting our standards and specifications If any of the property described above is leased by you from a third party, such lease shall be approved by us, in writing, prior to execution Our approval shall be conditioned upon such lease containing a provision which permits any interest of yours in the lease to be assigned to us upon the termination or expiration of this Agreement and which prohibits the lessor from imposing an assignment or related fee upon us in connection with such assignment

7 5 6 To grant us and our agents the right to enter upon the Kitchen premises and any business vehicle, during normal business hours, for discovery days or for the purpose of conducting inspections, to cooperate with our representatives in such inspections by rendering such assistance as they may reasonably request, and, upon notice from us or our agents and without limiting our other rights under this Agreement, to take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection Should you, for any reason, fail to correct such deficiencies within a reasonable time as determined by us, we shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge you a reasonable fee for our expenses in so acting, payable by you immediately upon demand In addition, we may require you to attend remedial training at our headquarters or we may send a trainer to your Kitchen to provide remedial training, at your expense, which may include training or per diem fees and travel and living expenses

7 5 7 To maintain a competent, conscientious, trained staff and to take such steps as are necessary to ensure that your employees preserve good customer relations and comply with such dress code as we may reasonably prescribe from time to time

7 5 8 To install and maintain equipment in accordance with our specifications to permit us to access and retrieve any information stored on a point of sale system (or other computer hardware and software) you are required to utilize at the Kitchen premises as specified in the Manuals, thereby permitting us to inspect and monitor electronically information concerning your Kitchen, Gross Revenues and such other information as may be contained or stored in such equipment and software You shall obtain and maintain Internet access and/or other means of electronic communication, as specified by us from time to time It shall be a material default under this Agreement if you fail to maintain such equipment, lines and communication methods in operation and accessible to us at all times throughout the term of this Agreement We shall have access as provided herein at such times and in such manner as we shall from time to time specify

7 5 9 To participate in all loyalty programs or customer appreciation programs, and to honor all credit, charge, courtesy or cash cards or other credit devices required or approved by us You must obtain our written approval prior to honoring any previously unapproved credit, charge, courtesy or cash cards or other credit devices

7 5 10 To sell or otherwise issue gift cards or certificates (together "Gift Cards") that have been prepared utilizing the standard form of Gift Card provided or designated by us, and only in the manner specified by us in the Manuals or otherwise in writing You shall fully honor all Gift Cards that are in the form provided or approved by us regardless of whether a Gift Card was issued by you or another Taste Buds Kitchen You shall sell, issue, and redeem Gift Cards in accordance with procedures and policies specified by us in the Manuals or otherwise in writing, including those relating to procedures by which you shall receive reimbursement for Gift Cards issued by other Taste Buds Kitchens and for making timely payment to us, other operators of Taste Buds Kitchens, or a third-party service provider for Gift Cards issued from the Kitchen that are honored by us or other Taste Buds Kitchen operators

7 6 Proprietary Products

You acknowledge and agree that we and our affiliates have developed and/or may develop, for use in the System certain products which are prepared from confidential proprietary recipes and which are trade secrets of us and our affiliates, and other proprietary products bearing the Marks Because of the importance of quality and uniformity of production and the significance of such products in the System, it is to the mutual benefit of the parties that we closely control the production and distribution of such products Accordingly, you agree that if such products become a part of the System, you shall use only our secret recipes and proprietary products and shall purchase all of your requirements for such products solely from us or from a source designated by us You further agree to purchase from us or our designated supplier for resale to your customers certain merchandise identifying the System as we shall require, such as logoed merchandise, memorabilia and promotional products, in amounts sufficient to satisfy your customer demand

7 7 Advertising and Promotional Materials

You shall require all advertising and promotional materials, signs, decorations, paper goods (including item offerings and all forms and stationery used in the Franchised Business), and other items which may be designated by us to bear the Marks in the form, color, location and manner prescribed by us, including, without limitation, notations about the ownership of the Marks

7 8 Complaints

You shall process and handle all consumer complaints connected with or relating to the Kitchen, and shall promptly notify us by telephone and in writing of all of the following complaints (i) food related illnesses, (ii) environmental, safety or health violations, (iii) claims exceeding Five Hundred Dollars ($500 00), and (iv) any other material claims against or losses suffered by you You shall maintain for our inspection any governmental or trade association inspection reports affecting the Kitchen or equipment located in the Kitchen during the term of this Agreement and for thirty (30) days after the expiration or earlier termination of this Agreement

7 9 Power of Attorney for Telephone Listings, etc

Upon the execution of this Agreement or at any time thereafter, you shall, at our option, execute such forms and documents as we deem necessary, including the agreements attached hereto as Attachment F, to appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of assigning to us only upon the termination or expiration of this Agreement, as required under Section 17 15 (i) all rights to the telephone numbers of the Kitchen and any related and other business listings, and (ii) Internet listings, domain names, Internet Accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usages related to the Franchised Business You agree that you have no authority to and shall not establish any website or listing on the Internet or World Wide Web without our express written consent, which consent may be denied without reason

7 10 Power of Attorney for Taxes

Upon execution of this Agreement or at any time thereafter, you shall, at our option, execute such forms and documents as we deem necessary, including, but not limited to, Attachment G hereto, to appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of obtaining any and all returns and reports filed by you with any state or federal taxing authority relating to the Franchised Business

7 11 Vehicles

If we permit you to provide off-site services, we anticipate that your employees will use their personal vehicles to provide any off-site services from your Kitchen We reserve the right to require you to have temporary signage placed on each vehicle We expect that all vehicles will be kept clean, in good working order and properly insured You must have each person providing those services to comply with all laws, regulations and rules of the road and to use due care and caution operating and maintaining the motor vehicles Except as described in this paragraph, we do not have any standards or exercise control over any motor vehicle that you use

7 12 Unapproved Products and Services

In the event you sell any food, beverage, products, novelty items, clothing, souvenirs or perform any services that we have not prescribed, approved or authorized, you shall, immediately upon notice from us (i) cease and desist offering or providing the unauthorized or unapproved food, beverage, product, premium, novelty item clothing, souvenir or from performing such services and (ii) pay to us, on demand, our then-current prohibited product or service fine per day for each day such unauthorized or unapproved food, beverage, product, premium novelty item, clothing, souvenir or service is offered or provided by you after written notice from us The prohibited product or service fine shall be in addition to all other remedies available to us under this Agreement or at law

7 13 Customer Surveys

You shall participate in all customer surveys and satisfaction audits, which may require that you provide discounted or complimentary products, provided that such discounted or complimentary sales shall not be included in the Gross Revenues of the Kitchen Additionally, you shall participate in any complaint resolution and other programs as we may reasonably establish for the System, which programs may include, without limitation, providing discounts or refunds to customers

7 14 Pricing

We may advise you in writing, from time to time and where permitted by applicable law, concerning the minimum and/or maximum prices which you should charge your customers for products and services provided or sold under the System Any such advice, if given at all, will be binding on you and you agree to comply with our pricing guidelines Nothing contained herein shall be deemed a representation by us that if you follow such guidelines you will, in fact, generate or optimize profits You are obligated to inform us of all prices charged for services and products sold by you and to inform us of any modifications of your prices

ARTICLE 8
MARKETING AND PROMOTION

Recognizing the value of marketing and the importance of the standardization of marketing programs to the furtherance of the goodwill and public image of the System, the parties agree as follows

8 1 Participation in Marketing

We may from time to time develop and create marketing and sales promotion programs designed to promote and enhance the collective success of all Kitchens operating under the System You shall participate in all such marketing and sales promotion programs in accordance with the terms and conditions established by us for each program In all aspects of these programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you

We may offer a referral fee to existing franchisees, employees working at any Taste Buds Kitchen, and vendors who provide us with prospective franchisee leads that result in the signing of a Franchise Agreement This referral program is administered in our sole discretion and may be changed or discontinued by us at any time The amount of the referral fee is subject to change at any time Those who are eligible to participate in this referral program and who refer prospective franchisees are not acting as our agent and do not speak for us, despite the receipt of a referral fee

8 2 Local Marketing

In addition to the ongoing marketing contributions set forth herein and, subject to any allocation of your expenditures for local marketing to a Cooperative as described in Section 8 4, you shall spend each month throughout the term of this Agreement an amount equal to three percent (3%) of Gross Revenues on marketing and promotion of your Kitchen in your Territory ("Local Marketing") To the extent that we require you to contribute an additional 1% of your monthly Gross Revenues to the Brand Development Fund, we will decrease your Local Marketing contribution to 2% of monthly Gross Revenues

Notwithstanding the foregoing, if your Kitchen participates in a Cooperative, as described in Section 8 4 below, any amount you contribute to the Cooperative (up to 1 5% of your Gross Revenues) will count toward the marketing specific to your Kitchen portion of your Local Marketing requirement, provided, however, that in the event your contribution to the Cooperative is less than your Local Marketing requirement, you shall nevertheless spend the difference locally You shall submit to us, within thirty (30) days of our request, advertising expenditure reports accurately reflecting your Local Marketing expenditures, including verification copies of all marketing and any other information that we require

8 3 Brand Development Fund

We reserve the right to establish and administer a Brand Development Fund for the purpose of advertising the System on a regional or national basis (the "Fund") You shall contribute to the Fund an amount equal to 1% of your monthly Gross Revenues payable via EFT on the first Wednesday of each month beginning with the month following the month in which you begin to make sales or accept bookings in connection with your Kitchen ("Brand Development Fee") We reserve the right to require you to contribute an additional 1% of your monthly Gross Revenues to the Fund However, if we do so, we will decrease your Local Marketing contribution requirement from 3% to 2% Brand Development Fee may increase if the cost of the support services increases We will provide you with thirty (30) days' prior written notice of any change to the Brand Development Fee Kitchens owned by us and our Affiliate may, but are not required to, contribute to the Fund on the same basis as you You agree that the Fund shall be maintained and administered by us or our designee as follows

8 3 1 We shall direct all marketing programs and shall have sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and the placement and allocation thereof You agree and acknowledge that the Fund is intended to maximize general public recognition and acceptance of the Marks and enhance the collective success of all Kitchens operating under the System In administering the Fund, we and our designees undertake no obligation to make expenditures for you which are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or *pro rata* from the placement of marketing We shall be entitled to reimbursement from the Fund for our reasonable expenses in managing the Fund

8 3 2 You agree that the Fund may be used to satisfy any and all costs of maintaining, administering, directing and preparing marketing (including, without limitation, the cost of preparing and conducting television, radio, magazine and newspaper advertising campaigns, direct mail and outdoor billboard advertising, internet marketing, product research and development, public relations activities, employing advertising agencies to assist therein, product development, conducting social media initiatives, and costs of our personnel and other departmental costs for advertising that is internally administered or prepared by us) All sums paid by you to the Fund may be commingled with our general funds but will be accounted for separately by us and may be used to defray our expenses, if any, as we may incur in activities reasonably related to the administration or direction of the Fund and advertising programs for franchisees and the System The Fund and its earnings shall not otherwise inure to our benefit The Fund is operated solely as a conduit for collecting and expending the Brand Development Fees as outlined above

8 3 3 A statement of the operations of the Fund shall be prepared annually by us and shall be made available to you upon request This statement of operations may be unaudited

8 3 4 Any monies remaining in the Fund at the end of any year will carry over to the next year Although the Fund is intended to be of perpetual duration, we may terminate the Fund The

Fund shall not be terminated, however, until all monies in the Fund have been expended for marketing or promotional purposes or returned to contributing Franchised Businesses or those operated by us, without interest, on the basis of their respective contributions

8 3 5 If we elect to terminate the Fund, we may, in our sole discretion, reinstate the Fund at any time If we so choose to reinstate the Fund, said reinstated Fund shall be operated as described herein

8 3 6 Notwithstanding the foregoing, money in the Fund can be used to produce commercials and ad layout templates that you must adapt for your Kitchen and use in local advertising, at your expense The Fund may also develop new promotional materials for use by all Taste Buds Kitchens in the System, and we may designate that our approved supplier will automatically ship these items to you, at your expense, when they are to be used Your failure to provide required contributions to the Fund or to make Royalty Fee payments or any other payments owed to us may result in denial of the benefits of any website and/or links associated with your Kitchen

8 4 Cooperative Marketing Funds

We may, in our discretion, create a regional marketing cooperative ("Cooperative") in any area, or we may approve the creation of such a Cooperative by franchisees in the System, and establish the rules and regulations therefor Immediately upon our request, you must become a member of the Cooperative for the area in which some or all of your Territory is located In no event may the Kitchen be required to be a member of more than one Cooperative The Cooperative must be governed in the manner we prescribe The Cooperative may require each of its members to make contributions thereto in an amount as agreed upon by the Cooperative members You shall contribute such amounts at the times and in the manner as determined by majority vote of the Cooperative members You will be required to contribute a minimum of 1 5% of your monthly Gross Revenues to the Cooperative, which you may apply toward satisfaction of your local marketing requirement Any amount you contribute to the Cooperative beyond 1 5% will not be credited toward your local marketing requirement and you will be required to contribute the difference toward your local marketing requirement If the amount you contribute to a Cooperative is less than your local marketing requirement, you must still spend the difference locally The following provisions apply to each Cooperative

8 4 1 the Cooperative must be organized and governed in a form and manner, and commence operation on a date, that we approve in advance in writing,

8 4 2 the Cooperative must be organized for the exclusive purpose of administering advertising programs and developing, subject to our approval, standardized promotional materials for the members' use in local advertising within the Cooperative's area,

8 4 3 the Cooperative may adopt its own rules and procedures, but such rules or procedures must be approved by us and must not restrict or expand your rights or obligations under this Agreement,

8 4 4 except as otherwise provided in this Agreement, and subject to our approval, any lawful action of the Cooperative (including, without limitation, imposing assessments for local advertising) at a meeting attended by members possessing more than fifty percent (50%) of the total voting power in the Cooperative is binding upon you if approved by members possessing more than fifty percent (50%) of the total voting power possessed by members in attendance, with each Kitchen having one (1) vote, but no franchisee (or commonly controlled group of franchisees) may have more than

twenty-five percent (25%) of the vote in the Cooperative regardless of the number of franchised businesses owned,

8 4 5 without our prior written approval, the Cooperative may not use, nor furnish to its members, any advertising or promotional plans or materials, all such plans and materials must be submitted to us in accordance with the procedure set forth in Section 8 5,

8 4 6 Cooperative may require its members to periodically contribute to it in such amounts as it determines,

8 4 7 no later than the fifteenth (15th) day of each month, each member/franchisee must submit its contribution under Section 8 4 6 for the preceding calendar month to the Cooperative, together with such other statements or reports as we or the Cooperative may require, with our prior written approval, and

8 4 8 if an impasse occurs because of a Cooperative members' inability or failure, within forty-five (45) days, to resolve any issue affecting the Cooperative's establishment or effective functioning, upon request of any Cooperative member, that issue must be submitted to us for consideration, and our resolution of such issue is final and binding on all Cooperative members

8 5 Conduct of Marketing, Our Approval

All marketing and promotion by you in any medium shall be conducted in a professional manner and shall conform to our standards and requirements as set forth in the Manuals or otherwise You shall obtain our approval of all marketing and promotional plans and materials prior to use if such plans and materials have not been prepared by us or previously approved by us during the twelve (12) months prior to their proposed use You shall submit such unapproved plans and materials to us not later than ten (10) days prior to the date you intend to use them If we do not provide our specific disapproval of the proposed materials, the proposed materials are deemed to be approved Any plans and materials that you submit to us for our review will become our property and there will be no restriction on our use or dissemination of such materials You shall not advertise or use the Marks in any fashion on the Internet, World Wide Web, including via social media, or via other means of advertising through telecommunication without our express written consent

We reserve the right to require you to include certain language on all marketing to be used locally by you or to be used by a Cooperative, including, but not limited to, "Franchises Available" and reference to our telephone number and/or website

8 6 Grand Opening Marketing Campaign

In addition to the ongoing marketing contributions and expenditures set forth herein, you shall be required to spend Ten Thousand Dollars ($10,000) on a grand opening marketing campaign to promote the opening of the Kitchen The grand opening marketing campaign shall be conducted generally in the sixty (60) day period comprising thirty (30) days before and thirty (30) days after the opening of your Kitchen All marketing proposed to be used in the grand opening marketing campaign are subject to our review and approval in the manner set forth in this Article 8 Your grand opening marketing campaign must include the give-aways and other promotions as we require

8 7 Websites

As used in this Agreement, the term "Website" means an interactive electronic document, series of symbols, or otherwise, that is contained in a network of computers linked by communications software

The term Website includes, but is not limited to, Internet and World Wide Web home pages In connection with any Website, you agree to the following

8 7 1 We shall have the right, but not the obligation, to establish and maintain a Website, which may, without limitation, promote the Marks, Taste Buds Kitchen and any or all of the products offered at Kitchens, the franchising of Taste Buds Kitchen, and/or the System We shall have the sole right to control all aspects of the Website, including without limitation its design, content, functionality, links to the websites of third parties, legal notices, and policies and terms of usage, we shall also have the right to discontinue operation of the Website

8 7 2 We shall have the right, but not the obligation, to designate one or more web page(s) to describe you and/or the Franchised Business, with such web page(s) to be located within our Website You shall comply with our policies with respect to the creation, maintenance and content of any such web pages, and we shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any web page

8 7 3 You shall not establish a separate Website related to the Marks or the System without our prior written approval (which we shall not be obligated to provide) If approved to establish such a Website, you shall comply with our policies, standards and specifications with respect to the creation, maintenance and content of any such Website You specifically acknowledge and agree that any such Website owned or maintained by you or for your benefit shall be deemed ' advertising" under this Agreement, and will be subject to (among other things) our approval under this Article 8

8 7 4 You understand and agree that you are strictly prohibited from using the Marks and/or promoting your Kitchen on any social and/or network Websites, including without limitation Facebook, LinkedIn, Instagram, Pinterest, MySpace or Twitter, without our prior written consent

ARTICLE 9
MARKS

9 1 Use of Marks

We grant you the right to use the Marks during the term of this Agreement in accordance with the System and related standards and specifications

9 2 Ownership of Marks, Limited License

You expressly understand and acknowledge that

9 2 1 We are the owner or the licensee of the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them All references herein to our right, title and interest in the Marks shall be deemed to include the owner's right, title and interest in the Marks

9 2 2 Neither you nor any Principal shall take any action that would prejudice or interfere with the validity of our rights with respect to the Marks Nothing in this Agreement shall give the you any right, title, or interest in or to any of the Marks or any service marks, trademarks, trade names, trade dress, logos, copyrights or proprietary materials, except the right to use the Marks and the System in accordance with the terms and conditions of this Agreement for the operation of the Kitchen and only at or from its Accepted Location or in approved advertising related to the Kitchen

9 2 3 You understand and agree that the limited license to use the Marks granted hereby applies only to such Marks as are designated by us, and which are not subsequently designated by us as being withdrawn from use, together with those which may hereafter be designated by us in writing You expressly understand and agree that you are bound not to represent in any manner that you have acquired any ownership or equitable rights in any of the Marks by virtue of the limited license granted hereunder, or by virtue of your use of any of the Marks

9 2 4 You understand and agree that any and all goodwill arising from your use of the Marks and the System shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the Marks

9 2 5 You shall not contest the validity of or our interest in the Marks or assist others to contest the validity of or our interest in the Marks

9 2 6 You acknowledge that any unauthorized use of the Marks shall constitute an infringement of our rights in the Marks and a material event of default hereunder You agree that you shall provide us with all assignments, affidavits, documents, information and assistance we reasonably request to fully vest in us all such rights, title and interest in and to the Marks, including all such items as are reasonably requested by us to register, maintain and enforce such rights in the Marks

9 2 7 If it becomes advisable at any time, in our discretion, to modify or discontinue use of any Mark and/or to adopt or use one or more additional or substitute proprietary marks, then you shall be obligated to comply with any such instruction by us We shall not have any obligation in such event to reimburse you for your documented expenses of compliance You waive any other claim arising from or relating to any Mark change, modification or substitution We will not be liable to you for any expenses, losses or damages sustained by you as a result of any Mark addition, modification, substitution or discontinuation You covenant not to commence or join in any litigation or other proceeding against us for any of these expenses, losses or damages

9 3 Limitation on Use of Marks

With respect to your licensed use of the Marks pursuant to this Agreement, you further agree that

9 3 1 Unless otherwise authorized or required by us, you shall operate and advertise the Kitchen only under the name "Taste Buds Kitchen" without prefix or suffix You shall not use the Marks as part of your corporate or other legal name, and shall obtain our approval of a trade name or "d/b/a" prior to filing it with the applicable state authority

9 3 2 During the term of this Agreement and any renewal hereof, you shall identify yourself as the independent owner of the Kitchen in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Kitchen or any business vehicle as we may designate in writing You must use your own business name on payroll checks and employment documents

9 3 3 You shall not use the Marks to incur any obligation or indebtedness on our behalf,

9 3 4 You shall comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by us or our counsel to obtain protection of the Marks or to maintain their continued validity and enforceability

9 4 Notification of Infringement or Claim

You shall notify us immediately by telephone and thereafter in writing of any apparent infringement of or challenge to your use of any Mark, of any claim by any person of any rights in any Mark, and you and the Principals shall not communicate with any person other than us, our counsel and your counsel in connection with any such infringement, challenge or claim We shall have complete discretion to take such action as we deem appropriate in connection with the foregoing, and the right to control exclusively, any settlement, litigation or Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark You agree to execute any and all instruments and documents, render such assistance, and do such acts or things as may, in our opinion, reasonably be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain the interests of us or any other interested party in the Marks We will indemnify you and hold you harmless from and against any and all claims, liabilities, costs, damages and reasonable expenses for which you are held liable in any proceeding arising out of your use of any of the Marks (including settlement amounts), provided that the conduct of you and the Principals with respect to such proceeding and use of the Marks is in full compliance with the terms of this Agreement

9 5 Retention of Rights by Us

The right and license of the Marks granted hereunder to you is non-exclusive and we thus have and retain the following rights, among others, subject only to the limitations of Article 1

9 5 1 To grant other licenses for use of the Marks, in addition to those licenses already granted to existing franchisees,

9 5 2 To develop and establish other systems using the Marks or other names or marks and to grant licenses thereto without providing any rights to you, and

9 5 3 To engage, directly or indirectly, through our employees, representatives, licensees, assigns, agents and others, at wholesale, retail or otherwise, in (a) the production distribution, license and sale of products and services, and (b) the use in connection with such production, distribution and sale, of the Marks and any and all trademarks, trade names, service marks, logos, insignia, slogans, emblems symbols, designs and other identifying characteristics as may be developed or used from time to time by us

ARTICLE 10
CONFIDENTIALITY AND NON-COMPETITION COVENANTS

10 1 Confidential Operations Manuals

10 1 1 To protect our reputation and goodwill and to maintain high standards of operation under the Marks, you shall conduct your business in accordance with the Manuals, other written directives which we may reasonably issue to you from time to time whether or not such directives are included in the Manuals, and any other manuals and materials created or approved for use in the operation of the Franchised Business

10 1 2 You and the Principals shall at all times treat the Manuals, any of our written directives, and any other manuals and materials, and the information contained therein as confidential and shall maintain such information as trade secret and confidential in accordance with this Article 10 You and the Principals shall divulge and make such materials available only to such of your employees as must have access to it in order to operate the Kitchen You and the Principals shall not at any time copy, duplicate, record or otherwise reproduce these materials, in whole or in part, or otherwise make the same available to any person other than those authorized above

10 1 3 The Manuals, written directives, other manuals and materials and any other confidential communications provided or approved by us shall at all times remain our sole property, shall at all times be kept in a secure place on the Kitchen premises, and shall be returned to us immediately upon request or upon termination or expiration of this Agreement Any digital or electronic copies must be destroyed upon termination or expiration of this Agreement

10 1 4 The Manuals, any written directives, and any other manuals and materials issued by us and any modifications to such materials shall supplement and be deemed part of this Agreement

10 1 5 We may from time to time revise the contents of the Manuals and the contents of any other manuals and materials created or approved for use in the operation of the Franchised Business You shall remove and return to us all pages of the Manual that have been replaced or updated by us You expressly agree to comply with each new or changed standard

10 1 6 You shall at all times ensure that the Manuals are kept current and up to date In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by us at our headquarters shall control

10 2 Confidential Information

10 2 1 Neither you nor any Principal shall, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, persons, partnership, association or corporation and, following the expiration or termination of this Agreement, they shall not use for their own benefit any confidential information, knowledge or know-how concerning the methods of operation of the Franchised Business which may be communicated to them or of which they may be apprised in connection with the operation of the Kitchen under the terms of this Agreement You and the Principals shall divulge such confidential information only to such of your employees as must have access to it in order to operate the Kitchen Any and all information, knowledge, know-how, techniques and any materials used in or related to the System which we provide to you in connection with this Agreement, including but not limited to the Manuals, plans and specifications, marketing information and strategies and site evaluation, selection guidelines and techniques, recipes, and the terms of this Agreement, shall be deemed confidential for purposes of this Agreement Neither you nor the Principals shall at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person The covenants in this Section shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon you and each of the Principals

10 2 2 You shall require and obtain the execution of covenants similar to those set forth in Section 10 2 1 from your General Manager and all other of your personnel who have received or will have access to confidential information Such covenants shall be substantially in the form set forth in Attachment D-2 All of your Principals also must execute such covenants in the form set forth in Attachment D-1

10 2 3 If you, the Principals, the General Manager or any of your employees develop any new concept, process, product, recipe, or improvement in the operation or promotion of the Kitchen, you are required to promptly notify us and provide us with all necessary related information, without compensation You and the Principals acknowledge that any such concept, process product, recipe, or improvement will become our property, and we may use or disclose such information to other franchisees as we determine to be appropriate

10 3 Non-Competition

10 3 1 You and the Principals specifically acknowledge that, pursuant to this Agreement, you and the Principals will receive valuable training, trade secrets and confidential information, including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of us and the System which are beyond the present skills and experience of you and the Principals and your managers and employees You and the Principals acknowledge that such specialized training, trade secrets and confidential information provide a competitive advantage and will be valuable to them in the development and operation of the Kitchen, and that gaining access to such specialized training, trade secrets and confidential information is, therefore, a primary reason why they are entering into this Agreement In consideration for such specialized training, trade secrets and confidential information (including, without limitation, information regarding the operational, sales, promotional and marketing methods and techniques of us and the System which are beyond the present skills and experience of you and the Principals and your managers and employees), you and the Principals covenant that with respect to you, during the term of this Agreement (or with respect to each of the Principals, during the term of this Agreement for so long as such individual or entity satisfies the definition of "Principal" as described in Section 19 16 of this Agreement), except as otherwise approved in writing by us, which approval may be withheld or denied in our sole and absolute discretion, neither you nor any of the Principals shall, either directly or indirectly, for themselves or through, on behalf of or in conjunction with any person(s), partnership or corporation

(a) Divert, or attempt to divert, any business or customer of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System

(b) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to, any business located within the United States, its territories, states or commonwealths, or any other country, province, state or geographic area in which we have used, sought registration of or registered the same or similar Marks or operates or licenses others to operate a business under the same or similar Marks, which business is of a character and concept similar to the Kitchen, including a culinary entertainment business which offers and sells the same or substantially similar products (a "Competitive Culinary Entertainment Business") without our prior written consent

10 3 2 With respect to you, and for a continuous uninterrupted period commencing upon the expiration, termination of, or transfer of all of your interest in, this Agreement (or, with respect to each of the Principals, commencing upon the earlier of (i) the expiration, termination of, or transfer of all of your interest in, this Agreement or (ii) the time such individual or entity ceases to satisfy the definition of "Principals" as described in Section 19 16 of this Agreement) and continuing for two (2) years thereafter, except as otherwise approved in our sole and absolute discretion, neither you, nor any of the Principals shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, or corporation

(a) Divert, or attempt to divert, any business or customer of the Franchised Business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System

(b) Employ, or seek to employ, any person who is at that time or was within the preceding ninety (90) days employed by us, or by any other franchisee of ours, or otherwise directly or indirectly induce such person to leave that person's employment, except as may be permitted under any existing franchise agreement between us and you

(c) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures), advise, assist or make loans to any Competitive Culinary Entertainment Business within

(i) Franchisee's Territory,

(ii) Twenty (20) miles of Franchisee's Territory, or

(iii) Twenty (20) miles of any Franchised Business operating under the System and the Proprietary Marks

10 3 3 The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect our goodwill or other business interests The parties agree that each of the covenants herein shall be construed as independent of any other covenant or provision of this Agreement If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you and the Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section

(a) You and the Principals understand and acknowledge that we shall have the right, in our sole and absolute discretion, to reduce the scope of any covenant set forth in this Section 10 3, or any portion thereof, without their consent, effective immediately upon notice to you, and you and the Principals agree that they shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 19 2 hereof

(b) You and the Principals expressly agree that the existence of any claims they may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section

(c) Sections 10 3 1(b) and 10 3 2(c) shall not apply to ownership of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation

10 4 Failure to Comply

You and the Principals acknowledge that any failure to comply with the requirements of this Section shall constitute a material event of default under Article 17 hereof You and the Principals acknowledge that a violation of the terms of this Section would result in irreparable injury to us for which no adequate remedy at law may be available, and you and the Principals accordingly consent to the issuance of an injunction prohibiting any conduct by you or the Principals in violation of the terms of this Section You and the Principals agree to pay all court costs and reasonable attorneys' fees incurred by us in connection with the enforcement of this Section, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of such Section

ARTICLE 11
BOOKS AND RECORDS

11 1 Books and Records

You shall maintain during the term of this Agreement, and shall preserve for at least three (3) years from the dates of their preparation, full, complete and accurate books, records and accounts, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals and ledgers, records of EFT transactions, and backup or archived records of information maintained on any computer system in accordance with generally accepted accounting principles and in the form and manner prescribed by us from time to time in the Manuals or otherwise in writing

11 2 Reports

In addition to the Royalty Fee Report required by Article 4 hereof, you shall comply with the following reporting obligations

11 2 1 You shall, at your expense, submit to us, in the form prescribed by us, a report of Gross Revenues and a profit and loss statement for each month (which may be unaudited) for you within fifteen (15) days after the end of each month during the term hereof Each such statement shall be signed by your treasurer or chief financial officer or comparable officer attesting that it is true, complete and correct,

11 2 2 You shall, at your expense, provide to us a complete annual financial statement (which shall be reviewed) prepared by an independent certified public accountant within ninety (90) days after the end of each fiscal year during the term hereof showing the results of the Kitchen's operations during such fiscal year We reserve the right to require such financial statements to be audited by an independent certified public accountant satisfactory to us at your cost and expense if an inspection discloses an understatement of two percent (2%) or more in any report, pursuant to Section 11 3, and

11 2 3 You shall also submit to us, for review or auditing, such other forms, reports, records, information and data as we may reasonably designate, and which pertain to the Franchised Business, in the form and at the times and places reasonably required by us, upon request and as specified from time to time in writing

11 3 Inspections, Audits

We or our designees shall have the right, during normal business hours, to review, audit, examine and copy any or all of your books and records as we may require at the Kitchen You shall make such books and records available to us or our designees immediately upon request If any required Royalty fee

or other payments due to us are delinquent, or if an inspection should reveal that such payments have been understated in any report to us, then you shall immediately pay to us the amount overdue or understated upon demand with interest determined in accordance with the provisions of Section 4 5 If an inspection discloses an understatement in any report of two percent (2%) or more, you shall, in addition, reimburse us for all costs and expenses connected with the inspection (including, without limitation, reasonable accounting and attorneys' fees) These remedies shall be in addition to any other remedies we may have at law or in equity

11 4 Correction of Errors

You understand and agree that our receipt or acceptance of any of the statements furnished or royalties paid to us (or the cashing of any Royalty fee checks or processing of any EFTs) shall not preclude us from questioning the correctness thereof at any time and, in the event that any inconsistencies or mistakes are discovered in such statements or payments, they shall immediately be rectified by you and the appropriate payment shall be made by you

11 5 Authorization of Us

You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which you do business to disclose to us any requested financial information in their possession relating to you or the Kitchen You authorize us to disclose data from your reports, if we determine, in our sole and absolute discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties

11 6 We are Attorney-in-Fact

Notwithstanding any forms and documents which may have been executed by you under Section 7 10, you hereby appoint us as your true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports filed by you with any state and/or federal taxing authority pertaining to the Franchised Business This power of attorney shall survive the expiration or termination of this Agreement

ARTICLE 12
INSURANCE

12 1 You shall procure, upon execution of this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement) at your expense, an insurance policy or policies protecting you and us, our successors and assigns, our affiliates, and our respective officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Kitchen Such insurance policies must be written by an insurance company acceptable to us and which has a rating of "AA" or higher with A M Best Company

12 2 Such policy or policies shall be written by a responsible, duly licensed carrier or carriers reasonably acceptable to us and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by us from time to time), in accordance with standards and specifications set forth in writing, any insurance that you must have according to the terms of the lease for

the Accepted Location and as required by applicable law Currently you must maintain the following insurance (i) comprehensive general liability insurance covering property damage, with limits of coverage of not less than $1,000,000 single limit for personal injury, $2,000,000 in the aggregate, and $1,000,000 for property damage, (ii) fire and extended insurance covering building, supplies, inventory, fixtures, furnishings and equipment in amounts equal to at least 90% of the market value of the building, supplies, inventory, fixtures, furnishings and equipment, (iii) workers compensation insurance as required by the laws of the state in which the Kitchen is operated and employers' liability insurance with a limit per claim of not less than $1,000,000, (iv) business interruption insurance covering a period of not less than 12 months (with a maximum deductible of 72 hours), (v) automobile insurance with not less than $1,000,000 in coverage for any company vehicle, (vi) non-owned automobile insurance with not less than $1,000,000 in coverage if employees are using their vehicles for company business, (vii) personal/advertising injury insurance with not less than $1,000,000 in coverage, and (viii) employment practices liability insurance with not less than $1,000,000 in coverage The following coverage is recommended but is not required (i) a fidelity bond insuring against employee theft and related matters, and (ii) general umbrella coverage

12 3 Your obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of that obligation relieve you of liability under the indemnity provisions set forth in Article 15 of this Agreement If the lease for the Kitchen premises requires you to purchase insurance with higher limits than those we require, the lease insurance requirements will take precedence

12 4 All general liability and property damage policies shall contain a provision that we, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to us or our servants, agents or employees by reason of the negligence of you or your servants, agents or employees

12 5 Not later than thirty (30) days prior to the Opening Date, and thereafter within thirty (30) days prior to the expiration of any such policy, you shall deliver to us Certificates of Insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder In addition, if requested by us, you shall deliver to us a copy of the insurance policy or policies required hereunder All insurance policies required hereunder, with the exception of workers' compensation, shall name us, our affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, as additional named insureds, and shall expressly provide that any interest of same therein shall not be affected by any breach by you of any policy provisions Further, all insurance policies required hereunder shall expressly provide that no less than thirty (30) days' prior written notice shall be given to us in the event of a material alteration to or cancellation of the policies

12 6 Should you, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by us in writing, we shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to you, which charges shall be payable by you immediately upon notice together with a fifteen percent (15%) administrative fee The foregoing remedies shall be in addition to any other remedies we may have at law or in equity

12 7 Upon written request by us, you shall procure from your insurance carrier or carriers a report of claims made and reserves set against your insurance policies

12 8 We reserve the right to modify the types of insurance coverages and amounts of coverage that you are required to maintain for the Kitchen, and you agree to comply with any such changes, at your expense

ARTICLE 13
DEBTS AND TAXES

13 1 Taxes

You shall promptly pay when due all Taxes (as defined below), levied or assessed, and all accounts and other indebtedness of every kind incurred by you in the conduct of the Franchised Business under this Agreement Without limiting the provisions of Article 15, you shall be solely liable for the payment of all Taxes and shall indemnify us for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether such Taxes were correctly or legally asserted or not You shall submit a copy of all tax filings sent to federal, state and local tax authorities to us within ten (10) business days after such filing has been made with the appropriate taxing authority

The term "Taxes" means any present or future taxes, levies, imposts, duties or other charges of whatever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the Franchised Business, the payment of monies, or the exercise of rights granted pursuant to this Agreement

13 2 Payments to Us

Each payment to be made to us hereunder shall be made free and clear and without deduction for any Taxes

13 3 Tax Disputes

In the event of any bona fide dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or applicable law However, in no event shall you permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor to occur against the premises of the Franchised Business or any improvements thereon

13 4 Compliance with Laws

You shall comply with all federal, state and local laws, rules and regulations and shall timely obtain any and all permits, certificates or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, fire clearances, health permits, certificates of occupancy and any permits, certificates or licenses required by any environmental law, rule or regulation

13 5 Notification of Action or Proceeding

You shall notify and deliver to us, in writing within five (5) days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business

ARTICLE 14
TRANSFER OF INTEREST

14 1 Transfer by Us

We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations, and (ii) the assignee shall expressly assume and agree to perform such obligations

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party, may go public, may engage in a private placement of some or all of our securities, may merge, acquire other corporations, or be acquired by another corporation, may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of "Taste Buds Kitchen International LLC" as Franchisor Nothing contained in this Agreement shall require us to remain in the culinary entertainment business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement

14 2 Transfer by You

14 2 1 You understand and acknowledge that the rights and duties set forth in this Agreement are personal to you, and that we have granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of you and the Principals Accordingly, neither you nor any Principal, nor any successor or assignee of you or any Principal, shall sell, assign (including but not limited to by operation of law, such as an assignment under bankruptcy or insolvency laws, in connection with a merger, divorce or otherwise), transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in this Agreement, in the Kitchen and/or any of the Kitchen's material assets (other than in connection with replacing, upgrading or otherwise dealing with such assets as required or permitted by this Agreement), in you or in any Principal that is an entity, in each case without our prior written consent Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material event of default under this Agreement

14 2 2 If you wish to transfer all or part of your interest in the Kitchen, any of the Kitchen's material assets (except as provided in Section 14 2 1 above) or this Agreement, or if you or a Principal wishes to transfer or permit a transfer of any ownership interest in you or in a Principal that is an entity then in each such case (any or all of which are referred to in this Article 14 as a "Restricted Transfer"), transferor and the proposed transferee shall apply to us for our consent We shall not unreasonably withhold our consent to a Restricted Transfer We may, in our sole discretion, require any or all of the following as conditions of our approval

(a) All of the accrued monetary obligations of you or any of your affiliates and all other outstanding obligations to us arising under this Agreement or any other agreement shall have been satisfied in a timely manner and you shall have satisfied all trade accounts and other debts, of whatever nature or kind, in a timely manner,

(b) You and your affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you or any of your affiliates and us or any of our affiliates at the time of transaction

(c) The transferor and its principals (if applicable) shall have executed a general release, in a form reasonably satisfactory to us, of any and all claims against us, our officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and federal, state and local laws, rules and regulations,

(d) The transferee shall demonstrate to our reasonable satisfaction that transferee meets the criteria considered by us when reviewing a prospective franchisee's application for a franchise, including, but not limited to, our educational, managerial and business standards, transferee's good moral character, business reputation and credit rating, transferee's aptitude and ability to conduct the business franchised herein (as may be evidenced by prior related business experience or otherwise), transferee's financial resources and capital for operation of the business, and the geographic proximity and number of other Kitchens owned or operated by transferee,

(e) The transferee shall enter into a written agreement, in a form reasonably satisfactory to us, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements contained in this Agreement, and, if transferee is a corporation or a partnership, transferee's shareholders, partners or other investors, as applicable, shall execute such agreement as transferee's principals and guarantee the performance of all such obligations, covenants and agreements,

(f) The transferee shall execute, for a term ending on the expiration date of this Agreement and with such renewal terms as may be provided by this Agreement, the standard form franchise agreement then being offered to new System franchisees and other ancillary agreements as we may require for the Kitchen, which agreements shall supersede this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, the then-current Royalty Fee, provided, however, that the transferee shall not be required to pay any initial franchise fee,

(g) The transferee, at its expense, shall renovate, modernize and otherwise upgrade the Kitchen and, if applicable, any business vehicles to conform to the then-current standards and specifications of the System, and shall complete the upgrading and other requirements which conform to the System-wide standards within the time period reasonably specified by us,

(h) The transferor shall remain liable for all of the obligations to us in connection with the Kitchen incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability,

(i) At the transferee's expense, the transferee, the transferee's Operating Principal, General Manager and/or any other applicable Kitchen personnel shall complete any training programs then in effect for franchisees of Kitchens upon such terms and conditions as we may reasonably require,

(j) If the transfer is to a new franchisee for the System you shall pay to us a transfer fee equal to fifty percent (50%) of our then-current initial franchise fee to reimburse us for our time and expenses in reviewing the application to transfer, including, without limitation, training

expenses, legal fees and accounting fees No fee shall be charged if the transfer is to an existing franchisee in the System,

(k) If the transferee is a corporation, limited liability company or a partnership, the transferee shall make and will be bound by any or all of the representations, warranties and covenants set forth at Article 6 as we request Transferee shall provide to us evidence satisfactory to us that the terms of such Section have been satisfied and are true and correct on the date of transfer, including but not limited to a representation that the transferee does not engage in a competing business

14 2 3 You shall not grant a security interest in the Kitchen or in any of your assets without our prior written consent, which shall not be unreasonably withheld In connection therewith, the secured party will be required by us to agree that in the event of any default by you under any documents related to the security interest, we shall have the right and option to be substituted as obligor to the secured party and to cure any default of yours

14 2 4 You acknowledge and agree that each condition which must be met by the transferee is reasonable and necessary to assure such transferee's full performance of the obligations hereunder

14 3 Transfer to a Corporation or Limited Liability Company

In the event the proposed transfer is to a corporation or limited liability company formed solely for the convenience of ownership, our consent may be conditioned upon any of the requirements set forth at Section 14 2 2, except that the requirements set forth at Sections 14 2 2(c), 14 2 2(d), 14 2 2(f), 14 2 2(g), 14 2 2(i), 14 2 2(j) and 14 2 2(k) shall not apply With respect to a transfer to a corporation formed for the convenience of ownership, you shall be the owner of all of the voting stock or interest of the corporation and if you are more than one (1) individual, each individual shall have the same proportionate ownership interest in the entity as he had in you prior to the transfer A transfer under this Section 14 3 may occur one (1) time only

14 4 Our Right to Purchase Business

14 4 1 If you wish to transfer all or part of your interest in the Kitchen or this Agreement or if you or a Principal wish to transfer any ownership interest in you, pursuant to any bona fide offer received from a third party to purchase such interest, then such proposed seller shall promptly notify us in writing of each such offer, and shall provide such information and documentation relating to the offer as we may require We shall have the right and option, exercisable within thirty (30) days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the seller's interest on the same terms and conditions offered by the third party In the event that we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) sixty (60) days from the date of notice to the seller of the election to purchase by us, (ii) sixty (60) days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer Our failure or refusal to exercise the option afforded by this Section 14 4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Article 14, with respect to a proposed transfer

(a) In the case of a Restricted Transfer involving a bona fide purchase offer, then such proposed seller shall promptly notify us in writing of each such offer, and shall provide such information and documentation relating to the offer as we may require We shall have the right and

option, exercisable within thirty (30) days after receipt of such written notification and copies of all documentation required by us describing such offer, to send written notice to the seller that we intend to purchase the interest proposed to be transferred in the Restricted Transfer on the same terms and conditions offered by the proposed purchaser (the "Offer Terms") In the event that we elect to purchase the seller's interest, closing on such purchase must occur within the latest of (i) sixty (60) days from the date of notice to the seller of the election to purchase by us, (ii) sixty (60) days from the date we receive or obtain all necessary documentation, permits and approvals, or (iii) such other date as the parties agree upon in writing Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by us as in the case of an initial offer Our failure or refusal to exercise the option afforded by this Section 14 4 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Article 14 with respect to a proposed transfer

(b) Notwithstanding the provisions of Section 14 4 1(a) above, where the Restricted Transfer (alone or together with any other Restricted Transfer or event effected within the prior twenty-four (24) month period) results in a ' Change of Control", we may elect, in our sole discretion, to treat the notice given pursuant to such Section 14 4 1(a) as an offer to assign to us all of your rights under this Agreement and to the Kitchen (including lease and contract rights and other assets of you and your affiliates used in connection with the Kitchen, excluding the assets of your benefit plans) (collectively, the "Kitchen Interests") As used in this Section 14 4 1(b), Change of Control means any circumstance resulting in one or more of your Controlling Principals ceasing to be a Principal and/or the addition of any new Principal In such case, we shall notify you of the special election provided for in this Section 14 4 1(b) at the time we exercise our option as provided in Section 14 4 1(a) The terms of such purchase shall be the same as the Offer Terms (subject to the other provisions of this Section 14 4), but the price shall be the lesser of (1) the Implied Market Price or (2) the fair market value of the Kitchen Interests, determined in a manner consistent with Section 18 11 1 As used herein, ' Implied Market Price" shall mean an amount equal to the total price to be paid by the transferee under the Offer Terms, divided by the percentage (expressed as a decimal) of ownership of you proposed to be acquired (directly or indirectly) by the transferee, less the fair market value (determined as provided in Section 18 11 1) of any assets included in the Restricted Transfer that are not related to the Kitchen If you have more than one (1) Kitchen, then the Implied Market Price shall, unless otherwise agreed by us and you, be allocated among all Kitchens equally

(c) We may assign our rights under this Section 14 4 to any other person or entity, subject to Section 14 1 above

(d) It shall be a material obligation of yours under this Agreement to cause any transferor and transferee described in this Article 14 to perform all of the obligations imposed on such persons under this Article 14

14 4 2 In the event an offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, we may elect to purchase the interest proposed to be sold for the reasonable cash equivalent If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the Offer Terms, then such amount shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding In the event of such appraisal, each party shall bear its own legal and other costs and each shall pay one-half (1/2) of the appraisal fees In the event that we exercise our right of first refusal herein provided, we shall have the right to set off against any payment therefor (i) all fees for any such independent appraiser due from you hereunder and (ii) all amounts due from you to us

14 4 3 Failure to comply with the provisions of this Section prior to the transfer of any interest in you, the Kitchen or this Agreement shall constitute a material event of default under this Agreement

14 5 Death or Disability

14 5 1 Upon your death (if you are a natural person) or upon the death of any Principal who is a natural person and who has an interest in this Agreement, the Kitchen or you (the "Deceased"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by us within twelve (12) months after the death If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by us If the distributee is not approved by us, then the distributee shall transfer such interest to a third party approved by us within twelve (12) months after the death of the Deceased

14 5 2 Upon your permanent disability (if you are a natural person) or upon the permanent disability of any Principal who is a natural person and who has an interest in this Agreement, the Kitchen or you, we may, in our reasonable discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Article 14 within six (6) months after notice to you "Permanent disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Agreement or in the guaranty made part of this Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely Permanent disability shall be determined by a licensed practicing physician selected by us, upon examination of the person, or if the person refuses to submit to an examination, then such person automatically shall be deemed permanently disabled as of the date of such refusal for the purpose of this Section 14 5 The costs of any examination required by this Section shall be paid by us

14 5 3 Upon the death or claim of permanent disability of you or any Principal, you or a representative of yours must notify us of such death or claim of permanent disability within ten (10) days of its occurrence Any transfer upon death or permanent disability shall be subject to the same terms and conditions as described in this Section for any *inter vivos* transfer If an interest is not transferred upon death or permanent disability as required in this Section, then such failure shall constitute a material event of default under this Agreement

14 5 4 In order to prevent any interruption of the Kitchen operations which would cause harm to the Kitchen, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Kitchen to our required standards, operate the Kitchen for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement All monies from the operation of the Kitchen during such period of operation by us shall be kept in a separate account, and the expenses of the Kitchen, including reasonable compensation and expenses for our representative, shall be charged to said account If, as herein provided, we temporarily operate the Kitchen franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties

14 6 No Waiver of Claims

Our consent to a transfer of any interest described herein shall not constitute a waiver of any claims which we may have against the transferring party, nor shall it be deemed a waiver of our right to demand material and full compliance with any of the terms of this Agreement by the transferee

ARTICLE 15
INDEMNIFICATION

15 1 Indemnification by You

You and each of the Principals shall, at all times, indemnify and hold harmless to the fullest extent permitted by law us, our successors and assigns, their respective partners and affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them ("Indemnitees"), from all "losses and expenses" (as defined in Section 15 4 2 below) incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or is based upon any of the following

15 1 1 The infringement, alleged infringement, or any other violation or alleged violation by you or any of the Principals of any patent, trademark or copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to your use, in the manner authorized pursuant to this Agreement, of (i) the Marks, or (ii) any other materials provided to you by us for your use), including, but not limited to, the unauthorized use of any image, likeness or recording of a public figure,

15 1 2 The violation, breach or asserted violation or breach by you or any of the Principals of any federal, state or local law, regulation, ruling, standard or directive or any industry standard,

15 1 3 Libel, slander or any other form of defamation of us, the System or any franchisee operating under the System, by you or by any of the Principals,

15 1 4 The violation or breach by you or by any of the Principals of any warranty, representation, agreement or obligation in this Agreement or in any other agreement between you or any of your affiliates and us and our Indemnitees, and

15 1 5 Acts, errors, or omissions of you, any of your affiliates and any of the Principals and the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you and your affiliates in connection with the establishment and operation of the Kitchen, including, but not limited to, any acts, errors or omissions of any of the foregoing in the operation of any motor vehicle The parties understand and agree that we cannot and do not exercise control over the manner of operation of any motor vehicles used by, or on behalf of, you or any employee, agent or independent contractor of yours and that the safe operation of any motor vehicle is, therefore, entirely your responsibility

15 2 Notification of Action or Claim

You and each of the Principals agree to give us prompt notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation At the expense and risk of you and each of the Principals, we may elect to assume (but under no circumstance are we obligated to undertake) or appoint associate counsel of our own choosing with respect to, the defense and/or settlement of any such action,

suit, proceeding, claim, demand, inquiry or investigation Such an undertaking by us shall, in no manner or form, diminish the obligation of you and each of the Principals to indemnify the Indemnitees and to hold them harmless

15 3 We May Settle

In order to protect persons or property, or our reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as we in our reasonable judgment deem appropriate, consent or agree to settlements or take such other remedial or corrective action as we deem expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in our reasonable judgment, there are reasonable grounds to believe that

15 3 1 any of the acts or circumstances enumerated in Section 15 1 1 through 15 1 4 above have occurred, or

15 3 2 any act, error, or omission as described in Section 15 1 5 may result directly or indirectly in damage, injury, or harm to the System, any person or any property

15 4 Losses and Expenses

All losses and expenses incurred under this Article 15 shall be chargeable to and paid by you or any of the Principals pursuant to your obligations of indemnity under this Section, regardless of any actions, activity or defense undertaken by us or the subsequent success or failure of such actions, activity, or defense

As used in this Article 15, the phrase "losses and expenses" shall include, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees, court costs, settlement amounts, judgments, compensation for damages to our reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described

15 5 Indemnitees Do Not Assume Liability

The Indemnitees do not hereby assume any liability whatsoever for acts, errors, or omissions of any third party with whom you, any of the Principals, your affiliates or any of the officers, directors, shareholders, partners agents, representatives, independent contractors and employees of you or your affiliates may contract, regardless of the purpose You and each of the Principals shall hold harmless and indemnify the Indemnitees for all losses and expenses which may arise out of any acts, errors or omissions of you, the Principals, your affiliates, the officers, directors, shareholders, partners, agents, representatives, independent contractors and employees of you and your affiliates and any such other third parties without limitation and without regard to the cause or causes thereof or the negligence of us or any other party or parties arising in connection therewith and whether such negligence be sole, joint or concurrent, or active or passive

15 6 Recovery from Third Parties

Under no circumstances shall the Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against you or any of the Principals You and each of the Principals agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable from you or any of the Principals by the Indemnitees

15 7 Survival of Terms

You and the Principals expressly agree that the terms of this Article 15 shall survive the termination, expiration or transfer of this Agreement or any interest herein

ARTICLE 16
RELATIONSHIP OF THE PARTIES

16 1 No Relationship

The parties acknowledge and agree that this Agreement does not create a fiduciary relationship between them, that you shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose

16 2 Independent Contractor

During the term of this Agreement, you shall hold yourself out to the public as an independent contractor conducting your Kitchen operations pursuant to the rights granted by us You agree to take such action as shall be reasonably necessary to that end, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Kitchen premises established for the purposes hereunder or on any business vehicle and on all letterhead, business cards, forms, and as further described in the Manual We reserve the right to specify in writing the content and form of such notice

16 3 You are Not Authorized

You understand and agree that nothing in this Agreement authorizes you or any of the Principals to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name or the Marks, and that we shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of the Principals or any claim or judgment arising therefrom

ARTICLE 17
TERMINATION

17 1 Automatic Termination – No Right to Cure

17 1 1 You acknowledge and agree that each of your obligations described in this Agreement is a material and essential obligation of yours, that non-performance of such obligations will adversely and substantially affect us and the System, and that our exercise of the rights and remedies set forth herein is appropriate and reasonable

17 1 2 You shall be in default under this Agreement, and all rights granted to you herein shall automatically terminate without notice to you, if you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors, if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you, if you are adjudicated a bankrupt or insolvent, if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you, if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction, if proceedings for a composition with creditors under any state or federal law should be instituted by or against you, if a final judgment remains

unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed), if you are dissolved, if execution is levied against your business or property, if suit to foreclose any lien or mortgage against the Premises or equipment is instituted against you and not dismissed within thirty (30) days, or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable

17 1 3 You shall be deemed to be in material default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, (except as otherwise stated below), effective immediately upon notice to you, upon the occurrence of any of the following events

(a) If you operate the Kitchen or sell any products or services authorized by us for sale at the Kitchen at a location which has not been approved by us,

(b) If you fail to acquire an Accepted Location for the Kitchen within the time and in the manner specified in Article 2,

(c) If you fail to construct or remodel the Kitchen in accordance with the plans and specifications provided to you under Section 5 3 as such plans may be adapted with our approval in accordance with Section 2 5,

(d) If you fail to open the Kitchen for business within the period specified in Section 2 6 hereof,

(e) If you at any time cease to operate or otherwise abandon the Kitchen, or lose the right to possession of the premises, or otherwise forfeit the right to do or transact business in the jurisdiction where the Kitchen is located, provided, however, that this provision shall not apply in cases of Force Majeure (acts of God, strikes, lockouts or other industrial disturbances, war, riot, epidemic, acts of terrorism, fire or other catastrophe or other forces beyond your control, provided, however, that Force Majeure shall not include your lack of financing), if through no fault of yours the premises are damaged or destroyed by an event as described above, provided that you apply within thirty (30) days after such event for our approval to relocate or reconstruct the premises (which approval shall not be unreasonably withheld) and you diligently pursue such reconstruction or relocation, such approval may be conditioned upon the payment of our relocation fee,

(f) If you or any of the Principals are convicted of, or have entered a plea of *nolo contendere* to, a felony, a crime involving moral turpitude, or other crime that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or our interests therein,

(g) If a threat or danger to public health or safety results from the construction, maintenance or operation of the Kitchen,

(h) If you or any of the Principals purport to transfer any rights or obligations under this Agreement or any interest in you or the Kitchen to any third party without our prior written consent or without offering us a right of first refusal with respect to such transfer, contrary to the terms of Article 14 of this Agreement,

(i) If you or any of the Principals fail to comply with the in-term covenants in Section 10 3 hereof or you fail to obtain execution of the covenants and related agreements required under Section 10 3 4 hereof within thirty (30) days following notice from us,

(j) If, contrary to the terms of Section 10 2 1 hereof, you or any of the Principals disclose or divulge any confidential information provided to you or the Principals by us, or fail to obtain execution of covenants and related agreements required under Section 10 2 2 hereof within thirty (30) days following notice from us,

(k) If a transfer upon death or permanent disability is not transferred in accordance with Article 14 and within the time periods therein,

(l) If you knowingly maintain false books or records, or submit any false reports to us,

(m) If you breach in any material respect any of the covenants in any material respect set forth in Article 6 or have falsely made any of the representations or warranties set forth in Article 6,

(0) If you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein

(p) If you or any of the Principals commit three (3) material events of default under this Agreement, within any twelve (12) month period, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by you after notice by us,

(q) If any of your managers is not able to complete our initial training program to our satisfaction, after having given you the opportunity to designate a replacement manager, and

(r) If you fail to comply with all applicable laws and ordinances relating to the Kitchen, including Anti-Terrorism Laws, or if your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation

(s) If you have three (3) insufficient fund fees in any twelve (12) month period

17 2 Notice of Termination – 30 Days to Cure (unless stated otherwise)

Except as provided in Sections 17 1 2 and 17 1 3 of this Agreement, upon any default by you which is susceptible of being cured, we may terminate this Agreement by giving written notice of termination stating the nature of such default to you at least thirty (30) days prior to the effective date of termination, unless a different time period is noted However, you may avoid termination by immediately initiating a remedy to cure such default and curing it to our reasonable or making a bona fide attempt to cure to our reasonable satisfaction within the thirty (30) day period and by promptly providing proof thereof to us If any such default is not cured within the specified time, or such longer period as applicable law may require, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period or such other period as applicable law may

require or as otherwise stated below Defaults which are susceptible of cure hereunder may include, but are not limited to, the following illustrative events

17 2 1 If you fail to comply with any of the requirements imposed by this Agreement, as it may from time to time be amended or reasonably be supplemented by us, or fail to carry out the terms of this Agreement in good faith

17 2 2 If you fail to maintain or observe any of the standards, specifications or procedures prescribed by us in this Agreement or otherwise in writing

17 2 3 If you fail, refuse, or neglect to obtain our prior written approval or consent as required by this Agreement

17 2 4 If you or any of your affiliates fail, refuse, or neglect promptly to pay any monies owing to us, or any of our affiliates or vendors, when due under this Agreement or any other agreement, or to submit the financial or other information required by us under this Agreement and do not cure such default within five (5) days following notice from us (or such other cure period specified in such other agreement, unless no cure period is stated or such period is less than five (5) days, in which case the five (5) day cure period shall apply)

17 2 5 If you fail to propose a qualified replacement or successor Operating Principal or General Manager within the time required under Sections 6 3 4 and 6 4 4 following ten (10) days prior written notice

17 2 6 If you fail to procure and maintain the insurance policies required by Article 12 and you fail to cure such default within ten (10) days following notice from us

17 3 Cross-Defaults, Non-Exclusive Remedies, etc

Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any of our affiliates) and you (or any of your affiliates) Any default by you (or any person/company affiliated with you) under any other agreement, including, but not limited to, any lease and/or sublease, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates) may be regarded as a default under this Agreement Any default by you (or any person/company affiliated with you) under any lease, sublease, loan agreement, security interest or otherwise, whether with us, any of our affiliates and/or any third party may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates)

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates') obligations No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available

17 4 Our Right to Discontinue Services to You

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Article 17, we have the right to suspend our performance of any of our obligations under this Agreement including, without limitation, the sale or supply of any services or

products for which we are an approved supplier to you, and/or suspension of your web page on our Website, until such time as you correct the breach

17 5 Amendment Pursuant to Applicable Law

Notwithstanding anything to the contrary contained in this Article, if any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this franchise and the parties hereto shall limit our rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement is deemed amended to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations, provided, however, that such constructive amendment shall not be deemed a concession by us that the grounds for termination set forth in this Agreement do not constitute "good cause" for termination within the meaning ascribed to that term by any applicable law or regulation We shall not be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or proceeding relating to this Agreement or the termination of this Agreement

ARTICLE 18
POST-TERMINATION

Upon termination or expiration of this Agreement, all rights granted hereunder to you shall forthwith terminate, and

18 1 Cease Operations

You shall immediately cease to operate the Kitchen under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee of ours

18 2 Stop Using the System

You shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, computer software, procedures, and techniques associated with the System, the mark "Taste Buds Kitchen International LLC", and all other Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System In particular, you shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms and any other articles which display the Marks, and shall immediately change all paint colors, remove all of our proprietary or non-proprietary design items

18 3 Cancellation of Assumed Names

You shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark 'Taste Buds Kitchen" or any other service mark or trademark of ours, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within five (5) days after termination or expiration of this Agreement

18 4 No Use of Similar Marks

You agree, in the event you continue to operate or subsequently begin to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake or deception, or which is likely to dilute our rights in and to the Marks, and further agree not to utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with us constituting unfair competition

18 5 Payment of Sums Owed

You and your Controlling Principals shall promptly pay all sums owing to us Such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of any default by you, which obligation shall give rise to and remain, until paid in full, a lien in our favor against any and all of the personal property, furnishings, equipment, fixtures, and inventory owned by you and on the premises operated hereunder at the time of default

18 6 Payment of Damages, Costs and Expenses

You and the Controlling Principals shall pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us in connection with obtaining any remedy available to us for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Article 18

18 7 Delivery of Manuals and Materials

You shall immediately deliver to us all Manuals, software licensed by us (if any), records, files, instructions, correspondence, all materials related to operating the Kitchen, including, without limitation, agreements, invoices, and any and all other materials relating to the operation of the Kitchen in your possession or control, and all copies thereof (all of which are acknowledged to be our property), and shall retain no copy or record of any of the foregoing, except your copy of this Agreement and of any correspondence between the parties and any other documents which you reasonably need for compliance with any provision of law Any copy of any document required to be returned to us that you have in electronic or digital form must be permanently deleted and removed from any and all devices

18 8 Confidential Information

You and the Principals shall comply with the restrictions on confidential information contained in Article 10 of this Agreement and shall also comply with the non-competition covenants contained in Article 10 Any other person required to execute similar covenants pursuant to Article 10 shall also comply with such covenants

18 9 Marketing and Promotional Materials

You shall also immediately furnish us with an itemized list of all marketing and sales promotion materials bearing the Marks or any of our distinctive markings, designs, labels, or other marks thereon, whether located on your premises or under your control at any other location We shall have the right to inspect these materials We shall have the option, exercisable within thirty (30) days after such inspection, to purchase any or all of the materials at your cost, or to require you to destroy and properly dispose of such materials Materials not purchased by us shall not be utilized by you or any other party for any purpose unless authorized in writing by us

18 10 Assignment to Us

Upon execution of this Agreement, in partial consideration of the rights granted hereunder, you acknowledge and agree that all right, title and interest in the signs used at the Kitchen are hereby assigned to us, and that upon termination or expiration of this Agreement, neither you nor any lien holder of yours shall have any further interest therein

18 11 Assignment of Lease

If you operate the Kitchen under a lease for the Kitchen premises with a third party or, with respect to any lease for equipment used in the operation of the Franchised Business, then you shall, at our

option, assign to us any interest which we have in any lease or sublease for the premises of the Kitchen or any equipment related thereto We may exercise such option at or within thirty (30) days after either termination or (subject to any existing right to renew) expiration of this Agreement In the event we do not elect to exercise our option to acquire the lease or sublease for the Kitchen premises or do not have such option, you shall make such modifications or alterations to the Kitchen premises as are necessary to distinguish the appearance of the Kitchen from that of other Kitchens operating under the System and shall make such specific additional changes as we may reasonably request If you fail or refuse to comply with the requirements of this Section 18 11, we shall have the right to enter upon the premises of the Franchised Business, without being guilty of trespass or any other crime or tort, to make or cause to be made such changes as may be required, at your expense, which expense you agree to pay upon demand Notwithstanding the provisions of this Section 18 11 to the contrary, in the event the lease is assigned to us, we hereby indemnify and hold harmless you and any guarantors under said lease, for any breach by us or our successors or assigns from any liability arising out of the lease for the Kitchen premises from and after the date of the assignment of lease

18 12 Our Right to Purchase

18 12 1 Except as provided in Sections 18 9, 18 10 and 18 13, we shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from you any or all of the furnishings, equipment (including any point of sale or computer hardware and software systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Kitchen, at fair market value If we exercise our right to purchase all or a portion of your assets, we shall be purchasing such assets only and shall be assuming no liabilities whatsoever, unless otherwise agreed to in writing by the parties If the parties cannot agree on the fair market value within thirty (30) days of our exercise of this option, fair market value shall be determined by two (2) appraisers, with each party selecting one (1) appraiser, and the average of their determinations shall be binding In the event of such appraisal, each party shall bear its own legal and other costs and each shall pay one-half (1/2) of the appraisal fees If we elect to exercise any option to purchase herein provided, we shall have the right to set off (i) all fees for any such independent appraiser due from you, (ii) all amounts due from you to us and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees), against any payment therefor and shall pay the remaining amount in cash

18 12 2 In addition to the options described above and if you own the Kitchen premises, then we shall have the option, to be exercised at or within thirty (30) days after termination or expiration of this Agreement, to purchase the Kitchen premises including any building thereon, if applicable, for the fair market value of the land and building, and any or all of the furnishings, equipment, signs, fixtures, vehicles, supplies and inventory therein at fair market value We shall purchase assets only and shall assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties If you do not own the land on which the Kitchen is operated and we exercise our option for an assignment of the lease, we may exercise this option for the purpose of purchasing the building if owned by you and related assets as described above If the parties cannot agree on fair market value within thirty (30) days of our exercise of this option, fair market value shall be determined in accordance with appraisal procedure described above

18 12 3 With respect to the options described in Sections 18 11, 18 12 1 and 18 12 2, you shall deliver to us in a form satisfactory to us, such warranties, deeds, releases of lien, bills of sale, assignments and such other documents and instruments which we deem necessary in order to perfect our title and possession in and to the properties being purchased or assigned and to meet the requirements of all tax and government authorities If, at the time of closing, you have not obtained all of these certificates and other documents, we may, in our sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents

18 12 4 The time for closing of the purchase and sale of the properties described in Sections 18 12 1 and 18 12 2 shall be a date not later than thirty (30) days after the purchase price is determined by the parties or the determination of the appraisers, or such date we receive and obtain all necessary permits and approvals, whichever is later, unless the parties mutually agree to designate another date The time for closing on the assignment of the lease described in Section 18 11 shall be a date no later than ten (10) days after our exercise of the option thereunder unless we are exercising our options under either Section 18 12 1 or 18 12 2, in which case the date of the closing shall be on the same closing date prescribed for such option Closing shall take place at our corporate offices or at such other location as the parties may agree

18 13 Kitchen Assets

Notwithstanding anything to the contrary contained in Sections 18 11 and 18 12, if you operate the Kitchen from a premises that is subleased to you by us, upon termination (or expiration if you do not renew) of this Agreement, we shall have the right to take immediate possession of the assets of the Kitchen, including, any or all of the furnishings, equipment (including any point of sale or computer hardware and software systems), signs, fixtures, motor vehicles, supplies, and inventory of yours related to the operation of the Kitchen We shall have a lien against all such assets in the amount of any amounts due to us under this Agreement or any other agreement We shall have the right to have such assets appraised at the lower of cost or fair market value of the used assets, and to acquire all right, title and interest to such assets, without conducting any public sale, by paying to you (or to any lender of yours who has a lienholder interest in the assets) the difference between the appraised value and the amounts owed to us by you at the time of termination If the lien on the assets from your lender has priority over any lien of ours, and the amount of the lien is in excess of the appraised value of such assets, we shall have the right to deal directly with your lienholder, and to pay any amounts due to you directly to the lienholder You agree to provide all further assurances, and to execute all documents required by us or by law to lawfully effect such transfer, and to perfect our security interest We shall have the right to take such action without the execution of any further documents by you if you fail or refuse to comply with these further assurances

18 14 Assignment of Options by Us

We shall be entitled to assign any and all of our options in this Section to any other party, without your consent

18 15 Telephone Numbers, Yellow Pages Listings, etc

You, at our option, shall assign to us all rights to the telephone numbers of the Kitchen and any related Yellow Pages trademark listing or other business listings and execute all forms and documents required by us and any telephone company at any time to transfer such service and numbers to us Further, you shall assign to us all Internet listings, domain names, Internet Accounts, advertising on the Internet or World Wide Web, websites, listings with search engines, e-mail addresses or any other similar listing or usage related to the Franchised Business The forms we may require you to execute include, but are not limited to, those included in Attachment F hereto Notwithstanding any forms and documents which may have been executed under Section 7 9, you hereby appoint us as your true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete such assignment This power of attorney shall survive the expiration or termination of this Agreement You shall thereafter use different telephone numbers, email addresses or other listings or usages at or in connection with any subsequent business conducted by you

18 16 Liquidated Damages

If we terminate this Agreement with cause, you must pay us liquidated damages equal to the average value of the Royalty Fee you paid or owed (per month) to us during the twelve (12) months before the termination multiplied by (i) twenty-four (24), being the number of months in two (2) full years, or (ii) the number of months remaining during the term of this Agreement, whichever is higher

The parties hereto acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalty Fee due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalty Fees would have grown over what would have been this Agreement's remaining term The parties hereto consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages

The liquidated damages provision only covers our damages from the loss of cash flow from the Royalty Fees It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than the Royalty Fee section You and each of your Controlling Principals agree that the liquidated damages provision does not give us an adequate remedy at law for any default under, or for the enforcement of, any provision of this Agreement other than the Royalty Fee section

ARTICLE 19
MISCELLANEOUS

19 1 Notices

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first class postage prepaid, or sent by facsimile or email (provided that the sender confirms the facsimile by sending an original confirmation copy by certified or registered mail or expedited delivery service within three (3) business days after transmission) to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party

Notices to Franchisor	Taste Buds Kitchen International LLC 141 Wye River Drive Queenstown, Maryland 21658 Attention President Facsimile ( ) _____
With a copy to	Adam J Siegelheim, Esq Stark & Stark, PC 993 Lenox Drive Lawrenceville, NJ 08648 Facsimile (609) 895-7395
Notices to Franchisee and the Controlling Principals	_____ _____ _____ Attention _____ Facsimile _____

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, three (3) business days after the date and time of mailing

19 2 Entire Agreement

This Agreement, the documents referred to herein, and the Attachments hereto, constitute the entire, full and complete agreement between us and you and the Principals concerning the subject matter hereof and shall supersede all prior related agreements between us and you and the Principals, provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us Except for those permitted to be made unilaterally by us hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing

19 3 No Waiver

No delay, waiver, omission or forbearance on our part to exercise any right, option, duty or power arising out of any breach or default by you or the Principals under this Agreement shall constitute a waiver by us to enforce any such right, option, duty or power against you or the Principals, or as to a subsequent breach or default by you or the Principals Acceptance by us of any payments due to us hereunder subsequent to the time at which such payments are due shall not be deemed to be a waiver by us of any preceding breach by you or the Principals of any terms, provisions, covenants or conditions of this Agreement

19 4 Our Prior Approval

Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us, and such approval or consent shall be obtained in writing

19 5 No Warranty or Guaranty

We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advice, consent or suggestion to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor

19 6 Continued Obligation to Pay Sums

If a Force Majeure event shall occur, then, in addition to payments required under Section 17 1 3(e), you shall continue to be obligated to pay to us any and all amounts that you shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of any Force Majeure event and the Indemnitees shall continue to be indemnified and held harmless by you in accordance with Article 15 Except as provided in Section 17 1 3(e) and the immediately preceding sentence herein, none of the parties hereto shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure Upon the occurrence of any event of the type referred to herein, the party affected thereby shall give prompt notice thereof to the other parties, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected thereby and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with

due diligence Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused

19 7 Venue, Governing Law

With respect to any claims, controversies or disputes, you and the Principals hereby irrevocably submit themselves to the jurisdiction of the state courts and the Federal District Court nearest to our headquarters You and the Principals hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision You and the Principals hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Maryland or federal law You and the Principals further agree that venue for any proceeding relating to or arising out of this Agreement shall be Queen Anne's County, Maryland, provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Maryland law

19 8 Agreement Regarding Governing Law and Choice of Forum

You, the Principals and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 19 7 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement Each of you, the Principals and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement

19 9 Waiver of Punitive Damages

You, the Principals and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect

19 10 Execution in Multiple Counterparts

This Agreement may be executed in multiple counterparts, each of which when so executed shall be an original, and all of which shall constitute one and the same instrument

19 11 Captions

The captions used in connection with the sections and subsections of this Agreement are inserted only for purpose of reference Such captions shall not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor shall such captions otherwise be given any legal effect

19 12 Survival of Terms

Any obligation of you or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of you or the Principals therein, shall be deemed to survive such termination, expiration or transfer

19 13 Severability of Provisions

Except as expressly provided to the contrary herein, each portion, section, part, term and provision of this Agreement shall be considered severable, and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this shall not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter shall continue to be given full force and effect and bind the parties, the invalid portions, sections, parts, terms or provisions shall be deemed not to be part of this Agreement, and there shall be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which shall be valid and not contrary to or in conflict with any law or regulation

19 14 Joint and Several Obligations

All references herein to the masculine, neuter or singular shall be construed to include the masculine, feminine, neuter or plural, where applicable Without limiting the obligations individually undertaken by the Principals under this Agreement, all acknowledgments, promises, covenants, agreements and obligations made or undertaken by you in this Agreement shall be deemed, jointly and severally, undertaken by all of the Principals

19 15 Rights and Remedies Cumulative

All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your affiliates and us The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient, and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time The expiration, earlier termination or exercise of our rights pursuant to Article 17 of this Agreement shall not discharge or release you or any of the Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement

19 16 Terminology

The term "your Principals" shall include, collectively and individually, (1) your spouse (as applicable in relation to competition and confidentiality), (2) all officers, directors, managers and general partners (or persons holding comparable positions in non-corporate entities) of you and (3) all officers, directors, managers and general partners (or persons holding comparable positions in non-corporate entities) of any Principal that itself is an entity, in each case whom we designate as your Principals and all holders of an ownership interest in you and of any entity directly or indirectly controlling you, and any other person or entity controlling, controlled by or under common control with you As used in this Section 19 16, the terms "control" and "controlling" shall mean the power to influence the management

decisions of the specified person and shall in any case be deemed to exist where the second person holds ten percent (10%) or more of the total ownership interest in the specified person, serves on any board of directors or comparable body of such specified person or acts as an officer, general partner or manager thereof (or holds a comparable position in a non-corporate entity) The initial Principals shall be listed on Attachment C The term "Controlling Principals" shall include, collectively and individually, any Principal who has been designated by us as a Controlling Principal hereunder For purposes of this Agreement, a publicly held corporation is a corporation registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of such Act

19 17 References

Each reference in this Agreement to a corporation or partnership shall be deemed to also refer to a limited liability company and any other entity or organization similar thereto Each reference to the organizational documents, equity owners, directors, and officers of a corporation in this Agreement shall be deemed to refer to the functional equivalents of such organizational documents, equity owners, directors, and officers, as applicable, in the case of a limited liability company or any other entity or organization similar thereto

19 18 No Rights or Remedies Except to the Parties

Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors, members and employees and such of your and our respective successors and assigns as may be contemplated (and, as to you, authorized by Article 14), any rights or remedies under or as a result of this Agreement

19 19 Effectiveness of Agreement

This Agreement shall not become effective until signed by an authorized officer of ours

19 20 Modification of the System

You understand and agree that the System must not remain static if it is to meet, without limitation, presently unforeseen changes in technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you and all other franchisees Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System, abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons, adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer, modifying or substituting entirely the building, premises, equipment, signage, trade dress, decor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder, and changing, improving, modifying, or substituting other words or designs for, the Marks You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations, provided, however, that such changes shall not materially and unreasonably increase your obligations hereunder

You shall accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed

We shall not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby You expressly waive any claims, demands or damages arising from or related to the foregoing activities including, without limitation, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing

19 21 Operation in the Event of Absence or Disability

In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties

19 22 Step-In Rights

If we determine in our sole judgment that the operation of your business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business which would cause harm to the System and thereby lessen its value, you authorize us to operate your business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, you are absent or incapacitated by reason of illness or death, you have failed to pay when due or have failed to remove any and all liens or encumbrances of every kind placed upon or against your business, or we determine that operational problems require that we operate your business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the business as a going concern

We shall keep in a separate account all monies generated by the operation of your business, less the expenses of the business, including reasonable compensation and expenses for our representatives In the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination

19 23 Costs and Legal Fees

If we are required to enforce this Agreement in a judicial or similar proceeding, you shall reimburse us for our costs and expenses, including, without limitation, reasonable accountants', attorneys', attorney assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding If we are required to engage legal counsel in

connection with any failure by you to comply with this Agreement, you shall reimburse us for any of the above-listed costs and expenses incurred by us

ARTICLE 20
SECURITY INTERESTS

20 1 Collateral

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage, and realty (including your interests under all real property and personal property leases) of the Kitchen, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Kitchen All items in which a security interest is granted are referred to as the ' Collateral"

20 2 Indebtedness Secured

The Security Interest is to secure payment of the following (the "Indebtedness")

20 2 1 All amounts due under this Agreement or otherwise by you,

20 2 2 All sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness,

20 2 3 All expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement, and

20 2 4 All other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments

20 2 5 Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Kitchen, including, but not limited to, a real property mortgage and equipment leases

20 3 Additional Documents

You will from time to time as required by us join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us

20 4 Possession of Collateral

Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral

20 5 Our Remedies in Event of Default

You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable

immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Maryland (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found Any sale of the Collateral may be conducted by us in a commercially reasonable manner Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above

20 6 Special Filing as Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction

ARTICLE 21
TECHNOLOGY

21 1 Computer Systems and Software

The following terms and conditions shall apply with respect to your computer system

21 1 1 We shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware to be used by, between, or among Taste Buds Kitchens, including without limitation (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at Taste Buds Kitchens, between or among Kitchens, and between and among the Franchised Kitchen and us and/or you, (b) Point of Sale Systems, (c) physical, electronic, and other security systems, (d) printers and other peripheral devices, (e) archival back-up systems, and (f) internet access mode and speed (collectively, the "Computer System")

21 1 2 We shall have the right, but not the obligation, to develop or have developed for us, or to designate (a) computer software programs and accounting system software that you must use in connection with the Computer System ("Required Software"), which you shall install, (b) updates, supplements, modifications, or enhancements to the Required Software, which you shall install, (c) the tangible media upon which you shall record data, and (d) the database file structure of your Computer System

21 1 3 You shall record all sales on computer-based point of sale systems approved by us or on such other types of systems as may be designated by us in the Manual or otherwise in writing ("Point of Sale Systems"), which shall be deemed part of your Computer System

21 1 4 You shall make, from time to time, such upgrades and other changes to the Computer System and Required Software as we may request in writing (collectively, "Computer Upgrades')

21 1 5 You shall comply with all specifications issued by us with respect to the Computer System and the Required Software, and with respect to Computer Upgrades You shall also afford us unimpeded access to your Computer System and Required Software as we may request, in the manner, form, and at the times requested by us

21 2 Data

We may, from time-to-time, specify in the Manual or otherwise in writing the information that you shall collect and maintain on the Computer System installed at the Kitchen, and you shall provide to us such reports as we may reasonably request from the data so collected and maintained All data pertaining to the Kitchen, and all data created or collected by you in connection with the System, or in connection with your operation of the Kitchen (including without limitation data pertaining to or otherwise concerning the Kitchen's customers) or otherwise provided by you (including, without limitation, data uploaded to, or downloaded from your Computer System) is and will be owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you Copies and/or originals of such data must be provided to us upon our request We hereby license use of such data back to you for the term of this Agreement, at no additional cost, solely for your use in connection with the business franchised under this Agreement

21 3 Privacy

You shall abide by all applicable laws pertaining to privacy of information collected or maintained regarding customers or other individuals ('Privacy"), and shall comply with our standards and policies pertaining to Privacy If there is a conflict between our standards and policies pertaining to Privacy and applicable law, you shall (a) comply with the requirements of applicable law, (b) immediately give us written notice of said conflict, and (c) promptly and fully cooperate with us and our counsel as we may request to assist us in our determination regarding the most effective way, if any, to meet our standards and policies pertaining to Privacy within the bounds of applicable law

21 4 On-line Use of Proprietary Marks

You shall not use the Proprietary Marks or any abbreviation or other name associated with us and/or the System as part of any e-mail address, domain name, and/or other identification of you in any electronic medium You agree not to transmit or cause any other party to transmit advertisements or solicitations by e-mail or other electronic media without our prior written consent as to your plan for transmitting such advertisements

21 5 No Outsourcing Without Prior Written Consent

You shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of your obligations without our prior written approval therefor, unless we have designated an approved supplier to provide such services Our consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form that is reasonably provided by us

21 6 Changes to Technology

You and we acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement In order to provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System, and you agree that you shall abide by those reasonable new standards established by us as if this Article 21 were periodically revised by us for that purpose You acknowledge and understand that this Agreement does not place any limitations on either our right to require you to obtain Computer Upgrades or the cost of such Computer Upgrades

ARTICLE 22
YOUR REPRESENTATIONS AND ACKNOWLEDGMENTS

22 1 Your Representations

You represent and warrant to us, with the intention that we are relying thereon in entering into this Agreement, that

22 1 1 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, then you are organized under the laws of the state of your principal place of business (or another state which you have identified to us) and are in good standing with and qualified to do business in each state and political/governmental subdivision having jurisdiction over the Kitchen

22 1 2 If you are a corporation, limited liability company, general partnership, partnership, or limited partnership, you have all corporate power and authority to execute, deliver, consummate and perform this Agreement, and it will be binding upon you and your successors and assigns when executed

22 1 3 You do not have any material liabilities, adverse claims, commitments or obligations of any nature as of the date of execution of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise which are not reflected as liabilities on the balance sheets of your current financial statements, which you have furnished to us before the execution of this Agreement

22 1 4 As of the date of execution of this Agreement, there are no actions, suits, proceedings or investigations pending or, to your knowledge or the knowledge any of your officers, directors, principal shareholders, proprietors, partners or principals (as applicable) after due inquiry, threatened, in any court or arbitral forum, or before any governmental agency or instrumentality, nor to the best of your knowledge or the knowledge of any such persons or entities (after due inquiry) is there any basis for any claim, action, suit, proceeding or investigation which affects or could affect, directly or indirectly, any of your assets, properties, rights or business, your right to operate and use your assets, properties or rights to carry on your business, and/or which affects or could affect your right to assume and carry out in all respects the duties, obligations and responsibilities specified in this Agreement

22 1 5 Neither you nor any of your Principals is a party to any contract, agreement, covenant not to compete or other restriction of any type which may conflict with, or be breached by, the execution, delivery, consummation and/or performance of this Agreement

22 1 6 All of your representations and warranties contained in this Agreement are complete, correct and accurate as of the date of execution of this Agreement and will survive any termination or expiration of this Agreement

22 2 Your Acknowledgments

You acknowledge, warrant and represent to us and we rely on such acknowledgments, warranties and representations that

22 2 1 No representation has been made by us (or any of our employees, agents or salespersons) and relied on by you as to the future or past income, expenses, sales volume or potential profitability, earnings or income of the Kitchen, or any other Taste Buds Kitchen, whether owned by us, our affiliates or our franchisees We make no guaranties, promises, representations, statements or

warranties that you can or will achieve any level or range of sales, income or other measures of performance

Initials_____

22 2 2 No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your anticipated income, earnings and growth or that of us or the Taste Buds Kitchen System, or the viability of the business opportunity being offered under this Agreement

Initials_____

22 2 3 Before executing this Agreement, you have had the opportunity to contact any and all of our existing franchisees

Initials_____

22 2 4 You have had the opportunity to independently investigate, analyze and construe both the business opportunity being offered under this Agreement, and the terms and provisions of this Agreement, using the services of legal counsel, accountants or other advisers (if you so elect) of your choosing You have been advised to consult with your advisors with respect to the legal, financial and other aspects of this Agreement, the Kitchen, and the prospects for the Kitchen You have either consulted with these advisors or have deliberately declined to do so

Initials_____

22 2 5 You have received from us a copy of our Franchise Disclosure Document, together with a copy of all proposed agreements relating to the sale of the franchise at least fourteen (14) calendar days before the execution of this Agreement or at least fourteen (14) calendar days before the payment by you to us of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement

Initials_____

22 2 6 No representation or statement has been made by us (or any of our employees, agents or salespersons) and relied on by you regarding your ability to procure any required license or permit that may be necessary to the operation of the Kitchen

Initials_____

22 2 7 You affirm that all information set forth in all applications, financial statements and submissions to us are true, complete and accurate in all respects, and you expressly acknowledge that we are relying on the truthfulness, completeness and accuracy of this information

Initials_____

22 2 8 Attached hereto as Attachment I is a Franchisee Disclosure Acknowledgment Statement You shall have received and answer the questions thereon, relating to representations that have or have not been made to you You have executed the Statement voluntarily and attached it hereto

Initials_____

22 2 9 You understand and agree that we may manage and change the System and our business in any manner that is not expressly prohibited by this Agreement Whenever we have the right within this Agreement to take or withhold action or to grant or decline to you the right to take or withhold action, we may make such a decision on the basis of our business judgment of what is in our best interests and those of the System and the franchise network, without regard to whether other reasonable alternative decisions exist or whether our decision adversely affects you Absent applicable statute, we shall have no liability for such a decision and you agree that our decision will not be subject to limitation or review If applicable law implies a covenant of good faith and fair dealing in this Agreement, you agree that such a covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants to us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder

Initials_____

22 2 10 Although we retain the right to establish and periodically modify System standards, which you have agreed to maintain in the operation of the Franchised Kitchen, you retain the right and sole responsibility for the day-to-day management and operation of the Kitchen and the implementation and maintenance of System standards at the Kitchen

Initials_____

22 2 11 You acknowledge and agree that we may modify the offer of our franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement

Initials_____

22 2 12 You acknowledge that the success of the business venture contemplated under this Agreement is speculative and depends, to a large extent, upon your ability as an independent businessperson, your active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby

Initials_____

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date first above written

FRANCHISOR
TASTE BUDS KITCHEN INTERNATIONAL LLC

a Maryland limited liability company

ATTEST

_____
Witness

By _____
Name _____
Title _____
Accepted On _____
(the "Effective Date")

FRANCHISEE

_____

_____
Witness

By _____
Name _____
Title _____
Date _____

ATTACHMENT "A" TO THE FRANCHISE AGREEMENT

ACCEPTED LOCATION AND TERRITORY

1 ACCEPTED LOCATION

Pursuant to Section 1 2 of the Franchise Agreement, the Kitchen shall be located at the following Accepted Location

_____
_____
_____

2 TERRITORY

Pursuant to Section 1 4 of the Franchise Agreement, the Territory shall be

_____
_____

FRANCHISEE	FRANCHISOR
_____	TASTE BUDS KITCHEN INTERNATIONAL LLC
By _____	By _____
Name _____	Name _____
Title _____	Title _____

ATTACHMENT "B" TO THE FRANCHISE AGREEMENT

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned ("Assignor") assigns transfers and sets over to Taste Buds Kitchen International LLC, a Maryland limited liability company ("Assignee"), all of Assignor's right and title to and interest in that certain "Lease" a copy of which is attached as Exhibit A respecting premises commonly known as _____ This assignment is for collateral purposes only and except as specified in this document Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor's obligations under the Lease

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises

Upon Assignor's default under the Lease or under the "Franchise Agreement" for a Kitchen between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises In that event Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee's prior written consent Throughout the term of the Franchise Agreement Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing Upon Assignee's failure to agree otherwise in writing and upon Assignor's failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal

ASSIGNEE	ASSIGNOR
TASTE BUDS KITCHEN INTERNATIONAL LLC	_____
By _____	By _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease

(a) Agrees to notify Assignee in writing of and upon Assignor's failure to cure any default by Assignor under the Lease,

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within thirty (30) days after Lessor's delivery of notice of the default under section (a) above,

(c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (30) day period noted in section (b) above Assignor's defaults under the Lease, and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Kitchen

Dated _____

_____

_____, Lessor

ATTACHMENT "C" TO THE FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP INTERESTS AND FRANCHISEE'S PRINCIPALS

A The following is a list of all shareholders, partners or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest

Name	Percentage of Ownership/Nature of Interest

B In addition to the persons listed in paragraph A , the following is a list of all of Franchisee's Principals described in and designated pursuant to Section 19 16 of the Franchise Agreement

ATTACHMENT "D-1" TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY, NON-DISCLOSURE AND NON-COMPETITION AGREEMENT
(for Principals of franchisee, as defined in the Franchise Agreement, which includes spouses)

1 Pursuant to a Franchise Agreement dated _____, 20___ (the "Franchise Agreement"), _____ (the "Franchisee" has acquired the right and franchise from Taste Buds Kitchen International, LLC (the 'Company") to establish and operate a Taste Buds Kitchen (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and Accepted Location _____ (the "Accepted Location")

2 The Company, as the result of the expenditure of time, skill, effort and resources, has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Taste Buds Kitchens offering culinary entertainment and educational experience for kids and families The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, recipes, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information")

3 In consideration for the Company agreeing to enter into a Franchise Agreement with the Franchisee and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree to the terms of this Confidentiality, Non-Disclosure and Non-Competition Agreement (the "Agreement")

4 Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement

5 As a Principal of the Franchisee, the Company and Franchisee may disclose the Confidential Information to me via training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of the Franchise Agreement

6 I will not acquire any interest in the Confidential Information, other than the right to utilize it in my operation of the Franchised Business during the term of my or my spouse's association with the Franchisee or the expiration or termination of the Franchise Agreement, whichever occurs first, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition I covenant that I will not forward or provide the Confidential Information to any third party, nor store it on any personal or third party electronic device, disk, drive, or otherwise, unless expressly authorized to do so by the Company

7 I understand and agree that I will have no ownership interest in any derivative works created by me, the Franchisee's employees, or any third party using the Confidential Information or any proprietary information of the Company

8 The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as

confidential Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with the operation of the Franchised Businesses, and will continue not to disclose or use any such information even after I or my spouse ceases to be associated with the Franchisee, unless I can demonstrate that such information has become generally known to the public or easily accessible other than by the breach of an obligation of the Franchisee under the Franchise Agreement, a breach of the employees or associates of the Franchisee, or a breach of my own duties or the duties of my spouse hereunder

9 Except as otherwise approved in writing by the Company, I shall not, during my or my spouse's (as applicable) association with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation (a) divert, or attempt to divert, any business or customer of the Franchised Business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System, or (b) own, maintain, operate, engage in, act as a consultant for, perform services for, advise, assist, loan money to or have any interest in any business which is of a character and concept similar to Taste Buds Kitchen, including a culinary entertainment business which offers and sells the same or substantially similar products or services (a Competitive Culinary Entertainment Business") Further, for a continuous uninterrupted period commencing upon the cessation or termination of my or my spouse's (as applicable) association with the Franchisee or the termination or expiration of the Franchise Agreement, whichever shall occur first, regardless of the cause for termination, including transfer, or assignment of the Franchise Agreement, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, (a) divert, or attempt to divert, any business or customer of the Franchised Business hereunder to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System, (b) employ or seek to employ, any person who is at that time or was within the preceding ninety (90) days employed by the Company or by any other Company franchisee, except as may be permitted under the Franchise Agreement, or (c) own, maintain, operate, engage in, act as a consultant for, perform services for advise, assist, loan money to or have any interest in any Competitive Culinary Entertainment Business that is, or is intended to be, located at or within

9 1 Franchisee's Territory, as defined in the Franchise Agreement ("Franchisee's Territory"),

9 2 Twenty (20) miles of Franchisee's Territory, or

9 3 Twenty (20) miles of any Franchised Business operating under the System and the Proprietary Marks

The prohibitions in this Paragraph 9 do not apply to my or my spouse's continuing interests in or activities performed in connection with a Franchised Business that is still in operation This restriction does not apply to my ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held corporation

10 I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement In the event any provision of this Agreement is ever deemed to exceed the limits permitted by any applicable law, the provisions set forth herein will be reformed to the extent necessary to make them reasonable and enforceable The invalidity or

unenforceability of any provision of this Agreement will not affect the validity or enforceability of the remaining provisions, all of which are severable and will be given full force and effect

11 I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified

12 The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm, therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, in addition to any other remedies available to them, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement

13 This is not a contract for employment I agree and understand that I have no employment relationship with the Company

14 The methods of dispute resolution and the governing law outlined in the Franchise Agreement are incorporated herein and shall govern any dispute in the meaning, understanding, effect, enforcement, interpretation or validity of this Agreement

15 This Agreement will be binding upon and inure to the benefit of all parties including my heirs personal representatives, successors and assigns and Franchisee's and Company's officers, directors, executives, employees, representatives, successors, agents and assigns

16 I understand that this Agreement may and will be assigned or transferred to, and will be binding upon and will inure to the benefit of, any successor of the Company, and any successor will be deemed substituted, for all purposes, as the "Company" under the terms of this Agreement As used in this Agreement the term ' successor" will mean any person, firm, corporation, or business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the assets of the business of the Company I acknowledge that the services to be rendered by me in my employment are unique and personal Accordingly, I may not assign any of my rights nor delegate any of my duties or obligations under this Agreement

Dated _____ Signature _____

Name _____

Title _____

ACKNOWLEDGED BY FRANCHISEE

By _____

Name _____

ACKNOWLEDGED BY COMPANY

By _____

Name _____

ATTACHMENT "D-2" TO THE FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT
(For employees of the Franchisee)

1 Pursuant to a Franchise Agreement dated _____, 20___ (the "Franchise Agreement"), _____ (the "Franchisee") has acquired the right and franchise from Taste Buds Kitchen International, LLC (the "Company") to establish and operate a Taste Buds Kitchen (the "Franchised Business") and the right to use in the operation of the Franchised Business the Company's trade names, service marks, trademarks, logos, emblems, and indicia of origin (the "Proprietary Marks"), as they may be changed, improved and further developed from time to time in the Company's sole discretion, only at the following authorized and Accepted Location _____ (the "Accepted Location")

2 The Company, as the result of the expenditure of time, skill, effort and resources, has developed and owns a distinctive format and system (the "System") relating to the establishment and operation of Taste Buds Kitchens offering culinary entertainment and educational experience for kids and families The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, recipes, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the "Confidential Information")

3 In consideration for my employment with the Franchisee and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree to the terms of this Confidentiality and Non-Disclosure Agreement (the "Agreement")

4 Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement

5 As an employee of the Franchisee, the Company and Franchisee may disclose the Confidential Information to me via training programs, the Company's Confidential Operations Manuals (the "Manuals"), and other general assistance during the term of my employment with the Franchisee

6 I will not acquire any interest in the Confidential Information, other than the right to utilize it in performing my duties for the Franchised Business during the term of my employment with the Franchisee and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition I covenant that I will not forward or provide the Confidential Information to any third party, nor store it on any personal or third party electronic device, disk, drive, or otherwise, unless expressly authorized to do so by the Company

7 Any work performed by me during my employment with the Franchisee and any derivative works created by me using the Confidential Information or any proprietary information of the Company are considered "works made for hire" and I will have no ownership interest in the items created

8 The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I shall hold in strict confidence all Confidential Information and all other information designated by the Company as confidential Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential

Information only in connection with my duties as an employee of the Franchisee, and will continue not to disclose or use any such information even after I cease to be employed by the Franchisee, unless I can demonstrate that such information has become generally known to the public or easily accessible other than by the breach of an obligation of the Franchisee under the Franchise Agreement, a breach of the employees or associates of the Franchisee, or a breach of my own duties or the duties hereunder

9 I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement In the event any provision of this Agreement is ever deemed to exceed the limits permitted by any applicable law, the provisions set forth herein will be reformed to the extent necessary to make them reasonable and enforceable The invalidity or unenforceability of any provision of this Agreement will not affect the validity or enforceability of the remaining provisions, all of which are severable and will be given full force and effect

10 I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof, and I agree to comply forthwith with any covenant as so modified

11 The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm, therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, in addition to any other remedies available to them, and I agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement

12 This is not a contract for employment and does not guaranty my employment for any set period of time I agree and understand that the Franchisee is my employer and I have no employment relationship with the Company

13 Subject to the rights of the Franchisee and the Company in Section 14, if a dispute arises under this Agreement, it is agreed that all disputes, controversies, or claims shall be submitted to binding arbitration before and in accordance with the Employment Rules of the American Arbitration Association then in effect It is acknowledged, understood and agreed that any such arbitration will be final and binding and that by agreeing to arbitration, the parties are waiving their respective rights to seek remedies in court, including the right to a jury trial The parties waive, to the fullest extent permitted by law, any right they may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement, whether based in contract, tort, statute (including any federal or state statute, law, ordinance or regulation), or any other legal theory **It is expressly acknowledged, understood and agreed that arbitration is final and binding, the parties are waiving their right to seek legal remedies in court including the right to a trial by jury, pre-arbitration discovery generally is more limited than and different from that available in court proceedings, the arbitrator's award is not required to include factual findings or legal reasoning, and any party's right to appeal or vacate, or seek modification of, the arbitration award, is strictly limited by law** It is understood, acknowledged and agreed that in any such arbitration, each party will be solely responsible for payment of his/her/its own counsel fees, with the costs of arbitration borne equally by the parties Any such arbitration shall be

governed by, and construed in accordance with, the law of the state of Maryland and shall take place in Maryland

14 Any dispute in the meaning, understanding, effect, interpretation or validity of this Agreement will be resolved in accordance only with the laws of the State of Maryland The only way this Agreement can be changed is in writing signed by the Company, Franchisee and me

15 This Agreement will be binding upon and inure to the benefit of all parties including my heirs, personal representatives, successors and assigns and Franchisee's and Company's officers, directors, executives, employees, representatives, successors, agents and assigns

16 I understand that this Agreement may and will be assigned or transferred to, and will be binding upon and will inure to the benefit of, any successor of the Company, and any successor will be deemed substituted, for all purposes, as the "Company" under the terms of this Agreement As used in this Agreement the term "successor" will mean any person, firm, corporation, or business entity which at any time, whether by merger, purchase or otherwise, acquires all or substantially all of the assets of the business of the Company I acknowledge that the services to be rendered by me in my employment are unique and personal Accordingly, I may not assign any of my rights nor delegate any of my duties or obligations under this Agreement

Dated _____

Signature _____

Name _____

Title _____

ACKNOWLEDGED BY FRANCHISEE

By _____

Name _____

ACKNOWLEDGED BY COMPANY

By _____

Name _____

ATTACHMENT "E" TO THE FRANCHISE AGREEMENT
ELECTRONIC TRANSFER AUTHORIZATION

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO TASTE BUDS KITCHEN INTERNATIONAL LLC ("COMPANY")

Depositor hereby authorizes and requests _____ (the "Depository") to initiate debit and credit entries to Depositor's ☐ checking or ☐ savings account (select one) indicated below drawn by and payable to the order of Taste Buds Kitchen International LLC by Electronic Funds Transfer, provided there are sufficient funds in said account to pay the amount upon presentation

Depositor agrees that the Depository's rights with respect to each such charge shall be the same as if it were a check drawn by the Depository and signed by Depositor Depositor further agrees that if any such charge is dishonored, whether with or without cause and whether intentionally or inadvertently, the Depository shall be under no liability whatsoever

Depository Name _____

City _____ State _____ Zip Code _____

Transit/ABA Number _____ Account Number _____

This authority is to remain in full force and effect until Company has received written notification from me (or either of us) of its termination in such time and in such manner to afford Company and Depository a responsible opportunity to act on such request

Depositor (Please Print)

_____

_____

_____
Date Signed

_____

_____
Signature(s) of Depositor, as Printed Above

Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers

ATTACHMENT "F" TO THE FRANCHISE AGREEMENT
INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the "Internet Listing Agreement") is made and entered into as of the _____ day of _____, 20___ (the "Effective Date"), by and between Taste Buds Kitchen International LLC, a Maryland limited liability company (the "Franchisor"), and _____, a _____ (the "Franchisee")

W I T N E S S E T H

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a Taste Buds Kitchen (the "Franchise Agreement"), and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement,

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows

1 **DEFINITIONS**

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof

2 **TRANSFER, APPOINTMENT**

2 1 Interest in Internet Web Sites and Listings Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the "Internet Web Sites and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as ' Franchisee's Interest")

2 2 Transfer On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Internet Web Sites and Listings (i) to transfer all of Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee will immediately direct the Internet Companies to terminate such Internet Web Sites and Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs

2 3 Appointment, Power of Attorney Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this

Internet Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Internet Listing Agreement Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following

2 3 1 Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor,

2 3 2 Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings, and

2 3 3 Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest

2 4 Certification of Termination Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated

2 5 Cessation of Obligations After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement

3 MISCELLANEOUS

3 1 Release Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Internet Listing Agreement

3 2 Indemnification Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Internet Listing Agreement

3 3 No Duty The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings

3 4 Further Assurances Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement

3 5 Successors, Assigns, and Affiliates All Franchisor's rights and powers, and all Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Internet Listing Agreement

3 6 Effect on Other Agreements Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein

3 7 Survival This Internet Listing Agreement shall survive the Termination of the Franchise Agreement

3 8 Joint and Several Obligations All Franchisee's obligations under this Internet Listing Agreement shall be joint and several

3 9 Governing Law This Internet Listing Agreement shall be governed by and construed under the laws of the State of Maryland, without regard to the application of Maryland conflict of law rules

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date

TASTE BUDS KITCHEN INTERNATIONAL LLC	FRANCHISEE
By _____	By _____
Name _____	Name _____
Title _____	Title _____

TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the "Telephone Listing Agreement") is made and entered into as of the _____ day of _____, 20___ (the "Effective Date"), by and between Taste Buds Kitchen International LLC, a Maryland limited liability company (the "Franchisor"), and _____, a _____ (the "Franchisee")

WITNESSETH

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor for a Taste Buds Kitchen (the "Franchise Agreement"), and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement,

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows

1 **DEFINITIONS**

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof

2 **TRANSFER, APPOINTMENT**

2 1 Interest in Telephone Numbers and Listings Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "Telephone Numbers and Listings") related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest")

2 2 Transfer On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Numbers and Listings (i) to transfer all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs

2 3 Appointment, Power of Attorney Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under the Franchise Agreement and this Telephone Listing Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the

Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following

2 3 1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor,

2 3 2 Direct the Telephone Companies to terminate' any or all of the Telephone Numbers and Listings, and

2 3 3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest

2 4 Certification of Termination Franchisee hereby directs the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated

2 5 Cessation of Obligations After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement

3 MISCELLANEOUS

3 1 Release Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Telephone Listing Agreement

3 2 Indemnification Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Telephone Listing Agreement

3 3 No Duty The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings

3 4 Further Assurances Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement

3 5 Successors, Assigns, and Affiliates All Franchisor's rights and powers, and all Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Telephone Listing Agreement

3 6 Effect on Other Agreements Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein

3 7 Survival This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement

3 8 Joint and Several Obligations All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several

3 9 Governing Law This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Maryland, without regard to the application of Maryland conflict of law rules

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date

TASTE BUDS KITCHEN INTERNATIONAL LLC

By _____
Name _____
Title _____

FRANCHISEE

By _____
Name _____
Title _____

ATTACHMENT "G" TO THE FRANCHISE AGREEMENT
POWER OF ATTORNEY (TAX)

IRREVOCABLE POWER OF ATTORNEY

STATE OF _____)
)
COUNTY OF _____)

KNOW ALL MEN BY THESE PRESENTS

That _____, a _____ ("Franchisee"), does hereby irrevocably constitute and appoint Taste Buds Kitchen International LLC, a Maryland limited liability company ("Franchisor"), true and lawful attorney-in-fact and agent for Franchisee and in Franchisee's name, place and stead to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, shall be necessary or advisable for the sole purpose of obtaining any and all returns, records, reports and other documentation relating to the payment of taxes filed by Franchisee with any state and/or federal taxing authority, including, but not limited to, the State Comptroller of the State of _____, hereby granting unto Franchisor full power and authority to do and perform any and all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted

During the term of this Power of Attorney, and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no governmental agency, person, firm or corporation dealing with Franchisor, if acting in good faith, shall be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of documents delivered or funds or property paid or delivered to Franchisor Any governmental agency, person, firm or corporation dealing with Franchisor shall be fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee shall not take any action against any person, firm, corporation or agency acting in reliance on such a certificate or a copy of this Power of Attorney Any instrument or document executed on behalf of Franchisee by Franchisor shall be deemed to include such a certificate on the part of Franchisor, whether or not expressed This paragraph shall survive any termination of this Power of Attorney

This Power of Attorney shall terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated as of _____, 20___ by and between Franchisor and Franchisee Such termination, however, shall not affect the validity of any act or deed that Franchisor may have effected prior to such date pursuant to the powers herein granted

This instrument is to be construed and interpreted as an irrevocable power of attorney coupled with an interest It is executed and delivered in the State of _____ and the laws of the State of _____ shall govern all questions as to the validity of this Power of Attorney and the construction of its provisions

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of the _____ day of _____, 20___

_____, a
_____

By _____
Name _____
Title _____

STATE OF _____)
)
COUNTY OF _____)

BEFORE ME, the undersigned authority, on this day personally appeared _____, _____ of _____, known to me to be the person whose name is subscribed to the foregoing instrument, who acknowledged to me that s/he executed the same for the purposes and consideration therein expressed and in the capacity therein stated

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 20__

(SEAL)

_____
Notary Public in and for
The State of _____

My commission expires

_____

ATTACHMENT "H" TO THE FRANCHISE AGREEMENT

TRANSFER OF A FRANCHISE TO A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement shall amend that certain Franchise Agreement between _____ ("Franchisee"), and Taste Buds Kitchen International LLC ("Franchisor")

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Franchisee of the Kitchen under a Franchise Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate at the location set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Franchisee constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Article 14 of the Franchise Agreement, agree as follows

1 The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Article 10 thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they jointly and severally personally guarantee all of the Franchisee's obligations set forth in said Agreement

2 The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend

> "The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20__ between _____ and Taste Buds Kitchen International LLC"
>
> or
>
> "The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated _____, 20__ between _____ and Taste Buds Kitchen International LLC"

3 _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Kitchen

4 _____ hereby agrees to become a party to and to be bound by all of the provisions of the Franchise Agreement executed on the date set forth below between Franchisee and Franchisor, to the same extent as if it were named as the Franchisee therein

Date of Franchise Agreement _____

Location of Kitchen _____

WITNESS

_____

As to Paragraph 3

_____
[Name]

As to Paragraph 4

_____
[Name]

ATTEST

_____

_____
Name of Corp or Limited Liability Company

By _____
Title _____

In consideration of the execution of the above Agreement, Taste Buds Kitchen International LLC hereby consents to the above referred to assignment on this _____ day of _____, 20___

TASTE BUDS KITCHEN INTERNATIONAL LLC

By _____
Name _____
Title _____

ATTACHMENT "I" TO THE FRANCHISE AGREEMENT
FRANCHISEE DISCLOSURE ACKNOWLEDGMENT STATEMENT

As you know, Taste Buds Kitchen International LLC (the "Franchisor") and you are preparing to enter into a franchise agreement (the "Franchise Agreement") for the establishment and operation of a Taste Buds Kitchen (the "Franchised Business") The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor ("Broker") that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading The Franchisor, through the use of this document, desires to ascertain (a) that the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) that you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor The questions below do not apply to any communications that you had with the transferring Franchisee Please review each of the following questions and statements carefully and provide honest and complete responses to each

1 Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes _____ No _____

2 I had my first face-to-face meeting with a Franchisor representative on _____, 20___

3 Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4 Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not understand? (Attach additional pages, if necessary)

_____
_____
_____
_____
_____
_____

5 Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

6 Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7 Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary)

_____

_____

_____

_____

_____

_____

8 Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9 Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

10 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the franchised business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

12 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

13 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

14 Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes _____ No _____

15 Has any employee of a Broker or other person 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 or franchise agreement?

Yes _____ No _____

16 Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

17 Have you paid any money to the Franchisor concerning the purchase of this franchise prior to today?

Yes _____ No _____

18 Have you spoken to any other franchisee(s) of this system before deciding to purchase this franchise? If so, who? _____

_____

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines (Attach additional pages, if necessary, and refer to them below) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank

I signed the Franchise Agreement and Addendum (if any) on _____, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor

Please understand that your responses to these questions are important to us and that we will rely on them By signing this Questionnaire, you are representing that you have responded truthfully to the above questions In addition, by signing this Questionnaire, you also acknowledge that

A You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, franchise location, operation costs, lease terms and costs and the marketplace You hereby acknowledge your awareness of and willingness to undertake these business risks

B You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the franchise Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None"

C You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures") The Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is

(i) a person or entity listed in the Annex to the Executive Order,

(ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism,

(iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or

(iv) owned or controlled by terrorists or sponsors of terrorism

You further covenant that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure

Acknowledged this _____ day of _____, 20___

Sign here if you are taking the franchise as an

INDIVIDUAL

_____
Signature

Print Name_____

_____
Signature

Print Name_____

_____
Signature

Print Name_____

_____
Signature

Print Name_____

Sign here if you are taking the franchise as a CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP

_____
Print Name of Legal Entity

By _____
Signature

Print Name_____

Title_____

ATTACHMENT "J" TO THE FRANCHISE AGREEMENT
GUARANTY

CONTROLLING PRINCIPALS

Each of the undersigned acknowledges and agrees as follows

1 Each has read the terms and conditions of the Franchise Agreement and acknowledges that the execution of this guaranty and the undertakings of the Controlling Principals in the Franchise Agreement are in partial consideration for, and a condition to, the granting of this license, and that Franchisor would not have granted this license without the execution of this guaranty and such undertakings by each of the undersigned,

2 Each is included in the term "Controlling Principals" as described in Section 19 16 of the Franchise Agreement,

3 Each individually, jointly and severally, makes all of the covenants, representations, warranties and agreements of the Controlling Principals set forth in the Franchise Agreement and is obligated to perform thereunder, and

4 Each individually, jointly and severally, unconditionally and irrevocably guarantees to Franchisor and its successors and assigns that all of Franchisee's obligations under the Franchise Agreement will be punctually paid and performed Upon default by Franchisee or upon notice from Franchisor, each will immediately make each payment and perform each obligation required of Franchisee under the Franchise Agreement Without affecting the obligations of any of the Controlling Principals under this guaranty, Franchisor may, without notice to the Controlling Principals, waive, renew, extend, modify, amend or release any indebtedness or obligation of Franchisee or settle, adjust or compromise any claims that Franchisor may have against Franchisee Each of the Controlling Principals waives all demand and notices of every kind with respect to the enforcement of this guaranty, including, without limitation, notice of presentment, demand for payment or performance by Franchisee, any default by Franchisee or any guarantor and any release of any guarantor or other security for this guaranty or the obligations of Franchisee Franchisor may pursue its rights against any of the Controlling Principals, jointly or severally, without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy Upon receipt by Franchisor of notice of the death of any of the Controlling Principals, the estate of the deceased will be bound by the foregoing guaranty, but only for defaults and obligations under the Franchise Agreement existing at the time of death, and in such event, the obligations of the remaining Controlling Principals shall continue in full force and effect The undersigned agree that the governing law and methods for resolution of disputes which govern this Guaranty shall be the same as those outlined in the Franchise Agreement

ATTEST

CONTROLLING PRINCIPALS

_____
Witness

_____
Name _____

_____
Witness

_____
Name _____

_____
Witness

_____
Name _____

The individual executing below shall be the initial "Operating Principal", if applicable

_____
Witness

_____
Name _____

ATTACHMENT "K" TO THE FRANCHISE AGREEMENT

FORM OF GENERAL RELEASE

THIS AGREEMENT ("Agreement") is made and entered into this ____ day of _____, 20___ by and between TASTE BUDS KITCHEN INTERNATIONAL LLC, a Maryland limited liability company having its principal place of business located at 141 Wye River Drive, Queenstown, Maryland 21658 (the "Franchisor"), and _____, an individual residing at _____ OR _____ (hereinafter referred to as "Releasor"), wherein the parties hereto, in exchange for good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, and in reliance upon the representations, warranties, and comments herein are set forth, do agree as follows

1 **Release by Releasor**

Releasor does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which Releasor may now have, or may hereafter claim to have or to have acquired against them of whatever source or origin, arising out of or related to any and all transactions of any kind or character at any time prior to and including the date hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Agreement, and further promises never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action thereon against the Franchisor, any affiliate, successor, assign, parent corporation, subsidiary, director, officer, shareholder, employee, agent, executor, administrator, estate, trustee or heir, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction for any matter or claim arising before execution of this Agreement In the event Releasor breaches any of the promises covenants, or undertakings made herein by any act or omission, Releasor shall pay, by way of indemnification, all costs and expenses of the Franchisor caused by the act or omission, including reasonable attorneys' fees

2 Releasor hereto represents and warrants that no portion of any claim, right, demand, obligation, debt, guarantee, or cause of action released hereby has been assigned or transferred by Releasor party to any other party, firm or entity in any manner including, but not limited to, assignment or transfer by subrogation or by operation of law In the event that any claim, demand or suit shall be made or institute against any released party because of any such purported assignment, transfer or subrogation, the assigning or transferring party agrees to indemnify and hold such released party free and harmless from and against any such claim, demand or suit, including reasonable costs and attorneys' fees incurred in connection therewith It is further agreed that this indemnification and hold harmless agreement shall not require payment to such claimant as a condition precedent to recovery under this paragraph

3 Each party acknowledges and warrants that his, her or its execution of this Agreement is free and voluntary

4 Maryland law shall govern the validity and interpretation of this Agreement, as well as the performance due thereunder This Agreement is binding upon and inures to the benefit of the respective assigns, successors, heirs and legal representatives of the parties hereto

5 In the event that any action is filed to interpret any provision of this Agreement, or to enforce any of the terms thereof, the prevailing party shall be entitled to its reasonable attorneys' fees and costs incurred therein, and said action must be filed in the State of Maryland

6 This Agreement may be signed in counterparts, each of which shall be binding against the party executing it and considered as the original

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this agreement effective as of the date first above

Witness

_____

RELEASOR

_____
(Name)

Witness

_____

TASTE BUDS KITCHEN INTERNATIONAL LLC

By _____
Name _____
Title _____

Exhibit C

AREA DEVELOPER AGREEMENT

Taste Buds Kitchen International, LLC

TASTE BUDS KITCHEN INTERNATIONAL LLC

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPER

DATE OF AGREEMENT

TABLE OF CONTENTS

SECTION 1	**1**
GRANT	1
SECTION 2	**2**
DEVELOPMENT FEE	2
SECTION 3	**2**
SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS	2
SECTION 4	**3**
DEVELOPMENT RIGHTS AND OBLIGATIONS	3
SECTION 5	**4**
RENEWAL	4
SECTION 6	**4**
TERM AND RIGHT OF FIRST REFUSAL	4
SECTION 7	**5**
YOUR OBLIGATIONS	5
SECTION 8	**6**
OUR SERVICES	6
SECTION 9	**6**
DEFAULT AND TERMINATION	6
SECTION 10	**8**
OBLIGATIONS FOLLOWING TERMINATION	8
SECTION 11	**8**
TRANSFER OF INTEREST	8
SECTION 12	**11**
COVENANTS	11
SECTION 13	**13**
NOTICES	13
SECTION 14	**14**
INDEPENDENT CONTRACTOR AND INDEMNIFICATION	14
SECTION 15	**14**
APPROVALS	14
SECTION 16	**14**
NON-WAIVER	14

SECTION 17 **15**
SEVERABILITY AND CONSTRUCTION 15
SECTION 18 **15**
ENTIRE AGREEMENT, APPLICABLE LAW 15
SECTION 19 **15**
DISPUTE RESOLUTION 15
SECTION 20 **16**
TIMELY PERFORMANCE 16
SECTION 21 **17**
ACKNOWLEDGMENTS 17
SECTION 22 **17**
EFFECTIVE DATE 17

ATTACHMENTS

A Certification by Area Developer
B Guaranty
C Transfer of a Franchise to a Corporation or Limited Liability Company
D Minimum Performance Schedule
E Protected Area

TASTE BUDS KITCHEN INTERNATIONAL LLC
AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Agreement") is made and entered into the _____ day of _____, 20__, between Taste Buds Kitchen International LLC, a Maryland limited liability company having its principal place of business at 141 Wye River Drive, Queenstown, Maryland 21658 ("we", 'us" or "our"), and _____ whose principal address is _____ (hereinafter "you" or "your")

WITNESSETH

WHEREAS, as the result of the expenditure of time, skill, effort and money, we and our affiliate have developed and own a unique and distinctive system (hereinafter "System") relating to the establishment and operation of a Kitchen offering culinary entertainment and educational experience for kids and families using the franchisor's proprietary methods, techniques, trade dress, trademarks and logos ("Kitchen" or "Franchised Business"),

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, and furnishings, proprietary products and ingredients, proprietary recipes, uniform standards, specifications, and procedures for operations, quality and uniformity of products and services offered, procedures for inventory, management and financial control, training and assistance, and advertising and promotional programs, all of which may be changed, improved, and further developed by us from time to time,

WHEREAS, the System is identified by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark "Taste Buds Kitchen®" and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by us in writing) for use in connection with the System (hereinafter referred to as "Marks"),

WHEREAS, we and our affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service, and

WHEREAS, you wish to obtain certain development rights to open and operate Kitchens operating under the Marks and the System within the Protected Area described in this Area Development Agreement

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows

SECTION 1
GRANT

1 1 We hereby grant to you, pursuant to the terms and conditions of this Area Development Agreement, certain development rights ("Development Rights') to establish and operate _____ (_____) franchised Kitchens, and to use the Marks and System solely in connection therewith, at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3 1 hereof, and pursuant to the schedule established in Attachment D of this Agreement (hereinafter "Minimum Performance Schedule") Each Kitchen developed hereunder shall be located in the area described in

Attachment E of this Agreement (hereinafter 'Protected Area") The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the last Taste Buds Kitchen to be developed hereunder

1 2 Each Kitchen for which a Development Right is granted hereunder shall be established and operated pursuant to a Franchise Agreement to be entered into between you and us in accordance with Section 3 1 hereof

1 3 Except as otherwise provided in this Agreement, we shall not establish, nor franchise anyone other than you to establish, a Kitchen in the Protected Area during the term of this Agreement, provided you are not in default hereunder

1 4 This Agreement is not a Franchise Agreement and does not grant to you any right to use the Marks or System

1 5 You shall have no right under this Agreement to franchise others under the Marks or System

SECTION 2
DEVELOPMENT FEE

In consideration of the development rights granted herein, you shall pay to us a Development Fee of _____ Thousand Dollars ($_____), payable upon execution of this Agreement ('Development Fee") The Development Fee is calculated by multiplying Twenty-Two Thousand Five Hundred Dollars ($22,500) by the number of Kitchens you will be developing You will remain responsible for the payment of an initial franchise fee for each Kitchen you will develop, but we will credit this Development Fee in increments of $22,500 against that initial franchise fee upon the signing of each Franchise Agreement

The Development Fee shall be fully earned by us upon execution of this Agreement, shall be non-refundable, and shall be for administrative and other expenses incurred by us and for the development opportunities lost or deferred as a result of the Development Rights granted to you herein

SECTION 3
SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3 1 You shall assume all responsibility and expense for locating potential sites for Kitchens and shall submit to us for our evaluation and approval, in the form specified by us, a description of the site, the terms of the lease or purchase agreement, a market feasibility study for the site and such other information and materials as we may reasonably require, together with a letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site We shall have thirty (30) days after receipt of such information and materials from you to accept or decline the site in our sole discretion If the site is accepted, you will then be presented with the Franchise Agreement for execution

3 2 Recognizing that time is of the essence, you agree to exercise each of the Development Rights granted hereunder in the manner specified herein, and in accordance with the Minimum Performance Schedule Your failure to adhere to the Minimum Performance Schedule shall constitute a default under this Agreement as provided in Section 9 1 hereof Under no circumstances may you open a Kitchen for business unless and until there is a fully executed Franchise Agreement in place for such Kitchen and we have been paid all amounts payable to us upon execution of such Agreement

3 3 You shall exercise each Development Right granted herein only by executing a Franchise Agreement for each Kitchen at a site approved by us in the Protected Area as hereinafter provided within ten (10) days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution The Franchise Agreement for the first Development Right exercised hereunder has been executed contemporaneously with this Agreement The Franchise Agreement for each additional Development Right exercised hereunder shall be the then-current Franchise Agreement, subject to any non-material changes therein which are required to be made by changes in any applicable law, regulation or ordinance in effect from time to time The Royalty Fee and other continuing fees payable to us will remain the same for all Kitchens developed hereunder In the event we do not receive the properly executed Franchise Agreement with the appropriate number of copies within said ten (10) days from delivery thereof to you, our approval of the site shall be void and you shall have no rights with respect to said site

3 4 You acknowledge that the approval of a particular site for a Kitchen by us shall not be deemed to be an assurance or guaranty that the Kitchen will operate successfully or at a profit from such site

3 5 You shall be required to execute each Franchise Agreement and own a minimum of fifty-one percent (51%) of the issued and outstanding stock for each Kitchen to be opened pursuant to said Franchise Agreement In no event shall you relinquish control over each or any entity operating each Kitchen except pursuant to an authorized transfer, as described in Section 11

SECTION 4
DEVELOPMENT RIGHTS AND OBLIGATIONS

4 1 Subject to the provisions of this Agreement, we grant to you the Development Rights, as described in Section 1 1 Notwithstanding any other provision of this Agreement, Development Rights under this Agreement may or may not, in our sole discretion, include the right to develop Kitchens at any Special Sites" Special Sites include without limitation military bases, hotels, high school and college campuses, airports, train stations, travel plazas, toll roads, prisons, hospitals, convenience stores, department stores, casinos, sports or entertainment venues or stadiums, and retail Kitchen locations being sublet under a lease to a master concessionaire, whether currently existing or constructed or established subsequent to the date hereof

4 2 Provided you are in full compliance with all the terms and conditions of this Agreement, including without limitation your development obligations described in Section 3 2 and the Minimum Performance Schedule, and you are in full compliance with all of your obligations under all Franchise Agreements executed pursuant to this Agreement, then during the term of this Agreement neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Kitchens within the Protected Area, except the franchises that are granted to you pursuant to this Agreement and except as otherwise expressly provided in this Agreement

4 3 Upon the termination or expiration of this Agreement, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Kitchens within the Protected Area subject only to the territorial rights granted to you with respect to Kitchens operated by you pursuant to the Franchise Agreements and subject, further, to the right of first refusal described in Section 6 below

4 4 Except as expressly limited by Section 3 2 above, we and our affiliates retain all rights with respect to Kitchens, the Marks and the sale of any goods and services, anywhere in the world, including, without limitation, the right

4 4 1 to produce, offer and sell and to grant others the right to produce, offer and sell the products offered at Kitchens and any other goods displaying the Marks or other trade and service marks through alternative distribution channels, as described below, both within and outside the Protected Area, and under any terms and conditions we deem appropriate "Alternative distribution channels" include, but are not limited to, the Internet, catalog sales, grocery stores, club stores, telemarketing or other direct marketing sales,

4 4 2 to operate and to grant others the right to operate Kitchens located outside the Protected Area under any terms and conditions we deem appropriate and regardless of proximity to a Kitchen,

4 4 3 to operate and to grant others the right to operate Kitchens at Special Sites within and outside the Protected Area under any terms and conditions we deem appropriate, and

4 4 4 to acquire and operate a business operating one or more Kitchens operating in the Protected Area

SECTION 5
RENEWAL

This Agreement shall not be subject to renewal, however, if you wish to purchase a new Protected Area and continue to develop Kitchens, so long as you continue to meet our criteria, we will, in good faith, negotiate a new Area Development Agreement with you

SECTION 6
TERM AND RIGHT OF FIRST REFUSAL

6 1 Unless sooner terminated in accordance with the terms of this Agreement, the term of this Agreement and all Development Rights granted hereunder shall expire on the date the last Kitchen is opened pursuant to the Minimum Performance Schedule established in Attachment D

6 2 If, during the term of this Agreement, a "Special Site" becomes available in your Protected Area, then we may, in our sole discretion, offer to you the opportunity to develop a Kitchen at such Special Site You shall have thirty (30) days after receipt of our notice in which to accept or decline this right of first refusal Your failure to notify us within such thirty (30) day period shall be interpreted that you have declined the right of first refusal Nothing in this Agreement shall require us to provide you with a right of first refusal for a Special Site

6 3 Upon completion of the Minimum Performance Schedule, if we determine that it is desirable to operate one or more additional Kitchens in the Protected Area, and provided you have timely complied with the Minimum Performance Schedule and are then in compliance with all terms and conditions of all Franchise Agreements, you shall have a right of first refusal to obtain the Development Rights to such additional Kitchen(s) upon such reasonable terms and conditions as are then determined by us including, but not limited to, the imposition of a new Development Fee and the payment of the then-current initial fees upon execution of the then-current Franchise Agreement In such case, we shall advise you in writing of the terms and conditions for the acquisition of the Development Rights for such

additional Kitchen(s) You must notify us in writing within sixty (60) days of the receipt of such notice whether you wish to acquire the Development Rights to one or all of such additional Kitchen(s) If you do not exercise this right of first refusal, in whole, we may, following the expiration of the sixty (60) day period, grant the Development Rights to such additional Kitchen(s) to any other person or persons on the same terms and conditions or we may elect to develop and construct any of such additional Kitchen(s)

SECTION 7
YOUR OBLIGATIONS

7 1 You acknowledge and agree that

7 1 1 Except as otherwise provided herein, this Agreement includes only the right to select sites for the establishment of Kitchens and to submit the same to us for our approval in accordance with the terms of this Agreement This Agreement does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Kitchens within the Protected Area You shall obtain the license to use such additional rights at each Kitchen upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement

7 1 2 The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section 11 hereof

7 1 3 Except as provided in Sections 6 1 and 6 2 hereof, the Development Rights granted hereunder are non-Protected, and we retain the right, in our sole discretion

(a) To continue to construct and operate other Kitchens and to use the System and the Marks at any location outside the Protected Area, and to license others to do so

(b) To develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein

(c) To develop, merchandise, sell and license others to sell any of our products, proprietary or otherwise, presently existing or to be developed in the future to the public through alternative distribution channels outside or inside of the Protected Area and to use the Marks in connection therewith

7 1 4 You have sole responsibility for the performance of all obligations arising out of the operation of your business pursuant to this Agreement, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation

7 1 5 In all public records, in your relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your business and that the operations of said business are separate and distinct from the operation of a Taste Buds Kitchen

7 1 6 You shall at all times preserve in confidence any and all materials and information furnished or disclosed to you by us and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment

You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person

7 1 7 You shall comply with all requirements of federal, state and local laws, rules and regulations

7 1 8 You shall at no time have the right to sub-franchise any of your Development Rights hereunder

7 1 9 In no event shall any Kitchen be opened for business unless and until a Franchise Agreement for such Kitchen has been fully executed and the initial franchise fee for such Kitchen has been fully paid

SECTION 8
OUR SERVICES

We shall, at our expense, provide the following services

8 1 Review your site selection for conformity to our standards and criteria for selection and acquisition of sites upon our receipt of your written request for approval thereof

8 2 Assist you in determining the layout and configuration of each Kitchen once the location has been approved After you and we have determined the layout and configuration of each Kitchen, you must arrange for site plan and build-out plans and specifications to be prepared and submitted to us for our review

8 3 Review of your site plan and final build-out plans and specifications for conformity to the construction standards and specifications of the System, upon our receipt of your written request for approval thereof

8 4 Provide such other resources and assistance as may hereafter be developed and offered by us to our other Area Developers

SECTION 9
DEFAULT AND TERMINATION

9 1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this Agreement upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this Agreement shall be terminated in accordance with the provisions of any such law

9 1 1 If you shall, in any respect, fail to meet the Minimum Performance Schedule

9 1 2 If you shall purport to effect any assignment other than in accordance with Section 11 hereof

9 1 3 Except as provided in Section 11 hereof, if you attempt to sell, assign, transfer or encumber this Agreement prior to the time that at least twenty-five percent (25%) of the Kitchens to be

constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction

9 1 4 If you make, or have made, any material misrepresentation to us in connection with obtaining this Area Development Agreement, any site approval hereunder, or any Franchise Agreement

9 1 5 If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement

9 1 6 If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Kitchen, and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality

9 1 7 If you or an owner of yours owning a twenty-five percent (25%) or more interest in you is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one (1) year

9 1 8 If you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors, if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you, if you are adjudicated a bankrupt or insolvent, if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you, if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction, if proceedings for a composition with creditors under any state or federal law should be instituted by or against you, if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a *supersedeas* bond is filed), if you are dissolved, if execution is levied against your business or property, if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days, or if the real or personal property of the business shall be sold after levy thereupon by any sheriff, marshal, or constable

9 1 9 If you, or any shareholder or principal, if you are corporate entity, or any of your affiliates cease to operate all of the Kitchens developed pursuant to the terms of this Agreement

9 2 Upon occurrence of any of the events stated in this Section 9 2, we may, without prejudice to any other rights or remedies contained in this Agreement or provided by law or equity, terminate this Agreement Such termination shall be effective thirty (30) days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period

9 2 1 If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property except pursuant to, and in accordance with, a valid and effective Franchise Agreement

9 2 2 If you, or persons controlling, controlled by or under common control with you, shall have any interest, direct or indirect, in the ownership or operation of any business engaged in the sale of products similar to those permitted to be sold by you within the Protected Area or in any culinary

entertainment business which looks like, copies or imitates the Kitchen or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement with us

9 2 3 If you shall fail to remit to us any payments pursuant to Section 2 when same are due

9 2 4 If you shall begin work upon any Kitchen at any site unless all the conditions stated in Section 3 hereof have been met

9 2 5 If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this Agreement

9 2 6 If you default in the performance of any other obligation under this Agreement

9 2 7 If you open any Kitchen for business before a Franchise Agreement for such Kitchen has been fully executed and the initial franchise fee due to us has been paid

SECTION 10
OBLIGATIONS FOLLOWING TERMINATION

10 1 Upon termination of this Agreement becoming effective for any reason, or upon expiration of the term hereof, you agree as follows

10 1 1 To cease immediately any attempts to select sites on which to establish Kitchens

10 1 2 To cease immediately to hold yourself out in any way as Area Developer of ours or to do anything which would indicate a relationship between you and us

10 2 No right or remedy herein conferred upon or reserved to us is Protected of any other right or remedy provided or permitted by law or in equity

SECTION 11
TRANSFER OF INTEREST

11 1 This Agreement is personal to you and you shall neither sell, assign, transfer nor encumber this Agreement, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent You understand that this Agreement may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered The assignment or transfer of any interest, except in accordance with this Section shall constitute a material breach of this Agreement

11 2 In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guarantees by one or more equity owners of all of the obligations of said corporate entity or assignee corporate entity to us and other parties designated by us The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Kitchen(s) pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation of the

Kitchen(s) shall be held by the corporate entity or assignee corporate entity There shall be no transfer fee charged by us for a one (1) time assignment to a corporate entity

11 3 If you are a corporation or if your rights hereunder are assigned to a corporate entity, you or those individuals disclosed on Attachment "B" attached hereto shall be the legal and beneficial owner of not less than fifty-one percent (51%) of the outstanding equity of said entity and shall act as such entity's principal officer The assignment to a corporate entity will not relieve you of personal liability to us for performance of any of the obligations under this Agreement Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity of the entity or assignee entity shall be subject to our prior written approval We agree that we will not unreasonably restrict the issuance or transfer of equity, provided that you comply with the provisions of this Section 11, and provided that in no event shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of ours The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate

> **"The transfer of this certificate is subject to the terms and conditions of an Area Development Agreement with Taste Buds Kitchen International LLC dated _____ Reference is made to said Area Development Agreement and related Franchise Agreements and to restrictive provisions of the governing documents of this entity"**

11 4 The entity or assignee entity's records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section 11 In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded

11 5 In the event of your death, disability or permanent incapacity, we shall consent to the transfer of all of the interest of you to your spouse, heirs or relatives, by blood or marriage, or if this Agreement was originally executed by more than one party, then to the remaining party(ies) who originally executed this Agreement, whether such transfer is made by your Last Will and Testament or by operation of law, provided that the requirements of Section 11 hereof have been met In the event that your heirs do not obtain our consent as prescribed herein, your personal representative shall have a reasonable time to dispose of your interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this Agreement

11 6 You have represented to us that you are entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder Therefore, you agree that any attempt to assign this Agreement, prior to the time that at least twenty-five percent (25%) of the Kitchen(s) to be constructed hereunder are opened or under construction, except pursuant to Sections 11 2 and 11 3 hereof, shall be deemed to be an event of default

11 7 Except as provided in Section 11 6, if you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, Development Rights and interests, we shall have the option, exercisable within thirty (30) days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11 7, to purchase such business, Development Rights and interests, including your right to develop sites within the Protected Area, on the same terms and conditions as offered by said third party In order that we may have information sufficient to enable us to

determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request If we decline or do not accept the offer in writing within thirty (30) days, you may, within thirty (30) days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Section 11 Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer Our failure to exercise the option afforded by this Section 11 7 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section with respect to the proposed transfer

11 8 You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other Area Developers and franchisees Any assignment or transfer permitted by this Section 11 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto

11 9 Except as provided in Section 11 6 hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless

11 9 1 All of your obligations created by this Agreement, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee

11 9 2 All ascertained or liquidated debts of you to us or our affiliated or subsidiary corporations are paid

11 9 3 You are not in default hereunder

11 9 4 We are reasonably satisfied that the transferee meets all of our requirements for new Area Developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations

11 9 5 Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of Area Development Agreement, Franchise Agreements for all Kitchens open or under construction hereunder, and such other then-current ancillary agreements being required by us of new Area Developers on the date of transfer

11 9 6 You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this Agreement or the performance or non-performance thereof by us

11 9 7 You or transferee pay to us a transfer fee to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee

11 10 Upon the death or mental incapacity of any person with an interest of more than fifty percent (50%) in this Agreement or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within twelve (12) months Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same

conditions as any *inter vivos* transfer However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11 1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date said personal representative is appointed, to dispose of the deceased's interest in you or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement It is understood and agreed, however, that notwithstanding the foregoing, the Minimum Performance Schedule shall be complied with as though no such death or mental incapacity had occurred In the event the interest described above is not disposed of within such time, we shall have the right to terminate this Agreement, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon ninety (90) days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative

11 11 Our consent to a transfer of any interest in you or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this Agreement by the transferee

11 12 We shall have the right to assign this Agreement and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions (i) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations, and (ii) the assignee shall expressly assume and agree to perform such obligations

You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party, may go public, may engage in a private placement of some or all of our securities, may merge, acquire other corporations, or be acquired by another corporation, may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of "Taste Buds Kitchen International LLC" as Franchisor Nothing contained in this Agreement shall require us to remain in the culinary entertainment business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement

SECTION 12
COVENANTS

12 1 You specifically acknowledge that, pursuant to this Agreement, you will receive valuable training and confidential information, including, without limitation, secret recipes, information regarding the marketing methods and techniques of us and the System You covenant that during the term of this Agreement, except as otherwise approved in writing by us, you and persons controlling, controlled by or under common control with you shall not, either directly or indirectly, for yourself/himself, or through on behalf of or in conjunction with any person, persons or legal entity

12 1 1 Divert or attempt to divert any business or client of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System

12 1 2 Employ or seek to employ any person who is at the time employed by us or by any other franchisee or Area Developer of ours, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat

12 1 3 Own, maintain, advise, help, invest in, make loans to, be employed by engage in or have any interest in any culinary entertainment business other than the Franchised Business (including any culinary entertainment business operated by you prior to entry into this Agreement), which business is of a character and concept similar to the Kitchen, including a culinary entertainment business which offers and sells the same or substantially similar products (a "Competitive Culinary Entertainment Business")

12 2 You covenant that, except as otherwise approved in writing by us, you shall not, for a continuous and uninterrupted period commencing upon the expiration or termination of this Agreement, and continuing for two (2) years thereafter (and, in case of any violation of this covenant, for two (2) years after the violation ceases), either directly or indirectly, for yourself, or through, on behalf of or in conjunction with any person, persons, partnership or corporation, own, maintain, advise, help, invest in, make loans to, be employed by, engage in or have any interest in any Competitive Culinary Entertainment Business which is located within your Development Area, within twenty (20) miles of your Development Area, or within twenty (20) miles of any Taste Buds Kitchen in the System

12 3 Subsections 12 1 3 and 12 2 of this Section shall not apply to ownership by you of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934

12 4 The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement If all or any portion of a covenant in this Section 12 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 12

12 5 You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant stated in Sections 12 1 and 12 2 or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof, and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 16 hereof

12 6 You expressly agree that the existence of any claim you may have against us, whether or not arising from this Agreement, shall not constitute a defense to our enforcement of the covenants in this Section 12

12 7 You acknowledge that any failure to comply with the requirements of this Section 12 would cause us irreparable injury for which no adequate remedy at law may be available, and you hereby accordingly consent to our seeking injunctive relief prohibiting any conduct by you in violation of the terms of this Section 12 We may further avail ourselves of any other legal or equitable rights and remedies which we may have under this Agreement or otherwise

12 8 At our request, you shall require and obtain the execution of covenants similar to those described in this Section 12 (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons

12 8 1 All officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of you and of any entity directly or indirectly controlling you, if you are a corporation or limited liability company, and

12 8 2 The general partners and any limited partners (including any corporation, and the officers, directors and holders of a beneficial interest of five percent (5%) or more of the securities of any corporation which controls, directly or indirectly, any general or limited partner), if you are a partnership

Each covenant required by this Section 12 8 shall be in a form satisfactory to us, including, without limitation, specific identification of us as a third party beneficiary of such covenants with the independent right to enforce them Your failure to obtain execution of a covenant required by this Section 12 8 shall constitute a default under Section 9 hereof

12 9 During the term of this Agreement, an officer or agent of ours shall have the right to inspect any Kitchen in which you have an interest at reasonable times and during normal business hours to the extent reasonably necessary to determine whether the conditions of this Section 12 are being satisfied If, by reason of such inspections or otherwise, we have reason to believe that you are not in full compliance with the terms of this Section, we shall give notice of such default to you, specifying the nature of such default If you deny that you are in default hereunder, as specified by us, you shall have the burden of establishing that such default does not exist and shall give notice to us of your position within ten (10) days of receipt of the notice from us Unless you so deny such default, you shall immediately take all steps to cure said default in a manner satisfactory to us

SECTION 13
NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party

Notices to Franchisor	Taste Buds Kitchen International LLC 141 Wye River Drive Queenstown, Maryland 21658 Attention President Facsimile ( ) _____
COPY TO	Adam J Siegelheim, Esq Stark & Stark, PC 993 Lenox Drive Lawrenceville, NJ 08648 Facsimile (609) 895-7395
Notices to the Area Developer	_____ _____ _____

Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing

SECTION 14
INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14 1 It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other

14 2 You shall hold yourself out to the public to be an independent contractor operating pursuant to this Agreement You agree to take such actions as shall be necessary to that end

14 3 You understand and agree that nothing in this Agreement authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents

SECTION 15
APPROVALS

15 1 Whenever this Agreement requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing

15 2 We make no warranties or guarantees upon which you may rely, and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor

SECTION 16
NON-WAIVER

No failure of ours to exercise any power reserved to us under this Agreement or to insist upon compliance by you with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this Agreement Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature, nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this Agreement affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default

SECTION 17
SEVERABILITY AND CONSTRUCTION

17 1 Each covenant and provision of this Agreement shall be construed as independent of any other covenant or provision of this Agreement The provisions of this Agreement shall be deemed severable

17 2 If all or any portion of a covenant or provision of this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this Agreement

17 3 Nothing in this Agreement shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section 11 hereof, any rights or remedies under or by reason of this Agreement

17 4 All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof

17 5 All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this Agreement on your behalf

17 6 This Agreement may be executed in multiple copies, each of which shall be deemed an original

SECTION 18
ENTIRE AGREEMENT, APPLICABLE LAW

This Agreement, the documents referred to herein and the Attachments attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements, provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing This Agreement shall be interpreted and construed under the laws of the State of Maryland, and the parties hereto consent to irrevocably submit to the jurisdiction of all courts located within Queen Anne's County, Maryland

SECTION 19
DISPUTE RESOLUTION

19 1 With respect to any claims, controversies or disputes, you and your owners hereby irrevocably submit themselves to the jurisdiction of the state courts and the Federal District Court closest to our headquarters You and your owners hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision You and your owners hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement or the relationship created by this Agreement by any means allowed by Maryland or federal law You and your owners

further agree that venue for any proceeding relating to or arising out of this Agreement shall be Queen Anne's County, Maryland, provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, we may bring such action in any State or Federal District Court which has jurisdiction With respect to all claims, controversies, disputes or actions, related to this Agreement or the relationship created thereby, this Agreement and any such related claims, controversies, disputes or actions shall be governed, enforced and interpreted under Maryland law

19 2 You, your owners and we acknowledge that the parties' agreement regarding applicable state law and forum set forth in Section 19 1 above provide each of the parties with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement Each of you, your owners and we further acknowledge the receipt and sufficiency of mutual consideration for such benefit and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement

19 3 You, your owners and we acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in Queen Anne's County, Maryland, and further acknowledge that the performance of certain of your obligations arising under this Agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain training requirements of ours, shall occur in Queen Anne's County, Maryland

19 4 You, your owners and we hereby waive, to the fullest extent permitted by law, any right to or claim or any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against either party, their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, either party shall be limited to the recovery of any actual damages sustained by it If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect

SECTION 20
TIMELY PERFORMANCE

You hereby acknowledge that your timely development of the Kitchens in the Protected Area in accordance with the Minimum Performance Schedule is of material importance to us and you You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Kitchens within the Protected Area in accordance with the Minimum Performance Schedule, to operate such Kitchens pursuant to the terms of the Franchise Agreements and to maintain all such Kitchens in operation continuously We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder Further, a failure or delay in performance by any party to this Agreement shall not be a default hereunder if such failure or delay arises out of or results from a Force Majeure, which for purposes of this Agreement shall be defined as fire, flood, earthquake or other natural disasters, or acts of a public enemy, war, rebellion or sabotage Force Majeure shall not include your lack of financing

SECTION 21
ACKNOWLEDGMENTS

21 1 YOU ACKNOWLEDGE THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES SUBSTANTIAL BUSINESS RISKS AND WILL BE TOTALLY AND COMPLETELY DEPENDENT UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON WE EXPRESSLY DISCLAIM THE MAKING OF, AND YOU ACKNOWLEDGE NOT HAVING RECEIVED, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT

21 2 YOU ACKNOWLEDGE HAVING RECEIVED, READ AND UNDERSTOOD THIS AGREEMENT, THE ATTACHMENTS ATTACHED HERETO AND AGREEMENTS RELATING HERETO, IF ANY, AND THE DISCLOSURE DOCUMENT DELIVERED SIMULTANEOUSLY HEREWITH, AND WE HAVE ACCORDED YOU AMPLE TIME AND OPPORTUNITY TO CONSULT WITH ADVISORS OF YOUR OWN CHOOSING ABOUT THE POTENTIAL RISKS OF ENTERING INTO THIS AGREEMENT

21 3 YOU ACKNOWLEDGE THAT YOU RECEIVED THE DISCLOSURE DOCUMENT REQUIRED BY THE TRADE REGULATION RULE OF THE FEDERAL TRADE COMMISSION AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED OR ANY PAYMENT WAS MADE TO US OR OUR AFFILIATE

21 4 YOU AND EACH OF YOUR PRINCIPALS, IF A CORPORATE ENTITY, EXPRESSLY ACKNOWLEDGE THAT NEITHER YOU NOR THEY HAVE RELIED UPON ANY EARNINGS CLAIMS, SUCH AS ORAL OR WRITTEN STATEMENTS OR SUGGESTIONS, MADE BY ANY REPRESENTATIVE OF OR ANY OTHER PERSON PURPORTING TO BE ACTING ON OUR BEHALF REGARDING THE POTENTIAL FUTURE SALES, REVENUES OR PROFITS WHICH MAY BE DERIVED FROM OPERATION OF "TASTE BUDS KITCHEN" KITCHENS OR DEVELOPMENT OF THE PROTECTED AREA

SECTION 22
EFFECTIVE DATE

This Agreement shall be effective as of the date it is executed by us

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement in triplicate on the day and year first above written

TASTE BUDS KITCHEN INTERNATIONAL LLC

_____
WITNESS

By _____
Name _____
Title _____
Date _____

AREA DEVELOPER

_____ By _____

WITNESS Name _____

Title _____

TASTE BUDS KITCHEN INTERNATIONAL LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT "A"
CERTIFICATION BY AREA DEVELOPER

The undersigned, personally and as an officer or partner of Area Developer, as applicable, does hereby certify that he has conducted an independent investigation of the business contemplated by this Area Development Agreement and the Taste Buds Kitchen International LLC Franchise Agreement, and that the decision to execute the Area Development Agreement was based entirely upon the independent investigation by the undersigned, and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Area Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated "Taste Buds Kitchen" Kitchens, except as may be included in Item 19 of the Franchise Disclosure Document heretofore provided to Area Developer The undersigned further certified that he understands the risks involved in this investment and Taste Buds Kitchen International LLC makes no representation or guaranty, explicit or implied, that the Area Developer will be successful or will recoup his investment

IN WITNESS WHEREOF, the undersigned has signed, sealed and delivered this Certificate this _____ day of _____, 20__

_____ _____
WITNESS

_____ _____
WITNESS

_____ _____
WITNESS

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Area Developer, each has read this Area Development Agreement, and each agrees to be individually bound by all obligations of Area Developer hereunder

_____ _____
WITNESS

_____ _____
WITNESS

_____ _____
WITNESS

TASTE BUDS KITCHEN INTERNATIONAL LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT "B"
GUARANTY

(TO BE EXECUTED ONLY IF AREA DEVELOPER IS A CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP)

In consideration of the execution by Taste Buds Kitchen International LLC of the annexed Area Development Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, being all of the shareholders, directors, and officers of the Area Developer, agree to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Area Development Agreement and any amendments thereto or renewals thereof, and do hereby execute this Area Development Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Area Development Agreement and any amendments thereto or renewals thereof

The guarantors hereunder hereby waive notice of termination or default under the Area Development Agreement

SIGNATURES OF ALL SHAREHOLDERS, DIRECTORS, OFFICERS, MEMBERS AND PARTNERS, AS APPLICABLE

_____ _____
WITNESS

_____ _____
WITNESS

_____ _____
WITNESS

Each of the undersigned owns a five percent (5%) or greater beneficial interest in Area Developer, each has read this Area Development Agreement, and each agrees to be individually bound by all obligations of Area Developer hereunder

_____ _____
WITNESS

_____ _____
WITNESS

_____ _____
WITNESS

TASTE BUDS KITCHEN INTERNATIONAL LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT "C"
TRANSFER OF A FRANCHISE TO
A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement shall amend that certain Area Development Agreement between _____ ('Area Developer"), and Taste Buds Kitchen International LLC ("Franchisor")

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Area Developer of the Kitchens under an Area Development Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Protected Area set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Area Developer constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Area Development Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section 11 of the Area Development Agreement, agree as follows

1 The undersigned Area Developer shall remain personally liable in all respects under the Area Development Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Area Development Agreement including the restrictive covenants contained in Section 12 thereof, to the same extent as if each of them were the Area Developer set forth in the Area Development Agreement and they jointly and severally personally guarantee all of the Area Developer's obligations set forth in said Agreement

2 The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend

> "The shares of stock iepresented by this certificate are subject to the terms and conditions set forth in an Area Development Agreement dated _____, 20__ between _____ and Taste Buds Kitchen International LLC "
>
> or
>
> "The ownership interests represented by this certificate are subject to the terms and conditions set forth in an Area Development Agreement dated _____, 20__ between _____ and Taste Buds Kitchen International LLC "

3 _____ or his designee shall devote his best efforts to the day-to-day operation and development of the Kitchens

4 _____ hereby agrees to become a party to and to be bound by all of the provisions of the Area Development Agreement executed on the date set forth below between Area Developer and Franchisor, to the same extent as if it were named as the Area Developer therein

Date of Area Development Agreement _____

Protected Area for Kitchens _____

WITNESS

As to Paragraph 3

_____ _____
[Name]

As to Paragraph 4

_____ _____
[Name]

ATTEST

_____
Name of Corp or Limited Liability Company

_____ By _____
Title _____

In consideration of the execution of the above Agreement, Taste Buds Kitchen International LLC hereby consents to the above referred to assignment on this ____ day of _____, 20____

TASTE BUDS KITCHEN INTERNATIONAL LLC

By _____
Name _____
Title _____

TASTE BUDS KITCHEN INTERNATIONAL LLC
AREA DEVELOPMENT AGREEMENT

ATTACHMENT "D"

Minimum Performance Schedule

The Agreement authorizes and obliges Area Developer to establish and operate _____ (_____) "Taste Buds Kitchen" Kitchens pursuant to a Franchise Agreement for each Kitchen The following is Area Developer's Minimum Performance Schedule

Minimum Cumulative Number of Franchise Agreements for Kitchens to be located and Operating Within the Protected Area	By this Date
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Total _____

The Minimum Performance Schedule shall be deemed completed, and this Agreement shall expire, upon the opening of the final Kitchen to be developed pursuant to this Agreement

APPROVED

AREA DEVELOPER	TASTE BUDS KITCHEN INTERNATIONAL LLC
By _____	By _____
Name _____	Name _____
Title _____	Title _____

TASTE BUDS KITCHEN INTERNATIONAL LLC

AREA DEVELOPMENT AGREEMENT

ATTACHMENT "E"

Protected Area

The following describes the Protected Area within which Area Developer may locate "Taste Buds Kitchen" Kitchens under this Agreement

APPROVED

AREA DEVELOPER	TASTE BUDS KITCHEN INTERNATIONAL LLC
By _____	By _____
Name _____	Name _____
Title _____	Title _____

Exhibit D

LIST OF FRANCHISEES AND AREA DEVELOPER AGENTS

Taste Buds Kitchen International, LLC

LIST OF FRANCHISEES AND AREA DEVELOPMENT AGENTS

Franchisees Open and Operating as of November 30, 2016

Eden Bullock 2140 E Southlake Blvd Suite V Southlake, TX 76092 Phone – (817) 488-0538	Christine & Alex Fregerio 131 E Main Street Missoula, MT 59802 Phone – (406) 616-2837
Laurel Homes 14 High Street North Andover, MA 01845 Phone – (978) 655-1790	

Agreements Signed But Not Yet Open as of November 30, 2016

Beatriz & Laura Zaldivar 14740 SW 26th Street Miami, FL 33185 Phone – (786) 999-8629	Amanda Marijanovic 2521 Waukegan Rd Bannockburn, IL 60015 Phone – (847) 230-0330
Lisa Roche 1475 Beaver Creek Commons Drive Apex, NC 27502 Phone – (919) 362-1010	

Exhibit E

FRANCHISEES AND AREA DEVELOPER AGENTS WHO HAVE LEFT THE SYSTEM

Taste Buds Kitchen International, LLC

FRANCHISEES AND AREA DEVELOPERS WHO HAVE LEFT THE SYSTEM

For the Period 12/1/15-11/30/16

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

NONE

Exhibit F

TABLE OF CONTENTS OF CONFIDENTIAL FRANCHISE OPERATIONS MANUAL

Taste Buds Kitchen International, LLC

January 2017

Taste Buds Kitchen Operations Manual

I Welcome

Letter From COO	1
Franchise Disclaimer Information	2
Using this Manual	1
Record Of Revisions	1

II Our Company

History	2
Mission & Values	2
Corporate Office Support	1

III Customer Service

Introduction	1
Creating Loyals	3
School Relationship Management	3
Creating a Great First Impression	3
Preventing Clients Complaints	2
Handling Client Complaints	1
Emergency Client Procedures	2

IV Events 2

V Office Operations

Office Operations Map	4
Technology Overview	3
Email Signature	2
Website Overview	4
Naming Standards	1
Customizing Terms & Conditions	2
Setting Prices	2
Holding Price & Promotions	2
Cancellation Policies	2
Office Hours & Holidays	1
Scheduling Events	3
Grand Opening Event Schedule	2
Receiving Leads	2
Common Emails & Responses	1
Maximizing Your Kitchen Revenue	1
List of Abbreviations	1
Tips for Staying Productive	1

VI MINDBODY Online

MINDBODY Online Overview	2
Setting Up Your Account	2
Site Layout	4
Adding or Customizing a Pricing Option	1
Auto-emails	2
Adding or Customizing an Enrollment	1

Scheduling an Enrollment	2
Registering a Client	3
Booking a Private Event	4
Checking Out a Client	1
Client Profiles Standards	1
Issuing & Redeeming Gift Cards	3
Issuing & Redeeming Promotions	1
Issuing & Redeeming Donations	1
Schools & Off-Site Semesters	3
Deal Sites	3
Referral Sites	2
Tagging Clients	1
Setting up Staff	1
Running a Sibling Discount, GB Example	1
Running Reports	4
Sales Doc Reports	9

VII Sales

Sales Overview	1
Sales Tips	4
Buzzwords	4
School Sales	2

VIII Marketing

Marketing Map	4
Creating Collateral	3
Printing Your Marketing Materials	3
Editorial & Press Coverage	2
Social Media Accounts	2
Facebook Location Account	2
Instagram Location Account	2
Reserving Your Advertisement	2
Constant Contact	5
Listen 360	5
Google Analytics Tracking	4
Apple TV Slideshow	1
Taking & Using Photographs	2

IX Kitchen Operations

Kitchen Operations Map	6
Facility Sanitation	2
Inventory	2
Managing Labor Costs	3
Managing Food Costs	3
Ordering	2
Receiving	2
Storage	2
Packing & Travel	1

X Kitchen Safety

Introduction	2
Safety for Clients and Visitors	3
Safety of Personnel	4
Food Safety	1
Food Handling Procedures	4
Food Allergy	2
Fire Emergency Plan	2
Security and Protection	2
Incident Reporting	1

XI Human Resources

On-Boarding Map	4
Training Map	3
Introduction to Personell Management	1
Tram Building	2
Compensation & Benefits	1
Staffing	1
Appearance Standards	2
Personnel Sanitation	2
Training is AWESOME	2
Record Retention	2

XII Finance and Accounting

Finance Map	7
Basic Accounting Principles & Guidelines	4
Employee Expense Reporting	2
Cash Management	2
Petty Cash	1
Deposits	2
Creating an Invoice	1
Setting Up Payroll	3
Wage Compliance	2
Employee Tax Forms	3
Record Retention	3

XIII Franchise Requirements

Trademark Usage & Corporate Identity	3
Royalty Fee	2
Marketing and Technology Fund	2
Local Marketing	1
Territory	3
Field Inspections	1
Approvals, Change Requests & Revisions	1

In addition to the information in this manual the following materials are considered part of the Operations Manual

TBK Design & Construction Standards
The Culinary Entertainment Standards

January 2017

The Event, Recipe & Activity Binders
The Digital Appendix of Materials

Exhibit G

MULTI-STATE ADDENDUM

Taste Buds Kitchen International, LLC

STATE ADDENDUM

CALIFORNIA

Neither the franchisor, nor any person or franchise broker identified in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A § 78a et seq , suspending or expelling the person from membership in the association or exchange

California Business and Professions Code § 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise If the Franchise Agreement or Area Developer Agreement contain a provision that is inconsistent with the law, the law will control

The Franchise Agreement and Area Developer Agreement provide for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C A § 101 et seq)

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

The Franchise Agreement and Area Developer Agreement require application of the laws of the State of Maryland This provision may not be enforceable under California law

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code § 20040 5, Code of Civil Procedure § 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement or Area Developer Agreement restricting venue to a forum outside the State of California

§ 31125 of the California Corporations Code requires the franchisor to give the franchisee a special disclosure document before soliciting a proposed material modification of an existing franchise

The Franchise Agreement requires the franchisee to sign a general release of claims as a condition of relocation, resale, or renewal of the franchise § 31512 of the California Corporations Code provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Franchise Investment Law or any rule or order under it is void Therefore, any general release of claims that you are required to sign under the Franchise Agreement will be considered amended to delete any waiver of Franchisor's compliance with the Franchise Investment Law This will not prevent Franchisor from requiring you to sign a general release of claims, including claims arising under the Franchise Investment Law, as part of the negotiated settlement of a dispute

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act Any restrictions on pricing may not be enforceable under California law

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

THE FRANCHISOR'S 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 corp ca gov

Franchisee _____ Date _____

Franchisor _____

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

1 The Initial Franchise fee shall be deferred until franchisor has satisfied all of the pre-opening obligations to franchisee, and franchisee has commenced doing business, pursuant to Section 200 508 of the rules The Illinois Attorney General's Office has imposed this deferral requirement due to franchisor's financial condition

2 The Development Fee shall be deferred until the first Franchised Business developed by Area Developer is opened, pursuant to Section 200 508 of the rules The Illinois Attorney General's Office has imposed this deferral requirement due to Franchisor's financial condition

3 The following item must be included within the Disclosure Document and shall replace any conflicting language that is in the Disclosure Document, Area Developer Agreement and the Franchise Agreement

Section 4, Jurisdiction and Venue, of the Illinois Franchise Disclosure Act of 1987 ("Act") states that "any provision in the franchise agreement which designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action which otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State "

4 Any releases and/or waivers that we request you to sign must conform with Section 41, Waivers Void, of the Illinois Franchise Disclosure Act of 1987 which states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code "

5 Under Illinois law at 200 608, Jurisdiction and Venue, a franchise agreement may not provide for a choice of law of any state other than Illinois The Summary column of Items 17(v) and (w) of the Disclosure Document are amended to state "Illinois law" The appropriate sections of the Area Developer Agreement and Franchise Agreement are amended accordingly

6 Pursuant to Section 27, Periods of Limitation, of the Act, the appropriate items in the Disclosure Document, Area Developer Agreement and the Franchise Agreement are amended to provide that any and all claims and actions arising out of or relating to the relationship of Franchisor and Franchisee and/or Area Developer, operation of the Franchised Business or any agreements executed in connection therewith, brought by you against us, shall be commenced within 3 years from the occurrence of the facts giving rise to such claim or action, within 1 year after you become aware of the facts or circumstances indicating you may have a claim for relief, or 90 days after delivery to you of a written notice disclosing the violation, or such claim or action will be barred

7 Item 17(g) of the Disclosure Document, and the appropriate sections of the Area Developer Agreement and the Franchise Agreement are amended by changing the time frame to cure defaults, excluding defaults for safety or security issues, to 30 days

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Illinois Addendum dated this _____ day of _____, 20___

ATTEST

TASTE BUDS KITCHEN INTERNATIONAL LLC

_____
Witness

By _____
Name _____
Title _____

FRANCHISEE/AREA DEVELOPER

_____
Witness

By _____
Name _____
Title _____

MARYLAND

The Franchise Disclosure Document, Area Development Agreement and Franchise Agreement hereto are hereby amended as follows for franchisors and prospective franchisees in Maryland

Franchise Disclosure Document (Numbers 1-3 amends Item 17 of the FDD

1 Item 17 h, Termination for bankruptcy filing might not be enforceable under the U S Bankruptcy Act, but we intend to enforce it to the extent enforceable

2 Items 17(c) and 17(m) are amended to provide that we cannot, as a condition to renewal or consent to assignment, require you to release any claims 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

Franchise Agreement/Area Development Agreement

1 The Franchise Agreement and Area Development Agreement are amended to provide that termination upon bankruptcy might not be enforceable under the U S Bankruptcy Act, but we intend to enforce it to the extent enforceable

2 The Franchise Agreement and Area Development Agreement are amended to provide that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise

3 The Franchise Agreement and Area Development Agreement are amended to provide that we cannot, as a condition to renewal or consent to an assignment, require you to release any claims under the Maryland Franchise Registration and Disclosure Law

4 The Franchise Agreement, Area Development Agreement and Franchisee Acknowledgment Statement are amended to provide that 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

Franchisee _____ Date _____

Franchisor _____ Date _____

NEW YORK

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMTION REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THE 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, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271 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 FOR 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 or 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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___

Franchisee _____ Date _____

Franchisor _____ Date _____

VIRGINIA

1 Item 17 of the Franchise Disclosure Document is amended by adding the following the provision in the Franchise Agreement or Area Developer Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U S C § 101, et seq)

2 Item 17(h) of the Franchise Disclosure Document is amended by adding the following

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for franchisor to cancel a franchise without reasonable cause If any grounds for default or termination stated in the Franchise Agreement or Area Developer 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

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise If any provision of the Franchise Agreement or Area Developer Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable

WASHINGTON

The State of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise

Due to the franchisor's financial condition, the Securities Division of the Washington Department of Financial Institutions requires that the franchisor's collection of the initial franchise fee will be deferred until the franchisor has fulfilled its initial pre-opening obligations and your franchised business is open for business

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19 100 RCW shall prevail

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

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

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___

ATTEST

TASTE BUDS KITCHEN INTERNATIONAL, LLC

_____
Witness

By _____
Name _____
Title _____

FRANCHISEE

_____
Witness

By _____
Name _____
Title _____

Exhibit H

STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Taste Buds Kitchen International, LLC

STATE ADMINISTRATORS/
DESIGNATION OF AGENT FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws Where we are registered to sell franchises, we have appointed the state agency, or as noted below, a state officer, as our agent for service of process in the state We may not yet be registered to sell franchises in any or all of the states listed There may be states in addition to those listed below in which we have appointed an agent for service of process There may also be additional agents appointed in some of the states listed

CALIFORNIA Department of Business Oversight 320 West Fourth Street Suite 750 Los Angeles California 90013-2344 (866) 275-2677 Agent California Commissioner of Business Oversight	NORTH DAKOTA North Dakota Securities Department 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414 Bismarck North Dakota 58505-0510 (701) 328-4712 Agent North Dakota Securities Commissioner
HAWAII Commissioner of Securities Department of Commerce and Consumer Affairs 335 Merchant Street Room 203 Honolulu Hawaii 96813 (808) 586-2722 Agent Commissioner of Securities of the State of Hawaii	OREGON Department of Finance and Corporate Securities Labor and Industries Building 350 Winter Street NE Room 410 Salem Oregon 97301-3881 (503) 378-4387 Agent Director of Oregon Department of Insurance and Finance
ILLINOIS Franchise Division Office of Attorney General 500 South Second Street Springfield Illinois 62706 (217) 782-4465 Agent Illinois Attorney General	RHODE ISLAND Department of Business Regulation Division of Securities 1511 Pontiac Ave John O Pastore Complex Building 69-1 Cranston RI 02920 (401) 462-9500 Agent Director of Rhode Island Department of Business Regulation of Financial Institutions
INDIANA Franchise Section Indiana Securities Division Room E-111 302 West Washington Street Indianapolis Indiana 46204 (317) 232-6681 Agent Indiana Secretary of State Indiana Securities Division 201 State House Indianapolis IN 46204	SOUTH DAKOTA Department of Labor and Regulation Division of Securities 124 South Euclid Suite 104 Pierre South Dakota 57501 (605) 773-4823 Agent Director of South Dakota Division Securities

MARYLAND Office of the Attorney General Securities Division 200 St Paul Place Baltimore Maryland 21202-2020 (410) 576-6360 Agent Maryland Securities Commissioner 200 St Paul Place Baltimore Maryland 21202 2020	VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street 9th Floor Richmond Virginia 23219 (804) 371-9051 Agent Clerk of the State Corporation Commission 1300 E Main St 1st Fl Richmond VA 23219 Tel (804) 371-9733
MICHIGAN Consumer Protection Division Antitrust and Franchise Unit Michigan Department of Attorney General 670 Law Building Lansing Michigan 48913 (517) 373-7177 Agent Michigan Department of Commerce Corporations and Securities Bureau 6546 Mercantile Way Lansing MI 48910	WASHINGTON Director Washington Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater Washington 98501 (360) 902-8760 Agent Securities Administrator Director of Department
MINNESOTA Minnesota Department of Commerce 85 7th Place East Suite 500 St Paul Minnesota 55101-2198 (651) 539-1600 Agent Minnesota Commissioner of Commerce	WISCONSIN Securities Division of the Wisconsin Department of Financial Institutions 345 W Washington Ave 4th Floor Madison Wisconsin 53703 (608) 266-8559 Agent Wisconsin Commissioner of Securities
NEW YORK Office of the New York State Attorney General Investor Protection Bureau Franchise Section 120 Broadway 23rd Floor New York NY 10271-0332 (212) 416-8236 Phone (212) 416-6042 Fax Agent for service New York Department of State One Commerce Plaza 99 Washington Avenue 6th Floor Albany NY 12231-0001 (518) 473-2492	

RECEIPT
(YOUR COPY)

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 Taste Buds Kitchen International 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 New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

If Taste Buds Kitchen International 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, DC 20580 and the appropriate state agency listed on Exhibit H

The franchisor is Taste Buds Kitchen International LLC, located at 141 Wye River Drive, Queenstown, Maryland 21658 Its telephone number is (410) 304-2062

Issuance date March 1, 2017 (Effective dates of this Disclosure Document in states requiring registration can be found on the State Effective Date page)

The name, principal business address and telephone number of the franchise sellers for this offering are

Jessi Brelsford, 141 Wye River Drive, Queenstown, Maryland 21658 – (410)304-2062
Jeff Breslford, 141 Wye River Drive, Queenstown, Maryland 21658 – (410)304-2062

Taste Buds Kitchen International LLC authorizes the agents listed in Exhibit H to receive service of process for it

I have received a disclosure document dated March 1, 2017 that included the following Exhibits

A – Financial Statements	F – Table of Contents of Operations Manual
B – Franchise Agreement	G – State Addendum
C – Area Development Agreement	H - List of State Administrators/Agents for Service of Process
D – List of Franchisees and Area Development Agents	
E – List of Franchisees and Area Development Agents Who Have Left the System	

Date _____
(Do not leave blank)

_____
Signature of Prospective Franchisee

_____
Print Name

You may return the signed receipt either by signing, dating and mailing it to Taste Buds Kitchen International LLC at 141 Wye River Drive, Queenstown, Maryland 21658, or by emailing a copy of the signed and dated receipt to Taste Buds Kitchen International LLC at franchise@tastebudskitchen.com

RECEIPT
(FRANCHISOR COPY)

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 Taste Buds Kitchen International 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 New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first

If Taste Buds Kitchen International 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, DC 20580 and the appropriate state agency listed on Exhibit H

The franchisor is Taste Buds Kitchen International LLC, located at 141 Wye River Drive, Queenstown, Maryland 21658 Its telephone number is (410) 304-2062

Issuance date March 1, 2017 (Effective dates of this Disclosure Document in states requiring registration can be found on the State Effective Date page)

The name, principal business address and telephone number of the franchise sellers for this offering are

Jessi Brelsford, 141 Wye River Drive, Queenstown, Maryland 21658 – (410)304-2062
Jeff Breslford, 141 Wye River Drive, Queenstown, Maryland 21658 – (410)304-2062

Taste Buds Kitchen International LLC authorizes the agents listed in Exhibit H to receive service of process for it

I have received a disclosure document dated March 1, 2017 that included the following Exhibits

A – Financial Statements	F – Table of Contents of Operations Manual
B – Franchise Agreement	G – State Addendum
C – Area Development Agreement	H- List of State Administrators/Agents for Service of Process
D – List of Franchisees and Area Development Agents	
E – List of Franchisees and Area Development Agents Who Have Left the System	

Date _____
(Do not leave blank)

_____
Signature of Prospective Franchisee

_____
Print Name

You may return the signed receipt either by signing, dating and mailing it to Taste Buds Kitchen International LLC at 141 Wye River Drive, Queenstown, Maryland 21658, or by emailing a copy of the signed and dated receipt to Taste Buds Kitchen International LLC at franchise@tastebudskitchen com