

FRANCHISE DISCLOSURE DOCUMENT



Taziki's Franchising, LLC
(an Alabama limited liability
company)

3009 Pump House Road, Suite 200,
Birmingham, Alabama 35243
(205) 451-1860

franchisesales@tazikis.com

www.tazikis.com

Taziki's Franchising, LLC offers Mediterranean inspired fast casual restaurant franchises. The total investment necessary to begin operation of a Taziki's Mediterranean Café franchise ranges from \$555,000 to \$1,008,000. This includes \$35,000 that must be paid as an initial fee to us for your initial unit and \$1,000 for prototype plans. If you enter into an area development agreement with us, the total investment necessary to begin operation of at least three restaurants ranges from \$1,656,000 to \$3,009,000, including the minimum area development and franchise fees of \$95,000 that you pay to us and \$1,000 for prototype plans.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact William G. Magruder at 3009 Pump House Road, Suite 200, Birmingham, Alabama 35243, via email at franchisesales@tazikis.com or by phone at (205) 451-1860.

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

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

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

The Issuance Date of this Disclosure Document is May 31, 2023.

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The Franchise Agreement and Area Development Agreement require you to resolve disputes with us by litigation only in the district where our home office is located, which is currently Jefferson County, Alabama. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to litigate with us in Jefferson County, Alabama than in your own state.
2. **Financial Condition.** The Franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's ability to provide services and support to you.

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

**ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF MICHIGAN**

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

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

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

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

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.

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.

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

- (1) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
- (2) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
- (3) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(4) 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.

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 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).

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 service.

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 THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

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Exhibits

A	Franchise Agreement including forms of Automated Clearing House Payment Authorization; Guaranty and Restriction Agreement; Management Confidentiality and Non-Competition Agreement; Lease Rider; Nontraditional Concept; Franchise Agreement Addenda Required by Certain States; Receipt of Operations Manual and Confidentiality Agreement; Fresh Managed IT Master Services Agreement, Fresh Support Master Services Agreement, and Fresh Technology Master Services Agreement; Optional Digital Management Services Participation Agreement;
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I	Form of General Release and Form of Extension and General Release

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, we will use the words “we,” “us” and “our” when referring to Taziki’s Franchising, LLC and the words “you” and “your” when referring to the individual or business entity which buys a Franchised Business franchise. The words “you” and “your” do not include any individual or business entity which owns an interest in you. We will require all individuals and business entities that own an interest in you to guarantee your obligations to us.

Franchisor, and any Parents, Predecessors, and Affiliates

We are an Alabama limited liability company formed on January 1, 2013. Our principal business address is 3009 Pump House Road, Suite 200, Birmingham, Alabama 35243. Our direct parent corporation is Taziki’s, Inc., a Delaware corporation (“Parent”), which was incorporated on May 15, 1998 as an Alabama corporation and converted to a Delaware corporation on January 27, 2016. Taziki’s, Inc. is now a wholly-owned subsidiary of Taziki’s Holding Company, LLC, a Delaware limited liability company (“Holdings”) formed on May 17, 2017. Holdings is owned by all of the former stockholders of the Parent. The principal business address for Parent and Holdings is 3009 Pump House Road, Suite 200, Birmingham, Alabama 35243. We have no predecessors, although Parent has previously entered into license agreements for six Taziki’s Mediterranean Café restaurants.

We presently do business under the name Taziki’s Franchising, LLC. You will operate your franchised restaurant under the name Taziki’s Mediterranean Café. The name and address of our agent for service of process in Alabama appears on Exhibit E to this Disclosure Document.

We do not operate a Taziki’s Mediterranean Café, but our affiliates by common ownership, Taziki’s Restaurants, LLC, Taziki’s Restaurants 2, LLC, Taziki’s Restaurants ATL, LLC, Taziki’s Atlanta, LLC, Taz BHAM, LLC, and Taz K&R, LLC (collectively, “Taziki’s Restaurants”) operated 18 locations on December 26, 2021. Parent has entered into joint ventures in which the 8 Restaurants owned by the joint ventures are operated by Parent; Parent assumed operational control of all joint venture Restaurants in 2022. We conduct no business activities other than franchising.

The Business and Franchises Offered

We offer the opportunity to establish and operate a Taziki’s Mediterranean Café restaurant franchise (the “Franchised Business”) at a single, defined location (the “Franchised Location”) within a specific territory (the “Territory”) using our trademarks, service marks, trade names, logos and commercial symbols (the “Marks”), certain printed materials (the “Materials”), proprietary products and methods of operation (the “System”) under a Franchise Agreement you sign with us and our Operations Manual that sets forth our System standards (the “System Standards”).

A Taziki’s Mediterranean Café (a “Restaurant”) is a fast-casual restaurant serving lunch and dinner and specializing in modern Mediterranean fare. Customers order at the counter or by using a mobile app, on-line on the brand website, www.tazikis.com or by telephone, and meals are prepared to order and served for on-premises dining or through pick-up curbside delivery, drive-thru, or catering for off-premises dining. You may offer wait staff table service for dinner service, with our consent. Wine and beer must be served subject to local laws. A Franchised Business typically employs between 22 and 35 individuals and operates in an end cap location of a strip shopping center or a stand-alone location with approximately 2,500 – 3,000 square feet of interior space and a patio. It has indoor seating for approximately 75 to 125 customers and outdoor seating for another 20 to 40 customers, as well as parking for between 25 and 65 automobiles. The

Franchised Business offers eat-in and take-out meals, and must offer off-premises catering services. Delivery service is optional on the part of each franchisee but encouraged within a reasonable distance from the Restaurant. You must designate one of your equity owners as your “Owner-Operator” in the Franchise Agreement to undertake certain responsibilities on your behalf.

We may also franchise operators of retail and institutional food service venues to operate a Taziki’s Mediterranean Café restaurant “Nontraditional Concept” facility for Nontraditional host facility locations such as airports and transportation centers, sports and entertainment venues, college dining halls, hospital cafeterias, mall food courts, and in-plant cafeterias. A Nontraditional Concept facility may offer a different menu from a standard restaurant that we approve, share seating and beverage dispensing with other restaurant counters, offer service hours to match the traffic in the host facility, have server uniforms that match uniforms worn by other food servers at the host facility, and have limited use of Mark-bearing signage and other System elements. Nontraditional Concepts are offered only to operators (“Qualified Operators”) of food service facilities in host facilities that will supply their own training, inspection, supervision and quality control functions. If a Qualified Operator does not have an exclusive arrangement on a nontraditional venue located within your Territory, all of your franchise agreements with us are in good standing and all of your Restaurants have achieved an average score of at least 90% over the last three Taziki’s Standards Assessments (each a “TSA”), then you will have a right of first offer to submit a franchise application before we accept a franchise application from a third party seeking to operate a Taziki’s Mediterranean Café at the venue. For purposes of clarification, Nontraditional Concept franchises are sold under this Disclosure Document. See Item 12.

We also offer an Area Development Agreement for the exclusive right to develop a territory large enough for multiple Restaurants (the “Development Territory”). The Area Development Agreement does not grant a franchise to operate a Franchised Business but does prohibit us and our affiliates from operating a Restaurant or granting a license or franchise to anyone else to operate a Restaurant within a defined territory for a period of time set by the agreement. This restriction on our rights does not apply to Nontraditional Concept facilities that we may locate within the Development Territory. Under an Area Development Agreement, you must then meet a “Performance Schedule” by locating a restaurant site, submitting the information necessary for us to consider the site, obtaining our approval for the site, and then signing our Franchise Agreement for the Restaurant. Additionally, you must pay an area development fee at signing, which will be credited toward the initial franchise fees for each Restaurant you commit to open. See Item 5.

Market and Competition

The consumer market for a Taziki’s Mediterranean Café Restaurant consists primarily of customers who patronize fast-casual restaurants – a highly developed and very competitive market. As a Taziki’s Mediterranean Café Restaurant franchisee, you will compete with numerous other businesses offering fast casual dining, catering and ready to eat meals, similar Mediterranean-inspired cuisine and fast delivery of food prepared to order.

Regulation

You will have to comply with all federal, state and local laws and regulations which apply generally to all businesses, and health and sanitation codes that apply to restaurants generally. These may include laws governing display of nutritional information and limiting the use of trans-fats in preparation of food prepared or served on-premises. You may also have to comply with rules and regulations related to the analysis, publication and presentation of nutritional information related to your Franchised Business under regulations promulgated by the FDA under the Affordable Care Act on December 21, 2014 at 21 CFR Part 101. The FDA has promulgated menu labeling regulations and Level I guidance on nutrition labeling and

standard menu items. Other nutrient information – total calories, fat, saturated fat, cholesterol, sodium, total carbohydrates, sugars, fiber and total protein – must be made available in writing upon request. Other applicable regulations may affect packaging, bagging, plastic straws or other elements of the business. If you serve alcoholic beverages, you must comply with licensing and service requirements. We encourage you to make additional inquiries into those laws and regulations and obtain the assistance of legal counsel in that regard. We have provided our franchisees with the nutritional information about our standard menu items and recipes we believe is required under these regulations for inclusion on their menus and menu boards.

Prior Business Experience

We have never operated a Taziki's Mediterranean Café. We have offered Taziki's Mediterranean Café franchises since 2013. We have not and do not offer franchises in any other line of business. The first company-owned Taziki's Mediterranean Café unit opened in March 1998, owned by Keith and Amy Richards, was transferred to Parent upon its incorporation in May 1998. Parent offered licenses for Taziki's Mediterranean Café units beginning in September 2008. All licensed units were converted to franchised units in 2013. Parent has never offered franchises in any other line of business.

Taziki's Restaurants has not offered franchises of the type you will operate and has not offered franchises in any other line of business.

ITEM 2

BUSINESS EXPERIENCE

Parent is our sole member. The members of Parent's Board of Directors who are most involved in decisions affecting us are John Michael Bodnar, Michael Bodnar and Keith Richards.

Chairman of Parent Board of Directors: John Michael Bodnar

John Michael Bodnar has been a member of the Board of Directors of Parent since January 2008 and has been the Chairman since June 2016. He has been a principal of Fresh Hospitality in Birmingham, Alabama and has served as an executive, board member or manager of its other restaurant concepts since September 2009. He also served as a Vice President of Jim N' Nick's Bar B Q Riverchase, Inc., operator of the Jim N' Nick's restaurant chain in Birmingham, Alabama, from 1998 until July 2014.

Chief Executive Officer: Dan Simpson

Dan Simpson became our Chief Executive Officer in February 2018, after he served as our Chief Innovation Officer from May 2016 until February 2018. He also served as the Chief Innovation Officer for Fresh Hospitality from May 2016 until February 2018. He was a managing partner of Fresh Hospitality, in Nashville, Tennessee from January 2015 until May 2016. Mr. Simpson was the CEO of ToGo Technologies, Nashville, Tennessee from May 2012 until January 2015.

Chief Financial Officer: William G. Magruder

William G. Magruder has served as the Chief Financial Officer for Parent since December 2012 and as our Chief Financial Officer since our inception in January 2013. Prior to his promotion, he served as Controller of Parent from August 2012 until December 2012. Mr. Magruder was employed by Barber Companies, Inc., Birmingham, Alabama from September 2001 until July 2012.

Chief Culinary Officer: H. Keith Richards

H. Keith Richards was Chief Franchise Officer from June 2016 until February 2018. Since then, he serves in an executive role in our franchise development and culinary development functions. Before that, he was the Development Officer for Parent from December 2012 until June 2016 and served as our Chief Development Officer from January 2013 until June 2016. Prior to his promotion, he served as President of Parent from May 1998 until December 2012. He has been a Director of Parent since its founding in May 1998.

Senior Director of Franchise Development: Alexander W. Garmezy

Alexander W. Garmezy became our Senior Director of Franchise Development in February 2019. Before joining us, he worked for the Nashville Predators Hockey Club LLC in various roles including Corporate Development Manager, New Business Account Executive, and Account Executive from June 2012 until joining us in February 2019.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

When you sign a Franchise Agreement for a Franchised Business, you must pay a non-refundable initial franchise fee of \$35,000. The \$1,000 fee you pay to us to obtain the prototype architectural plans is included in the lump sum allocated to leasehold improvements. (See Item 7, Note 3).

Under an Area Development Agreement, you must commit to develop at least three restaurants and you must pay us a non-refundable Area Development Deposit of at least \$45,000 at signing. We apply \$35,000 to the initial franchise fee due when you sign the Franchise Agreement for your first restaurant. We collect \$5,000 for each additional restaurant you commit to develop and hold the balance as a deposit. We apply \$5,000 of the deposit against each of the initial franchise fees due when you sign the Franchise Agreements for your additional restaurants. Your first restaurant developed under the Area Development Agreement requires payment of the standard \$35,000 initial franchise fee, but we charge a reduced initial franchise fee of \$30,000 for each additional restaurant you commit to develop after your first under the Area Development Agreement, contingent on meeting the deadline in the Performance Schedule for signing its Franchise Agreement for a location we approve within your assigned Development Territory. That means you must pay a minimum of \$95,000 in initial franchise fees to open the three required restaurants under the Area Development Agreement. When you sign the Franchise Agreement for each restaurant after the first, you pay the balance of the initial franchise fee for that restaurant, which will be \$25,000 if you meet the deadline and \$30,000 if you do not meet the deadline. You must obtain our approval for your

proposed restaurant locations and sign its Franchise Agreement by the dates specified in the Area Development Agreement to obtain the reduced initial franchise fee.

ITEM 6

OTHER FEES

<u>Type of fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Royalty Fee (See Note 1)	4% of Net Cash Sales	10 days after Reporting Period ends	Payment must be made via electronic funds transfer
Marketing Fee (See Note 2)	Up to 1.00% of Net Cash Sales	10 days after Reporting Period ends	Payment must be made via electronic funds transfer
Additional Training Fee (See Note 3)	\$ 35.00 per hour plus trainer's expenses for additional initial training requested by you	As Incurred	We may provide additional employee training at your Franchised Location. We may change this rate at any time.
Digital Management Services Participation Fees (optional)	Currently \$ 50 per store, per month	As Incurred	Payment must be made via electronic funds transfer
Transfer Fees (See Note 4)	50% of the then-current initial franchise fee	Upon transfer	Payable if you transfer the Franchise Agreement or Franchised Business or on ownership change involving control of 50% or more of your equity interests
Audit Results and Accounting Fees (See Note 5)	Cost of audit and accounting fees	Within 15 days of receipt of audit report	Payable if you understate Net Cash Sales by 2% or more
Late Charge	Lesser of 1.5% per month or highest rate allowed by law	Within 15 days of invoice date	Accrues from due date
Renewal Fee (See Note 6)	\$ 5,000	When you send your renewal notice	Paid if you renew when you give notice of renewal
Public Offering Fee	\$ 10,000	Upon request for approval of offering documents	Payable if you request our review of a placement memorandum or registration statement for any public or private offering your equity or debt securities
Indemnification Costs (See Note 7)	As incurred	Within 15 days of invoice	Payable to us for damages, costs and

<u>Type of fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
			expenses incurred by us from third party claims arising from your operation of the business; includes our cost of defense and resolution
Late Training Fee	A daily fee of up to \$50, a surcharge on the tuition we charge for training the replacement manager of up to \$1,000, ineligibility for or a reduction in marketing incentives or reimbursement we offer to franchisees, or a surcharge on your Royalty Fee of up to one percent (1.00%) of Net Cash Sales.	When invoiced	Payable if your replacement general manager or assistant general manager does not timely complete the MIT Program. The Fee is set in the Manual and may be modified, changed or waived in our discretion.
Liquidated Damages (See Note 8)	24 months (or the number of months remaining in your current term, if less) of your average monthly Royalty payable for the one year preceding termination	At termination of the Franchise Agreement	Payable if the Franchise Agreement terminates prior to expiration unless we breach and fail to cure. See Item 17.
Late Fee for Tardy Financial Reporting	If the financial reports are not submitted by the due date, an initial \$100 fee and also an additional \$100 for every financial reporting period the reports remain outstanding.	When invoiced	Each Franchisee is to provide accurate financials in a timely manner after the close of each accounting cycle.
Fee for Failing TSA	\$500 for each Failed Audit and will require you to participate in a re-audit within a certain time period.	When invoiced	Payable to us to cover the costs to re-visit Franchised Business if it scores below 85 on a TSA.

All fees are imposed by and are paid to us. All fees are non-refundable. Except as noted below in Note 1, all fees are uniformly imposed and collected. There are currently no franchisee cooperatives in existence, so there are no fees imposed by cooperatives and no voting power requirements for company-owned outlets.

Notes

Note 1. Royalty Fee. You must pay us a non-refundable royalty fee of 4% of the Net Cash Sales of your Franchised Business during the preceding Reporting Period. “Net Cash Sales” means all revenues accrued from all business conducted at or from your Franchised Business, whether paid by cash, check, credit card, charge account, barter exchange or otherwise, without deduction for bad debt, credit card fees or other costs of collection or processing. Net Cash Sales does not include: (i) any exchange of goods or services between your Restaurants where such exchange is made solely for the convenient operation of your Restaurant business and not for the purpose of consummating a sale made in, at or from an Approved Location, (ii) returns to shippers, suppliers or manufacturers, (iii) cash or credit refunds to customers on transactions otherwise included in Net Cash Sales, (iv) sales of fixtures, machinery or equipment which are not stock in trade, (v) receipts from vending machines; (vi) sales taxes, consumer’s excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed upon the sale of meals, food, beverages, merchandise or services at the Restaurant, but only if charged and collected separately from the sales prices of such items; and (vii) any portion of a sale that is deemed a non-cash sale such as the discounted portion of a sale, or any sale that is complimentary; (viii) gratuities and delivery fees included to the extent they are paid over to servers and delivery providers. “Reporting Period” means each 28 day period beginning on the date specified in the Operations Manual. Our accounting system operates on 13 periods of 28 days each for each fiscal year, with an extra day attached to one or two periods at our discretion. Our fiscal year typically ends on the Sunday closest to December 31. You must pay your royalty fee by electronic funds transfer under the Automated Clearing House Payment Authorization form attached as Attachment B to the Franchise Agreement.

Note 2. Marketing Fee. We have established a Marketing Fund. You must pay us a non-refundable marketing fee of up to 1.00% (as designated by us in the Operations Manual) of the Net Cash Sales of your Franchised Business during the preceding Reporting Period. See Item 11. You will have to pay your Marketing Fee by ACH Payment when you pay your Royalty Fee.

Note 3. Additional Training Fee. The Additional Training Fee covers training and operational support provided at your request beyond the training and opening assistance that we provide as part of your initial franchise fee as described in Item 11. We currently charge \$ 35 per hour plus the trainer’s travel expenses for additional training. We may charge reasonable tuition, currently set at \$ 500 per trainee, if additional training is provided in our Certified Training Stores, or for additional people you send to attend to the MIT Program. See Item 11. We also reserve the right to change this fee at any time or to charge a reasonable amount for any optional additional training we make available after you open the Franchised Business.

Note 4. Transfer Fee. You must pay a non-refundable fee of 50% of the then-current initial franchise fee if you transfer the Franchise Agreement or Franchised Business or in the event of an ownership change involving control of 50% or more of your equity interests. We will not charge a fee for any transfer of your equity interests among any of your existing owners, any member of your immediate family or an initial transfer from an individual to an entity. Transfers include sales, gifts, donations, and exchanges for value or without value. See Item 17.

Note 5. Audit Fee. We may audit your accounts, books and records at our expense. However, if we find an understatement of 2% or more of your Net Cash Sales for any Reporting Period, you must reimburse us for our out-of-pocket expenses and allocable administrative costs and overhead incurred to perform and report on the audit.

Note 6. Renewal Fee. The Franchise Agreement has an initial term of 10 years and provides for up to four additional five year renewal terms, all subject to certain conditions. To renew your Franchise Agreement, you must pay us a non-refundable renewal fee equal to \$ 5,000. See Item 17.

Note 7. Indemnification. You must defend, indemnify and hold us and our affiliates harmless from and against any claims asserted against us or our affiliates resulting from the operation of your Franchised Business.

Note 8. Liquidated Damages. If the Franchise Agreement terminates prior to its expiration date for any reason other than our default and failure to cure, you must pay liquidated damages in an amount equal to 24 (or the number of months remaining in your current term, if less) multiplied by the average monthly Royalties payable during the 12 month period preceding termination.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT - SINGLE FRANCHISE AGREEMENT					
Type of expenditure	Low Range Amount	High Range Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (Note 1)	\$ 35,000	\$ 35,000	Lump Sum	Upon Signing	Us
Leasehold Improvements (Note 3)	\$ 270,000	\$ 625,000	Lump Sum	Upon Signing	\$ 1,000 to Us to obtain prototype plans; Contractors
Furniture, Fixtures, and Kitchen Equipment (Note 4)	\$ 160,000	\$ 205,000	As Incurred	As Agreed	Contractors, Suppliers
Décor (note 4)	\$ 5,000	\$ 10,000	As Incurred	As Agreed	Suppliers
Signage (Note 5)	\$ 12,000	\$ 17,000	As Incurred	As Agreed	Suppliers
Point-of-Sale System, Telecommunications and Technology (Note 6)	\$ 13,000	\$ 20,000	As Incurred	As Agreed	Suppliers
Miscellaneous Opening Costs and Rent (Note 7)	\$ 10,000	\$ 15,000	As Incurred	As Agreed	Suppliers, Landlord
Opening Inventory	\$ 10,000	\$ 15,000	As Incurred	As Agreed	Suppliers
Owner-Operator Expenses While Training (Note 8)	\$ 7,000	\$ 13,000	Salary/Per Diem	As Agreed	Owner-Operator

YOUR ESTIMATED INITIAL INVESTMENT - SINGLE FRANCHISE AGREEMENT					
Type of expenditure	Low Range Amount	High Range Amount	Method of payment	When due	To whom payment is to be made
General Manager Expenses while Training (Note 8)	\$ 7,000	\$ 13,000	Salary/Per Diem	As Agreed	General Manager
Assistant General Manager While Training (Note 9)	\$ 6,000	\$ 12,000	Salary/Per Diem	As Agreed	Trainees
Shift Leader Expenses While Training (Note 9)	\$ 2,000	\$ 6,000	Salary/Per Diem	As Agreed	Trainees
Insurance	\$ 8,000	\$ 12,000	As Incurred	As Agreed	Suppliers
Additional Funds (3 months) (Note 10)	\$ 10,000	\$ 10,000	As Incurred	As Needed	Suppliers; Employees
TOTAL	\$ 555,000	\$ 1,008,000			

YOUR ESTIMATED INITIAL INVESTMENT - 3 RESTAURANT AREA DEVELOPMENT AGREEMENT					
Type of expenditure	Low Range Amount	High Range Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fees (Notes 1, 2)	\$ 95,000	\$ 95,000	Lump Sum	Upon Signing	Us
Leasehold Improvements (Note 3)	\$ 810,000	\$ 1,875,000	Lump Sum	Upon Signing	Contractors
Furniture, Fixtures, and Kitchen Equipment (Note 4)	\$ 480,000	\$ 615,000	As Incurred	As Agreed	Contractors
Décor and Ironwork (Note 4)	\$ 15,000	\$ 30,000	As Incurred	As Agreed	Suppliers
Signage (Note 5)	\$ 36,000	\$ 51,000	As Incurred	As Agreed	Suppliers
Point-of-Sale System, Telecommunications and Technology (Note 6)	\$ 39,000	\$ 60,000	As Incurred	As Agreed	Suppliers
Miscellaneous Opening Costs and Rent (Note 7)	\$ 30,000	\$ 45,000	As Incurred	As Agreed	Suppliers, Landlord
Opening Inventory	\$ 30,000	\$ 45,000	As Incurred	As Agreed	Suppliers
Operating Partner Expenses While Training (Note 8)	\$ 7,000	\$ 13,000	Salary/Per Diem	As Agreed	Operating Partner

YOUR ESTIMATED INITIAL INVESTMENT - 3 RESTAURANT AREA DEVELOPMENT AGREEMENT					
Type of expenditure	Low Range Amount	High Range Amount	Method of payment	When due	To whom payment is to be made
General Manager Expenses while Training (Note 8)	\$ 21,000	\$ 39,000	Salary/Per Diem	As Agreed	General Managers
Assistant General Manager Expenses While Training (Note 9)	\$ 21,000	\$ 39,000	Salary/Per Diem	As Agreed	Trainees
Shift Leader Expenses While Training	\$ 18,000	\$ 36,000	Salary/Per Diem	As Agreed	Trainees
Insurance	\$ 24,000	\$ 36,000	As Incurred	As Agreed	Suppliers
Additional Funds (3 months) (Note 10)	\$ 30,000	\$ 30,000	As Incurred	As Agreed	Suppliers; Employees
TOTAL	\$ 1,656,000	\$ 3,009,000			

We have relied on Parent's experience in opening company-owned Restaurants, as well as the experience of franchisees and joint ventures in opening Restaurants, to compile the foregoing estimates. All payments to us are non-refundable. Any payments to third parties are subject to the refund policies of those third parties. We do not offer financing directly or indirectly for any part of the initial investment.

Notes

(1) *Initial Franchise Fee.* See Item 5 for a description of the initial franchise fee. We do not provide financing for the initial franchise fee.

(2) *Area Development Transaction.* If you sign an Area Development Agreement, you must pay us an Area Development Fee equal to the initial franchise fee for the first Development Unit of \$ 35,000 plus a deposit of \$ 5,000 for each additional Franchised Restaurant you commit to develop when you sign. When you sign a Franchise Agreement for each subsequent Restaurant, you will pay the remainder (\$ 25,000) of the \$ 30,000 discounted initial franchise fee for additional restaurants under the Area Development Agreement. The initial Area Development Fee is at least \$ 45,000, including the initial franchise fee for the first Restaurant and the Area Development Fee deposits for at least two additional Restaurants. Your total minimum commitment under the Area Development Agreement is \$ 95,000.

(3) *Leasehold Improvements.* You must lease or own the Restaurant. Your Franchised Location must have a minimum of 2,000 square feet of interior space with table and counter seating for at least 75 patrons inside and no patrons outside. The amount of monthly rental expenses for your Franchised Location may vary widely and will depend on geographic location, size, visibility, local rental rates, other businesses in the area, other local economic conditions, the site's market potential and other factors. We prefer end-cap or free-standing locations in high traffic areas with a patio. The Franchised Business should have parking for between 25 and 65 automobiles. Improvement costs for the rental space will also vary widely depending upon the amount of renovation and retrofitting you must perform to transform the space

into a restaurant, with improvements for free-standing units typically costing more. Your leased space may be a pre-existing restaurant that will be retrofit to meet our System Standards. The amounts for leasehold improvements assume you pay us the \$ 1,000 fee to obtain the prototype architectural plan and take it to a local architect to make to code. If you choose not to use this prototype, your costs for the plans for your Restaurant may increase.

(4) *Furniture, Fixtures and Equipment; Décor.* The amounts for furniture, fixtures, equipment and decor include the cost to purchase the recommended furniture, fixtures, equipment and movable decor for a standard Restaurant. The amounts exclude the cost of freight, installation and sales tax (if applicable), which will vary depending on your location. We require no specialized equipment except the kitchen equipment necessary to conform to the System Standards in the Operations Manual.

(5) *Signage.* These amounts represent the cost for interior and exterior building signage, ranging from standard exterior signage, monument signs and up to and including more expensive free-standing signs on high-rise poles or highway signs. The cost of signage may vary significantly depending on the location of the Franchised Business, market conditions and local ordinances.

(6) *Point-of-Sale System.* The amounts for the point-of-sale system include the estimated costs of purchasing an approved point of sale system, including file server, touch-screen display, customer display, thermal printer, software (including customer loyalty rewards and email marketing program) and all related peripherals. The Square, Inc. Food & Beverage tablet based point of sale system is our approved system. We may approve other point of sale systems in our sole discretion upon request. We currently contemplate that enhancements or upgrades will be made on an annual basis. The approved vendor of the hardware or software systems may charge you a fee for the enhancements and upgrades. The amount of such fee will depend upon your agreement with the relevant vendor.

(7) *Miscellaneous Opening Costs.* Miscellaneous opening costs include incorporation fees; initial legal and accounting fees; utility deposits; business permit fees; and excludes pre-opening compensation and benefit costs for you and your restaurant employees. You must begin paying people at their agreed compensation when they begin training.

(8) *Owner-Operator and General Manager Expenses while Training.* These costs are estimated based on eight weeks of compensation, lodging, meals and transportation for your Owner-Operator and the general manager of each Franchised Restaurant during MIT Program. These costs will vary upon your compensation and expense arrangements with the MIT Program participants and the distance from our training site.

(9) *Assistant General Manager and Shift Leaders Expenses while Training.* These costs are estimated based on four weeks of compensation, lodging, meals and transportation for two Assistant General Managers and two weeks of compensation, lodging, meals and transportation for two shift leaders. Shift Leader training is optional. These costs will vary based on your compensation arrangements with the trainees, the distance from our training site, and number of additional trainees you may send.

(10) *Additional Funds.* The Franchised Business will need working capital to sustain early stage operations for a period of months after the Restaurant opens while the business gets established. The amount needed will depend on your estimate of when revenue will be sufficient to meet cash flow needs. We recommend working capital of at least three months of rent and other operating expenses.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

As of the Issuance Date, you must purchase our required kitchen equipment package, smalls wares, interior design elements, interior and exterior signage, furniture, decals, silverware holders, artwork, management software, point of sale system, gift card equipment, music service, certain food products, beverages and on-line ordering portal according to specifications in our Operations Manual.

Required and Approved Suppliers

You must purchase your food ingredient products from a designated affiliate of Distribution Market Advantage, Inc (“DMA”). You must purchase all non-coffee/tea beverage products from Coca-Cola North America FoodService (“Coca-Cola”), provided that you may purchase the Dr. Pepper fountain beverage product from Dr. Pepper/Seven Up, Inc. for a dedicated dispenser in your fountain beverage machine. You may not serve any non-alcoholic bottled or fountain beverages other than those obtained from Coca-Cola and Dr. Pepper. You must purchase all coffee and tea from Royal Cup, Inc. You must purchase all tomato chutney from Alecia’s Chutney. The designated suppliers for all software and software services related to the Franchised Business are Fresh Support, LLC, Fresh Managed IT, LLC, and Fresh Technology, Inc. (collectively, “Fresh Technology”), under Tools and Help Desk Service Agreements you must sign with Fresh Technology. See Attachment H. Fresh Technology’s services include licensing all software necessary to operate the Franchised Business and providing database management services, software maintenance and help desk support. We require that you use FinTech for all alcohol payment systems. We require that you subscribe to and use in the Franchised Business the mobile and on-line ordering application and platform from ToGo Technologies, LLC. You must use the tablet based point of sale system from Square, Inc. We require that you subscribe to Custom Channels as the required provider for streaming music in the Restaurant.

We are not currently an approved supplier of any product or service. John Michael Bodnar, our Chairman, and Matt Bodnar, our Secretary, each has an indirect ownership interest in: (a) Fresh Technology entities, whose principal business addresses are 975 Main Street, Suite 201, Nashville, Tennessee 37206; and (b) Fresh Accounting, LLC, (formerly known as Fresh Enterprise, LLC), whose principal business address is 975 Main Street, Suite 201, Nashville, Tennessee 37206 (“Fresh Accounting”), each of which provide services to our franchisees. We are not an affiliate of any of these entities. All fees paid to them by franchises are paid directly by the franchisees, and we do not collect fees on behalf of these entities from franchisees. We receive no payments from these entities.

We have the approved suppliers (both optional and preferred) as set forth in our Operations Manual. All other purchases and leases must meet our standards and specifications. We specify these requirements in our Operations Manual or otherwise in writing. You must purchase or lease certain of these items only from approved suppliers listed in our Operations Manual or otherwise in writing. Except as we specify in the Operations Manual, you may purchase or lease from any source any other goods, services, supplies, fixtures, equipment, signs, inventory, or real estate relating to the establishment or operation of your Franchised Business. We make available a prototype architectural plan of which you may receive a PDF summary at no cost or a CAD file for a \$ 1,000 fee paid to us.

We currently offer optional digital management services for franchisees at a cost of \$ 50 per store, per month. Should you wish to participate, our marketing team will work with you to identify opportunities

in your market and curate a marketing campaign to pursue those goals. See the Optional Digital Management Services Participation Agreement for Franchisees included in Exhibit A.

Insurance

Before you open your Franchised Business, you must obtain the type and amount of insurance coverage for the Franchised Business we specify in the Franchise Agreement, in the Operations Manual or otherwise in writing. You must obtain and maintain the specified insurance coverage during the term of the Franchise Agreement from a responsible carrier or carriers authorized to write coverage in your state having an A.M. Best rating of at least A-VI that we find acceptable. The type of coverage includes:

(1) Commercial General Liability coverage (\$ 1 million single limit per occurrence; \$ 2 million general aggregate limit, for both general liability and products /completed operations liability) for personal injury and property damage, including premises, independent contractors, products and completed operations, contractual, personal and advertising liability, on an occurrence basis, with coverage on a 1986 or later ISO commercial general liability form policy;

(2) “All Risk” property coverage including a property damage limit for the full cost of replacement of the Restaurant and business interruption coverage for up to twelve months of projected earnings;

(3) Business Automobile Liability covering liability arising out of any auto (including owned, hired and non-owned autos), with a minimum of \$ 1 million combined single limit each accident;

(4) Workers’ Compensation or legally appropriate alternative covering all employees and contractors working at the Restaurant for statutory limits and Employers Liability with minimum limits of \$ 1 million for bodily injury for each accident, \$ 500,000 bodily injury by disease for each employee and \$ 500,000 bodily injury disease aggregate;

(5) A \$ 2 million Umbrella Policy on an occurrence basis excess of covering excess of the underlying insurance described in (1), (3) and (4) above which is at least as broad as each and every underlying policy, provided that you may purchase more underlying coverage and less umbrella coverage under such policies as long as you maintain the total amount of the limits specified for each coverage area

(6) Liquor Liability insurance (if applicable) (Minimum Limit \$ 1 million);

(7) Other insurance as may be required by the state or locality of the Restaurant;

(8) Employment practices liability insurance with a limit of \$ 500,000; and

(9) Employee Dishonesty/Fidelity insurance with a limit of \$ 100,000.

All of the liability insurance policies, other than Workers’ Compensation, must name us, Parent, and our respective officers, directors, members, shareholders, partners and employees as additional insureds on a primary noncontributory basis for operations of the Restaurant. The form of additional insured endorsement will be CG 20 10 or its equivalent. If the additional insured has other insurance applicable to a loss, it will be on an excess or contingent basis. The additional insured’s insurance coverage will not be reduced by the existence of such other insurance.

Approval of Alternative Suppliers; Product Specifications

If you want to use a good or service, or obtain a good or service from a supplier we have not yet approved, you first must submit sufficient information, specifications and/or samples for our determination whether the product or service complies with our System Standards or the supplier meets our approved supplier criteria. We may establish and revise our approved supplier criteria from time to time as we deem appropriate and will make them available to our franchisees upon written request. We may condition our approval of a supplier on the supplier's agreement to comply with product quality standards, frequency of delivery, standards of service, and concentration of purchase requirements. We also may impose limits on the number of approved suppliers, products and services. Our approval should not take more than 60 days in most instances. We reserve the right to test supplies and inspect the premises of suppliers before granting our approval. We will not charge you any approval fees, but you will have to reimburse us for our out-of-pocket costs and expenses of any inspection or testing. We may terminate our approval of a supplier or any products or services at any time, with or without cause, upon reasonable written notice.

We will formulate and modify our technology, product and ingredient specifications and standards by reviewing each product on an individual basis, taking into consideration the supplier's ability to provide consistently high quality products to you or our approved suppliers on a timely basis. We generally will formulate specifications and standards based on the quality of the products and other relevant factors. We periodically may review each product and respective supplier to make sure that the supplier is following the specifications and standards.

We may issue some of our technology, product and ingredient specifications and standards to our approved suppliers under appropriate confidentiality restrictions, but not to our franchisees. We may undertake other steps to maintain trade secrets and confidentiality of proprietary recipes and formulations, software and other items.

Revenue From Franchisee Purchases

We derive revenue from required franchisee purchases from Coca-Cola pursuant to a marketing agreement with Coca-Cola described below (Payments to Franchisor from Designated Suppliers). Our total revenue for the fiscal year ended December 25, 2022 was \$ 7,390,707. In the fiscal year ended December 25, 2022, we received \$ 118,231.44 from Coca-Cola, equating to 1.6% of our total revenue for the year, all of which was deposited into the Marketing Fund. We may derive revenue from additional suppliers from franchisee purchases in the future at our sole discretion.

Percentage of Total Purchases Represented by Required Purchases

Required purchases consist of items you must purchase from approved suppliers or under our established specifications. Your required purchases will represent approximately 90-100% of your total opening expenses (excluding the cost of real estate and improvements) and approximately 35% of your total annual operating expenses.

Payments to Franchisor from Designated Suppliers

Affiliates by common ownership of us or Parent currently operate and may in the future franchise or license franchised or licensed restaurant concepts ("Affiliate Concepts") that as of the Issuance Date include Big Bad Breakfast™, Biscuit Love™, Citizen Kitchens, City Silo Table & Pantry, FatBack, 55 South, GRK Greek Street, Hugh Baby's BBQ and Burgers™, I Love Juice Bar®, Martin's Bar-B-Cue Joint®, Taziki's Mediterranean Cafe®, The Grilled Cheeserie, Tellini's Italiano, Vui's Kitchen Fresh Vietnamese, Tacos Aurora, Tomacco Taco, Count Porkula, TacoMac, Alfresco Artisan Pasta, Mary Mac's

Team Room, Za Wood-Fired Pizza, Athenian Spas, Mountaineer Roasting Co., Waldos Chicken & Beer, and Little Hats Italian Market. Affiliate Concepts operate under the brand name “Fresh Hospitality”. We may enter into purchasing, insurance and other managements under the Fresh Hospitality name to take advantage of purchasing power that may be offered by aggregating the purchasing needs of our System and the Affiliate Concepts.

We have entered into a marketing program with Coca-Cola for the purchase and promotion of Coca-Cola fountain products. We and our Affiliate Concepts are beneficiaries of a Beverage Marketing Agreement with Coca-Cola (the “BMA”). The BMA provides negotiated purchase arrangements to our company-owned restaurants and all joint venture and franchisee restaurants, as well as all new franchisees. You will be asked to sign an individual participation and supply agreement with Coca-Cola. All funding we receive from Coca-Cola that is based upon purchases by participating Restaurants will be utilized by us to develop and implement Coca-Cola marketing activities that are specifically designed to benefit the entire System. The BMA requires us to sell and promote Coca-Cola Classic, Diet Coke, and Sprite in all company-owned outlets. In addition, we have agreed to endorse Coca-Cola fountain products (the “Fountain Beverages”) to our franchisees for sale in franchised units. Both company-owned and franchised units pay the same amounts for Coca-Cola fountain products. Under the BMA, we have agreed to implement certain operating standards and procedures for Participating System Units serving fountain beverages: (i) display Coca Cola beverage vessels on menu boards; (ii) display Coca-Cola marks at points of order; (iii) implement a suggestive selling program for counter help; (iv) perform sales promotions agreed between Coca-Cola and us; (v) implement a permanent free refill program, and (vi) provide certain sales data to Coca-Cola.

The following funds will be paid directly to us under the BMA:

A. Marketing Support Fund: During the term of the BMA, we will receive and deposit into the Marketing Fund (See Item 11) \$ 2.35 per gallon of fountain syrups sold by our participating Restaurants (“Participating System Units”) in exchange for our performing marketing of Coca-Cola products in all Participating System Units as agreed.

B. Partnership Fund: During the term of the BMA, we will receive and deposit into the Marketing Fund (See Item 11) \$ 0.86 per gallon of fountain syrups sold to our Participating System Units.

C. Growth Fund: During the term of the BMA, we will receive and deposit into the Marketing Fund (See Item 11) \$ 0.15 per gallon of fountain syrups sold to our Participating System Units if the Participating System Units sell between 55,000 and 74,999 gallons in a year. We will receive \$ 0.30 per gallon of fountain syrups sold by our Participating System Units if the Participating Units sell between 75,000 and 84,999 gallons in a year. We will receive \$ 0.45 per gallon of fountain syrups sold by our Participating System Units if the Participating System Units sell 85,000 gallons or more in a year.

In addition to the funds we receive from Coca-Cola during the term of the BMA, Coca-Cola will also pay the following directly to you as part of your participation under the BMA Equipment Fund. During the term of the BMA, you will receive from Coca-Cola: (i) \$ 1.00 per gallon of fountain syrups sold to you by Coca-Cola to offset the cost of the beverage dispensing equipment installed at each of your Participating System Units; (ii) \$ 0.35 per gallon of fountain syrups sold to you by Coca-Cola to offset the cost of maintain and repairing the beverage dispensing equipment installed at each of your Participating System Units.

Cooperatives

We will have the right to require you to participate in a national or regional approved purchasing cooperative for the area in which your Franchised Business operates. We do not have any purchasing or distribution cooperatives in place as of the Issuance Date.

Negotiated Purchases

We may negotiate purchase arrangements or discounts for your Franchised Business. Certain of our suppliers may allow you to participate in the volume discounts we receive. However, these volume discounts will extend only to pricing terms and will not include any of the credit terms we have negotiated. We do not otherwise negotiate purchase agreements on behalf of our franchisees or any distribution cooperative, and do not guarantee pricing, credit or other terms for vendors by our franchisees. We do not represent and cannot guarantee that any particular supplier arrangement will be available to you as the availability of these arrangements may vary depending on whether the supplier services the area in which your Franchised Business will be located.

Material Benefits

We do not provide any material benefits to you if you obtain goods or services from approved suppliers, other than the BMA programs described above. We reserve the right not to grant franchises or confer other benefits to any franchisee, for any reason or no reason, which may include the failure of a Franchised Business franchisee to follow and support the Franchised Business system, including its recommended advertising programs and approved supplier programs.

ITEM 9

FRANCHISEE'S OBLIGATIONS

Franchise Agreement

This table lists your principal obligations under the Franchise Agreement. It will help you find more detailed information about your obligations in that agreement and in other items of this Disclosure Document.

<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
a. Site selection and acquisition/lease	6(b), 6(c)	11
b. Pre-opening purchases/leases	6(c), 6(e), 6(f), 6(h), 8(c)	8
c. Site development and other pre-opening requirements	6	6, 7 and 11
d. Initial and ongoing training	7(a), 8(a)	11
e. Opening	6(h)	11
f. Fees	5, 6(g), 8(a), 15, and 19, 22(b), and 27	5 and 6
g. Compliance with standards and policies/operating manual	8	11
h. Trademarks and proprietary information	13	13 and 14
i. Restrictions on products/services offered	8(c)	16
j. Warranty and customer service requirements	Not Applicable	Not Applicable

<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
k. Territorial development and sales quotas	Not Applicable	Not Applicable
l. Ongoing product/service purchases	8(c)	8
m. Maintenance, appearance, and remodeling requirements	8(e), 8(f), and 8(h)	11
n. Insurance	21	6 and 8
o. Advertising	5, 16, 17, and 19	6 and 11
p. Indemnification	35	6
q. Owner's participation/management/staffing	8(a), 8(b), 8(g), and 8(h)	11 and 15
r. Records and reports	14	6
s. Inspections and audits	15	6
t. Transfers	22	6 and 17
u. Renewals	4	17
v. Post-termination obligations	11, 12, 33	17
w. Non-competition covenants	11	17
x. Dispute resolution	Not Applicable	Not Applicable
y. Other - Guaranty	24, Attachment C	1, 15

Area Development Agreement

This table lists your principal obligations under the Area Development Agreement. It will help you find more detailed information about your obligations in that agreement and in other items of this Disclosure Document.

<u>Obligation</u>	<u>Section</u>	<u>Item</u>
a. Site selection and acquisition/lease	6, 7 and 8	11
b. Pre-opening purchases/leases	Not Applicable	Not Applicable
c. Site development and other pre-opening requirements	Not Applicable	Not Applicable
d. Initial and ongoing training	Not Applicable	Not Applicable
e. Opening	Not Applicable	Not Applicable
f. Fees	5	5 and 6
g. Compliance with standards and policies/operating manual	Not Applicable	Not Applicable
h. Trademarks and proprietary information	Not Applicable	Not Applicable
i. Restrictions on products/services offered	Not Applicable	Not Applicable
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	3	12

<u>Obligation</u>	<u>Section</u>	<u>Item</u>
l. Ongoing product/service purchases	Not Applicable	Not Applicable
m. Maintenance, appearance, and remodeling requirements	Not Applicable	Not Applicable
n. Insurance	Not Applicable	Not Applicable
o. Advertising	Not Applicable	Not Applicable
p. Indemnification	17	6
q. Owner's participation/management/staffing	Not Applicable	Not Applicable
r. Records and reports	Not Applicable	Not Applicable
s. Inspections and audits	Not Applicable	Not Applicable
t. Transfers	16	6 and 17
u. Renewals	Not Applicable	Not Applicable
v. Post-termination obligations	12	17
w. Non-competition covenants	12	17
x. Dispute resolution	Not Applicable	Not Applicable
y. Other – None	Not Applicable	Not Applicable

ITEM 10

FINANCING

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

ITEM 11

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

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

Pre-Opening Assistance

Before you open your Franchised Business:

(1) We will provide you with advice and consultation in the selection of sites for Franchised Location(s) through the use of the site selection and evaluation forms, criteria and supporting materials that we make available to franchisees. (Franchise Agreement Section 6(b); Area Development Agreement Section 10(a))

(2) We will review the information you submit for each proposed site for a Franchised Location, conduct any investigation of the proposed site we deem appropriate to evaluate the site, and

accept or reject the site. (Franchise Agreement Section 6(b); Area Development Agreement Sections 6 and 10(a))

(3) Unless the site is accepted when the parties sign the Franchise Agreement, we will accept or reject each site within 30 days after your submission of all initial and supplemental information we request regarding a proposed site. You must submit your proposed site for our approval within 15 days after the parties sign the Franchise Agreement. If we accept the site, we will give you notice of any remaining conditions to that acceptance. If we reject the site, we will give you the reasons for the rejection. Under the Area Development Agreement, if we do not give you notice of our acceptance of the site within 30 days after your submission of all initial and supplemental information we request regarding the site, you may deem us to have rejected the site. Under the Area Development Agreement, when we accept your proposed site, we will tender the Franchise Agreement for the accepted site. If you fail to return the executed franchise agreement and the balance of the initial franchise fee to us within 15 days, we may revoke our acceptance of the proposed site. Under the Area Development Agreement, if a site has not been located and approved by a development deadline, we may, in our sole discretion, grant an extension. (Franchise Agreement Section 6(b); Area Development Agreement Sections 6, 7 and 9)

(4) We must approve the terms of your lease and any modifications or amendments, if applicable, before you sign the lease. We will review the lease and any modifications or amendments to the lease, and accept or reject your lease for the Franchised Location within 30 days after your submission of all initial and supplemental information we request regarding the proposed lease. You must submit the lease or purchase contract for the accepted site within 30 days after the parties sign the Franchise Agreement, or when we accept your proposed site if we have not accepted your proposed site when the parties sign the Franchise Agreement. Each Franchised Location must be under lease to you and not to an affiliate if you do not own it. We do not review, provide advice on or approve any financing you obtain for your development costs (Franchise Agreement Section 6(c))

(5) We will have the right to terminate the Franchise Agreement if you fail to open your Restaurant within nine months after you sign the Franchise Agreement in accordance with the approved plans and we have not agreed to an extension. (Franchise Agreement Section 6(e), 6(h), Attachment A).

(6) We will designate the territory for your Franchised Location. (Franchise Agreement - Sections 2 and 3)

(7) We will provide you with other resources and assistance that we may develop and make available to new franchisees and developers from time to time. (Franchise Agreement Section 7(h); Area Development Agreement Section 10(c))

(8) If you are operating under an Area Development Agreement, we will forward the Franchise Agreement for your proposed Franchised Location after you give us notice of your lease of an accepted site and the fully executed lease rider. (Area Development Agreement Section 9)

(9) We will provide you with our standards for finishes, specifications for layout of the interior, mechanical and electrical systems, equipment, décor and signs for a prototype Franchised Business that we make available to franchisees. (Franchise Agreement Section 6(d))

(10) We will review your site plan and final plans and specifications for conformity to System Standards. (Franchise Agreement Section 6(d))

(11) We will grant you electronic access to the Operations Manual on our secure website for franchisees. (Franchise Agreement Section 7(b))

(12) We will provide you (or if you are an entity, your Owner-Operator) and your general manager with eight weeks (approximately 400 hours) of MIT Program training at a Certified Training Store in the System and methods of operating a Franchised Business. This training and information will include a standard chart of accounts for use in the daily and periodic accounting of the Franchised Business. We will provide your two Assistant General Managers with four weeks (approximately 200 hours) of in-store training at a Certified Training Store (Franchise Agreement Section 7(a))

(13) At your option, we will provide two shift leaders with two weeks (100 hours) of in-store training at a Certified Training Store. (Franchise Agreement Section 7(a))

(14) We will provide you with the services of an on-site training team for a period of time to assist you with the pre-opening activities for your Franchised Business. For the first and second Franchised Restaurants in your Training Group, we will provide 12 days of opening assistance (7 days before, opening day and 4 days after opening). Beginning with the third Franchised Restaurant in your Training Group and for each additional Franchised Restaurant in the Training Group, we will provide 7 days of opening assistance (3 days before opening, opening day and 3 days after opening.) You must reimburse us for their reasonable travel and living expenses while performing this service. A “Training Group” means two or more Franchised Restaurants owned by affiliates having owners with at least 50% aggregate equity interests in common in all of the franchisees (Franchise Agreement Section 7(a), 7(d), 8(a), 53).

(15) We offer optional assistance with managing an on-line digital presence for your Franchised Restaurant, including assistance with identifying opportunities in your market and curating a marketing campaign centered on your goals. This optional service is available for \$ 50 per store, per month. (Optional Digital Management Services Participation Agreement).

Site Selection

We will not select the site for your Franchised Business. You will have responsibility for selecting the site for your location and submitting information on the site request form we provide before you sign your Franchise Agreement. Generally, the site is identified and accepted when you sign your Franchise Agreement. However, as described above, we have the right to accept or reject the site you select. In determining whether to accept or reject a site, we will consider demographic evaluations, traffic patterns during lunch and dinner day parts, population density, proximity to activity centers and employers, physical site profiles, competition in the market area, and other factors. By accepting the site or the lease you submit, we make no representation or guarantee that the site you select will be successful. We have no obligation to provide any assistance in locating a site, negotiating the lease, conforming the premises to local codes and ordinances, obtaining permits, constructing, remodeling or decorating, hiring and training employees (except for the training we provide described in training below), or providing for necessary equipment, signs, fixtures, opening inventory and supplies. You must have a signed lease or purchase contract for an approved site within 30 days after the date of the Franchise Agreement. You have the option to secure a single 30 day extension of the 30 day period by written notice to us that you are exercising your extension option. The grant of any further extension of time to complete this phase of pre-opening is at our sole discretion.

Typical Length of Time to Open

Based on the experience of our company-owned stores and our joint ventures and franchisees, we estimate that it will take approximately eight months after you sign a Franchise Agreement to renovate existing space and open a Restaurant. Factors that may affect that time period include obtaining site acceptance from us, making any necessary financial arrangements, obtaining required permits, designing the space, ordering the equipment and inventory, and obtaining necessary labor and materials. Under the

Franchise Agreement, you have up to nine months in total in which to open your Franchised Business. (Franchise Agreement Section 6)

Under our form of Area Development Agreement, you must agree to open at least 3 Franchised Locations under the Performance Schedule. The first generally must open within nine months after you sign the Area Development Agreement. Generally, you must open an additional restaurant every nine months after that to satisfy the Performance Schedule. We may negotiate a Performance Schedule with shorter or longer opening time requirements when business circumstances warrant. You sign a Franchise Agreement for each Restaurant to be developed under the Area Development Agreement and the deadlines for developing the Restaurant and obtaining our approvals for the site and the lease described above become applicable.

Post-Opening Assistance

(1) We will provide you with the services of an on-site training team for a period of four days after opening of your first and second restaurants to assist you with the operation of your Franchised Business. If you open more than two restaurants, we will provide three days of post-opening assistance for your third and any subsequent restaurants. You must reimburse us for their reasonable travel and living expenses while performing this service. (Franchise Agreement Section 7(d))

(2) We will publish a list of approved suppliers and their respective approved products and services in the Operations Manual and/or in other written or electronic communications to you. As new suppliers, products and services become available, we will amend that list. (Franchise Agreement Section 7(c))

(3) We will provide you with the merchandising, marketing and advertising research data and advice that we develop from time to time and deem helpful in the operation of a Franchised Business using the System. (Franchise Agreement Section 7(e))

(4) We will conduct periodic field evaluations and quality assurance inspections of the Restaurant to test and promote its compliance with System Standards and quality controls. (Franchise Agreement Section 7(f))

(5) We will provide you with periodic individual or group advice, consultation and assistance by personal visit, by telephone, electronic communication, or by newsletters or bulletins that we make available to our franchisees from time to time. (Franchise Agreement Section 7(g))

(6) We will provide you with any other materials in any medium that we may develop to communicate new developments, techniques, and improvements in the System and our plans, policies, research, developments and activities to franchisees. (Franchise Agreement Section 7(g))

(7) We will provide you with other resources and assistance that we may develop and make generally available to all of our other franchisees. (Franchise Agreement Section 7(h))

(8) We will renew your Franchise Agreement upon your satisfaction of the conditions described in the Franchise Agreement. (Franchise Agreement Section 4(b))

(9) We will review any proposed transfer of your Franchise Agreement and either approve or disapprove that proposed transfer. (Franchise Agreement Section 22)

Except as listed above, we do not have any obligation to provide you with assistance regarding (1) developing services or products your Franchised Business will offer to your customers; (2) the hiring or training of your employees; (3) the improving or developing your Franchised Business; (4) establishing prices; (5) establishing and using administrative, bookkeeping, accounting or inventory control procedures; or (6) resolving operating problems you may encounter.

Advertising

We will conduct advertising in regional and national media using the funds available in the Marketing Fund described below. We may use print, broadcast and on-line or electronic media, social media, direct mail and other promotional materials as funds permit. We will utilize a combination of in-house and advertising agency resources to produce advertising. The Franchise Agreement does not require us to spend any amount on advertising or other promotions in your area or DMA. We have no obligation to spend any additional amounts on advertising or promotion. (Franchise Agreement Section 19).

You may use your own advertising and promotional materials if you submit them to us for approval at least 30 days before making any financial commitment to use the materials. You may not use any advertising or promotional materials that we disapprove or have not approved. (Franchise Agreement Section 16).

Advertising Council

We currently have no advertising council composed of franchisees. We have no obligation to create an advertising council.

Local Marketing

We require you to spend one percent (1%) of Net Cash Sales on local marketing and promotional expenses of the Franchised Business. However, we recommend that you spend two percent (2%) of Net Cash Sales on local marketing and promotional expenses of the Franchised Business. We may, but are not obligated to, assist you with the review of localized media campaigns. We may, but are not obligated to, provide you with standard print media advertising templates to use locally.

Local Advertising Cooperatives

We may establish one or more advertising cooperatives from time to time and, further, may change, dissolve, or merge any existing advertising cooperative at any time in our sole discretion. A cooperative will be formed for one DMA or multiple DMA's. All participants will contribute at the same rate or under the same formula. If the Franchised Business operates within a DMA for which an approved advertising cooperative exists, you will contribute to the advertising cooperative the amounts required by the cooperative up to 2% of the Net Cash Sales of the Franchised Business during each Reporting Period. All Franchised Business that we or our affiliates operate will participate in any advertising cooperative that we establish for the DMA in which they are located on the same basis as the Franchised Business in the DMA. We will administer the cooperative unless we designate another party to perform the administrative functions. The cooperative may have written governing documents that we must provide or approve, which will be available for all participants in the cooperative to review. Each cooperative will maintain accounting records and compile financial statements that will be available for review by all participants. We retain the power to require any cooperative to be formed, changed, dissolved or merged with another cooperative. (Franchise Agreement Section 17)

Marketing Fund

We have established a marketing fund (the “Marketing Fund”), effective as of the Issuance Date. You will pay a Marketing Fee to us in an amount up to one percent (1.00%) of the Net Cash Sales of the Franchised Business for each Reporting Period. We will account for all Marketing Fees we collect in a separate account. All other franchisees and all Restaurant locations operated by Taziki’s Restaurants or another affiliate will contribute at the same rate to the Marketing Fund. We also may deposit the marketing, promotional and other payments we receive from suppliers into the Marketing Fund. Our BMA with Coca-Cola requires you to enter into a Franchisee Participation Agreement (the “Participation Agreement”).

We will administer the Marketing Fund and will disburse the Marketing Fund to pay for marketing, advertising, promotional, public relations, and other similar activities intended to benefit the System and all franchised and company-owned locations. Those activities may include (without limitation) (a) market research, (b) marketing technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, (e) advertising production, (f) advertising and public relations agency fees and expenses, and (g) product research and development. We also may use the Marketing Fund to pay or reimburse us for our administrative overhead incurred for activities supported by the Marketing Fund. Any moneys in the Marketing Fund not spent at the end of each fiscal year will remain in the Marketing Fund, provided that amounts contributed to the Marketing Fund may be used to pay taxes associated with unspent amounts on deposit in the Marketing Fund. We will have the sole and exclusive discretion to direct all activities and programs funded by the Marketing Fund. The Marketing Fund will not be separately audited, and we have no obligation to make its financial statements available to franchisees. You acknowledge that we have no obligation to expend Marketing Fund amounts for your benefit equivalent or proportionate to your Marketing Fees, and we do not warrant or guaranty that you will receive or derive any benefit from Marketing Fund activities. We will make all studies and reports produced by the Marketing Fund available to you at no cost as Confidential Information. We will make copies of all materials produced by the Marketing Fund for franchisee use available to you at your expense. We may suspend, terminate and reinstate the Marketing Fund at any time. The Marketing Fund will not terminate, however, until we have spent all moneys in the Marketing Fund for the purposes set forth above. (Franchise Agreement Section 19). Upon your written request, we will provide you a copy of our annual report of expenditures of the Marketing Fund during the most recently ended fiscal year on a confidential basis.

For the fiscal year ended December 25, 2022, we spent the Marketing Fund contributions as follows: Production - 19%; Promotional Expenses - 44%; and Administration - 37%. We do not currently use the Marketing Fund to solicit new franchise sales but reserve the right to do so.

Computer Systems

You must purchase and install before opening your Franchise Business the hardware and software to run a computer-based point-of-sale (“POS”) and restaurant management system, including the appropriate Kitchen Display and Recipe System equipment and/or printers. You must also install use the mobile application and on-line ordering system from ToGo Technologies, LLC and the customer loyalty rewards program and related email marketing platform from Square, Inc. We will advise and work with you to select these systems from our approved solutions. We estimate the cost to purchase the required point-of-sale and restaurant management systems, including file server, touch-screen display, customer display, thermal printer, software and all related peripherals, from an approved vendor is \$ 13,000 to \$ 20,000.

Fresh Technology is the designated supplier of the software we require be used by the Franchised Business. You must pay a minimum Technology Fee of \$951 per month for a license of software tools, database management, software maintenance and help desk support (which may increase if you elect to add

additional hardware or users for your software) and must enter into the 3 Fresh Technology Master Service Agreements for managed IT, support, and technology, which are attached as Exhibit A-8. Fresh Technology reserves the right to adjust the monthly fee once each calendar year, on not less than 30 days' prior written notice to each franchisee, to reflect changes in the services and the market conditions for technology and labor. Fresh Technology may increase the monthly fee for additional services and products included in the services at rates competitive with comparable services from other providers. The percentage of each adjustment that is an increase in the monthly fee without any change in services will not exceed the aggregate percentage increase in the mean hourly wage for the computer and mathematical occupational groups reported by the U.S. Bureau of Labor Statistics ("BLS") for the market where the majority of our employees are located for the time period starting with the last fee increase and ending on the date of the current fee adjustment. Fresh Technology may substitute a different published index of labor costs in the computer services industry for the BLS information. At our request, you shall participate in any intranet or extranet system developed for use as part of the System. Such intranet or extranet system may be combined with that of our affiliates. You shall also sign such terms of use agreements concerning the use of such intranet or extranet system as we may prescribe, which agreements may contain, among other things: (a) confidentiality requirements for materials available and transmitted on such system; (b) password protocols and other security precautions; (c) grounds and procedures for our suspension or revocation of access to the system by you and others; and (d) a privacy policy governing the parties' access to and use of electronic communications posted on electronic bulletin boards or transmitted via the system. You shall pay any fee imposed from time to time by us, Fresh Technology, or a third party service provider in connection with hosting such system. (Franchise Agreement Section 9(e))

We may mandate that you offer free wireless internet access or other accepted means of communication for customers in your Restaurant. Your point-of-sale system will store and allow you and us to access data on each transaction entered, including time of day, menu items ordered, method of payment, and other information that may be useful in managing the Restaurant and the Taziki's Mediterranean Café brand. We may modify System Standards to require new technology at all Franchised Businesses, which may require you to upgrade and update the systems you use in the Restaurant and for customer entertainment. There is no contractual limitation on our right to mandate upgrades and updates. The approved vendor of the hardware systems may charge you a fee for maintenance, repairs, updates and upgrades to hardware. The annual cost of such maintenance, repairs, updates or upgrades will depend upon your agreement with the relevant hardware vendor. Regular software updates and bug fixes by Fresh Technology are covered by the Technology Fee. However, Fresh Technology currently charges \$110 per hour for maintenance outside the scope of the regular software updates and bug fixes. In addition, your point of sale system vendor may charge other fees for which you are responsible. Tablet point of sale system normally charge monthly or annual subscriptions, and other fees related to mandatory programs, applications and functionality. We estimate the total annual cost to you of optional or required maintenance, updating or upgrading hardware and software will range between \$200 and \$2,000 annually, depending on the number of stations you establish, the number of users you enroll in the subscriptions and the system or features you select. Some license fees for network software supporting the point of sale and back office systems may be incurred so you will pay for a multi-year license once during the license term. See Attachment H

You will maintain your point-of-sale and management systems on-line so that we may independently access them remotely at our discretion, copy stored data, update software, and view all records, files and reports available on or from those systems. You will not purge data unless so permitted under the Operations Manual. There are no contractual limitations on our right to access this stored information. (Franchise Agreement Section 9(b))

You should expect to update your Restaurant customer service and entertainment systems, computer, food preparation, business management, training, and communications technology periodically

during the term of your Franchise Agreement to keep pace with the evolution of such technology and its applications in fast casual restaurants. We may designate ourselves or an affiliate as the sole source of technology you are required to obtain, operate and maintain for the Restaurant.

Operations Manual

The Table of Contents for the Operations Manual, showing the topics and number of pages dedicated to those topics, appears as Exhibit F to this Disclosure Document. The manual has a total of approximately 118 pages.

Training

TRAINING PROGRAM			
<u>SUBJECT</u>	<u>HOURS OF CLASSROOM TRAINING</u>	<u>HOURS OF ON-THE-JOB TRAINING</u>	<u>LOCATION</u>
Week One – Brand History, Fresh Technology Production Tools, AM Food Safety and Food Preparation	n/a	50	Certified Training Store ¹
Week Two – Fresh Technology Production Tools, AM Food Preparation and Roll-Up Position Training	n/a	50	Certified Training Store
Week Three – Fresh Technology Production Tools, PM Food Preparation and Salad Table Position Training	n/a	50	Certified Training Store
Week Four – Fresh Technology Production Tools and Grill Position Training	n/a	50	Certified Training Store
Week Five - Fresh Technology Production Tools and Expo Position Training	n/a	50	Certified Training Store
Week Six - Fresh Technology Sales Analysis and Advanced Order Tools and Front of the House (FOH) Position Training	n/a	50	Certified Training Store
Week Seven - Fresh Technology Cost Analysis Tools and Shift Management Position Training	n/a	50	Certified Training Store
Week Eight - Fresh Technology Cost Analysis Tools and General Management Position Training	n/a	50	Certified Training Store

¹ Our Certified Training Stores include Parent, Affiliate and franchised locations in Huntsville, AL, Tuscaloosa, AL, Fayetteville, AR, Little Rock, AR, Denver, CO, Louisville, KY, Nashville, TN, Chattanooga, TN, Richmond, VA, Atlanta, GA, and Panama City, FL as of the issuance date. We may add additional Certified Training Stores at Parent and Affiliate locations. A Training Group must obtain certification of one of its Franchised Businesses as a Certified Training Store before its third Franchised Business requires MIT Program training of its manager.

<u>SUBJECT</u>	<u>HOURS OF CLASSROOM TRAINING</u>	<u>HOURS OF ON- THE-JOB TRAINING</u>	<u>LOCATION</u>
TOTAL	n/a	400	

Manager In Training Program

We proctor an intensive eight-week MIT Program at either a Company Store or a designated Franchisee Store that we certify as a training store. These stores have excellent track records and are operated by Certified Trainers. We schedule MIT Program to occur after a Franchise Agreement has been signed and based on an established opening date. After a manager and support staff have been certified and are operating a store, we offer additional training programs on an “as needed” basis. Training is coordinated by this group of trainers under the direction of Amy Parman, the Senior Director of People Operations, who have the indicated years of industry experience and experience with us or our Affiliates:

Trainer	Taziki’s Experience	Industry Experience
Amy Parman	5	21
Raul Hernandez	20	20
John Wiley	14	24
Andy Rosado	4	10
James Boatenreiter	11	18
Reina Carmago	5	5
Kym Gibbs	2	9
Heather Archer	1	18

A Certified Manager is defined as having completed 400 hours of certified training and all required training materials in CREATE, Taziki’s learning management system. Certified Training Hours are defined as qualifying training hours as approved by the Training Department.

The initial eight-week (400 hours) MIT Program to become a Certified Manager is mandatory for the Owner-Operator and the proposed General Manager and is to be completed at a minimum of two weeks prior to the franchise store opening date. For Owner-Operators and proposed General Managers opening the first store in a new market, this training must take place at a Company training store. We require successful completion of the MIT program by the General Manager and Owner-Operator to obtain opening approval from us and failure to complete this program on time will delay your Restaurant’s opening date.

In addition to the Certified Manager for a new Restaurant opening, you must identify and hire an Assistant General Manager and two Shift Leaders. We require the Assistant General Managers to complete the four-week (200 Hours) MIT Program at a certified training store, which is to be completed at least two weeks before opening. If your Owner-Operator is also your General Manager, then at least one Assistant General Manager must also complete eight weeks (400 hours) of MIT Program training at a Company training store, which is to be completed at least two weeks before opening. We may modify an opening date you propose based upon the projected date of successful completion of the MIT Program by the Assistant General Managers. We recommend that the two Shift Leaders complete two weeks (100 Hours) of training at a certified training store.

The Senior Director of People Operations or a designee will conduct a thorough evaluation, including a review of all manager trainee's training materials assigned in CREATE, during the final week of MIT Program participation. The manager trainees must successfully complete and pass all assigned courses and checklists, including the Final Exam, to become a Certified Manager.

We require that you must always have a Certified Manager in store and/or be in the process of having a manager certified (90 days or less from hire or promotion date). If you do not have a Certified Manager or are not actively in the process of having a manager certified, you will receive a Notification of Non-Compliance with a deadline for completing corrective action. If corrective action is not taken and completed by the deadline, a financial penalty may be assessed, as determined by us, consistent with your Franchise Agreement and the Operations Manual.

In order to receive opening approval for a new store, all stores in the Training Group must maintain a TSA score of 85% or better during the preceding six month period.

The table below represents the required and recommended hours and certification needed for a new Franchised Restaurant:

Position	Program	Hours Needed	Certification/Proficiency
Owner-Operator and General Manager	Intensive (8) week MIT Program	400 Hours	Certified Taziki's General Manager
Assistant General Manager	Intensive (4) week Training Program or Intensive (8) week MIT Program if the Owner-Operator is also the General Manager of your Franchised Restaurant	200 Hours or 400 hours	Competent in opening and closing duties, production tools, menu, service line and Front of the House positions, Point of Sales, and cost analysis; or Certified Taziki's General Manager
Shift Leaders (2)	Intensive (2) week Training Program recommended	100 Hours	Competent in menu, Point of sales, closing and opening duties and all front of the house service positions.

The resources used during and after the completion of the required training time are a comprehensive set of online courses paired with in-store teaching. We reserve the right to charge for training material and initial uniforms. The MIT Program is administered through Performance Observations Checklists using a "Four Step Training" approach:

(1) Trainer explains. Trainee listens; (2) Trainer performs. Trainee watches; (3) Trainee explains. Trainer listens; (4) Trainee performs. Trainer watches. Our "Certified Trainers" have been or are currently General Managers who have successfully completed the MIT Program and are employed at a Certified Training Store. These Certified Trainers have their qualifications measured periodically by a TSA in which they must maintain a high level of operational excellence to obtain/sustain their training certification.

There is no tuition charge for the Owner-Operator and the General Manager for the MIT Program for a new Restaurant in a new market. There is also no tuition charge for the Assistant General Manager and the two Shift Leaders for their initial training. You are responsible to pay all compensation, benefits, travel expenses, living expenses, and any other personal expenses for your nominees enrolled in the MIT Program. For any additional managers registered in the MIT Program before the opening of a new

Restaurant or during the operations of an existing store, the tuition charge will be up to \$500 per trainee at our current rate.

If a Certified Manager leaves your employment for any reason, you must hire a replacement manager and notify the Training Department within 30 days to arrange for their certified training hours. This training plan will be arranged by the Training Department and may include time at a certified training store, a certified trainer sent at your cost to your market to train the new manager on site, or a combination of both. Prior to opening the third, or more, Franchised Restaurant in the Training Group, one of the Franchised Restaurants in the Training Group must be certified by us as a “Certified Training Store” at which all managers have been trained by a Certified Trainer or Certified Manager. The Training Group must maintain at least one certified training store per five total stores to be approved for future franchise restaurant opening dates. We specify procedures to obtaining and maintaining certification of a Franchised Restaurant as a Certified Training Store in the Operations Manual. A Certified Training Store is a Restaurant that employs a Certified Trainer as a General Manager, has passed a “Certified Training Store Assessment” initially and has passed all of its subsequent TSA’s.

We may conduct training at an annual convention or regional meeting. We may require that your Owner-Operator, General Manager, Assistant Manager and Shift Leaders attend this training. We may include the training tuition in a convention or meeting fee, or may charge separately for training tuition.

ITEM 12

TERRITORY

Franchise Agreement

The Franchise Agreement grants you the right to operate a single Franchised Business at the Franchised Location. You must operate the Franchised Business only at the Franchised Location and you may not relocate the Franchised Location without first obtaining our written consent. You may not establish or operate another Franchised Business unless you enter into a separate Franchise Agreement for that Franchised Business.

During the term of the Franchise Agreement, we will grant you an assigned area, defined as a geographic area determined by us and stated in Attachment A of the Franchise Agreement you sign. The size of the area will be the geographic area within a radius (the “Applicable Radius”) from the Restaurant of (i) one mile in counties having a population over 750,000; (ii) two miles in counties having a population under 750,000 and at least 250,000, or (iii) five miles in counties with a population of less than 250,000. We believe that our Franchised Business will be better sited if located in or near retail shopping or other commercial areas that draw traffic for lunch and dinner serving times. In urban markets, the Territory may be much smaller than the Applicable Radius, and may have vertical limits as well as horizontal limits. Nontraditional Concept facilities will receive no Territory with the possible exception of the facility in which they are located. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we or our affiliates own, or from other channels of distribution or competitive brands that we control.

The Franchise Agreement reserves for you a right of first offer to submit a franchise application to develop and operate a Nontraditional Concept restaurant to be located at a venue in your Territory if the Qualified Operator does not have exclusive rights to the venue. To exercise this right, you must be in good standing under all Franchise Agreements with us, have an average TSA score of at least 90% for the last three assessments of all of your Restaurants, and either initiate the inquiry or respond with an application within 30 days after we contact you about the prospect of a Nontraditional Concept facility in venue. If

you do not or you cannot exercise the right of first offer, then we may proceed with another party, or our Affiliates may proceed, to develop the venue. Under the Franchise Agreement, you do not acquire any other options, rights of first refusal, or similar rights to acquire additional Franchised Business franchises at any other location.

The continuation of your Territory under the Franchise Agreement does not depend on the achievement of any specific sales volume, market penetration or other contingency. We retain no rights to modify your territory. We generally will consider the relocation of a Franchised Business under the same criteria as we would consider for an application to approve any new location, such demographics, traffic patterns, physical site profiles, access, parking, competition in the market area, and other factors.

We retain the right to operate and license or franchise other persons to operate a Restaurant at any location outside of your Territory. We retain the right to market and sell in your Territory under the Marks without compensation to you the same services and products as those offered as part of the Franchised Business system under the Marks through other channels of distribution, including, without limitation, the Internet, supermarkets, convenience stores, and retail outlets other than Franchised Business. We retain the right to market and sell within or outside the Territory without compensation to you at any location under trademarks, service marks, and commercial symbols different from the Marks.

There are no restrictions on your soliciting or accepting carry out orders from customers located outside your Territory. You may use any channels of distribution to make sales outside your Territory, provided that all such activity is conducted from your Franchised Location. We may establish standards for delivery and catering services that will prescribe quality, preparation and transportation methods of off-premises delivered food, customer service, and other components of the guest experience. We may limit maximum delivery time of off premises deliveries of ready to eat meals not involving catering orders. We may also establish and modify unilaterally, by written notice to you, limitations on your solicitation, acceptance and fulfillment of orders for off-premises delivery and catering services to a particular "Service Territory" beyond the Territory. These limitations may restrict such activities to your Territory or to an area that does not encompass another System franchisee's Territory. You may not use any off-site commissary or service kitchen without first obtaining our consent.

We have no present intention but may in the future operate, franchise, plan to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those a System franchisee will offer. This could include any restaurant or business selling foods that are ready to eat or for off-premises preparation or consumption. Such a business could be located or have an outlet in the Territory. We describe in Item 8 certain Affiliate Concepts that operate under the brand name "Fresh Hospitality". We may enter into purchasing agreements, insurance policies or other management contracts under the Fresh Hospitality name to take advantage of combined purchasing power. These Affiliate Concepts, which may include additional concepts in the future, may compete with your Restaurant in the fast casual category. Such Affiliate Concept restaurants could be located or have an outlet in or near the Territory or the Service Territory. The franchise agreement and area development agreements we sign do not restrict or limit the ability of us or our affiliates to create, open, operate and franchise Affiliate Concepts within or outside the Territory. You have no right or option to participate in any franchise or license program, or to own an Affiliate Concept, or to be paid any compensation relating to an Affiliate Concept restaurant. We may join with our affiliates to leverage the buying power of all Affiliate Concept restaurants and the System to obtain better quality service, pricing and availability from common approved suppliers, purveyors, and vendors of goods and services used by the restaurant chains.

Area Development Agreement

The Area Development Agreement identifies the Development Territory within which you must develop multiple Franchised Locations under the Performance Schedule. The Development Territory will be a geographic area described in Attachment A of the Area Development Agreement and chosen by a method of delineation that we determine is appropriate under the circumstances. During the term of the Area Development Agreement, neither we nor our affiliates will operate or license any other person or entity to operate a Franchised Business within your Development Territory, and we will not enter into another Area Development Agreement that overlaps its Development Territory with yours. We will determine the Development Territory and the Performance Schedule before you sign the Area Development Agreement, based on various market and economic factors such as an evaluation of the market demographics, the market penetration of the System and similar businesses, the availability of appropriate sites and the growth trends in the market. The continuation of your Area Development Agreement depends on your compliance with its Performance Schedule.

ITEM 13

TRADEMARKS

The Franchise Agreement grants you the right to operate a Franchised Business under the Marks. Parent has registered with the United States Patent & Trademark Office (“USPTO”) the following Marks:

Mark	Registration Number	Principal or Supplemental Register	Registration Date
	4327426	Principal	April 30, 2013
 TAZIKI'S	4308936	Principal	March 26, 2013
“HOPE” word mark	5491891	Principal	June 12, 2018
“TAZIKI’S” word mark	5653642	Principal	January 15, 2019
“TAZIKI’S MEDITERRANEAN CAFE” word mark	5653644	Principal	January 15, 2019

All required affidavits have been filed. No renewals have yet been required. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending infringement, opposition or cancellation proceedings affecting the Marks. There is no pending material federal or state court litigation involving the use or ownership rights in a Mark. We know of no superior rights or infringing uses that could materially affect your use of our Marks; however, we cannot guaranty that a restaurant or other user

is not operating under Taziki's or another confusingly similar name that may have priority over our or our Parent's use.

Effective January 1, 2013, Parent licensed the Marks and the System to us under a trademark license agreement. We are granted a worldwide license of the Marks and System with the exclusive right to franchise the Marks and the System for 50 years. We are obligated to assure that all sublicensees comply with quality standards set by Parent. The trademark license agreement can be terminated by Parent only if we breach the agreement and fail to cure the breach within 30 days after receiving written notice of the breach, or if we become insolvent or are unable to pay our debts as they become due, or we commence a case for relief or reorganization, or are the subject of an involuntary case for relief or reorganization under the Federal Bankruptcy Code or under any other state or federal bankruptcy or insolvency laws, and such involuntary case continues for more than ninety (90) days after its initial filing without dismissal. At termination of the trademark license agreement, we are obligated to assign to Parent all license, franchise and sublicensing agreements which we have entered into for the use of the Marks and the System, which shall continue in full force and effect until the expiration of the terms then in effect. If such an assignment occurs, Parent will not assume any liabilities that pre-date the assignment, for which we will remain liable.

We have no affirmative duty to protect your right to use the Proprietary Marks but intend to take appropriate actions if the need arises. We have the right to control any administrative proceedings or litigation involving a Mark we license to you. If anyone institutes or threatens litigation involving any component of the System, including the Marks, against you, you must notify us promptly and cooperate fully with us in defending or settling the litigation. We will have control over the defense and settlement of any administrative proceeding or litigation regarding the System. You also should notify us immediately when you learn about any infringing use of the Marks, any challenge to your use of the Marks, and any use or claim of the right to use any trademark or service mark confusingly similar to the Marks.

Except as stated above, we do not have any obligation to take any affirmative action, participate in your defense, or indemnify you for expenses or damages if you become a party to an administrative or judicial proceeding involving a Mark we license to you or if the proceeding is resolved unfavorably to you. If we must, or we decide to, change the System and discontinue the use of any of the Marks, we reserve the right to substitute different proprietary marks for use in your identifying the Franchised Business. We have no obligation to compensate you for the discontinuance or modification of any Mark, or the cost of changing the primary mark of the Franchised System.

You may not use the Marks to offer or sell any services or products not a part of the System that we do not first otherwise approve. You must comply with the rules and guidelines we issue for using the Marks. You cannot use a Mark as part of a corporate name or with modifying words, designs or symbols, except for those which we license to you. You also cannot display or erect any other mark on your office, stationery, advertising, sales/promotional materials or other objects, except for those Marks licensed to you. You may not use any Mark to promote or identify the sale of an unauthorized product or service, or in a manner we do not authorize in writing.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Other than our copyright in our Operations Manual, we do not own any patents or copyrights and have no pending patent applications material to the Franchised Business. We own certain proprietary information that constitutes trade secrets that you may use in the operation of a Franchised Business. You will have the right to use the proprietary information contained in the Operations Manual. Although we have not filed for copyright registration for the Operations Manual, we do claim a copyright in it and the

information contained in it does constitute proprietary information. The Franchise Agreement will obligate you to protect our proprietary information from unauthorized use and disclosure, and to have your equity owners, managers, employees we designate in the Operations Manual sign a confidentiality agreement in the form we prescribe (Franchise Agreement, Attachment D). You must tell us promptly when you learn about any unauthorized use of the Operations Manual or the information contained in it. We have no obligation to take any action in that event; however, we will respond as we deem appropriate.

There are no currently effective material determinations of the United States Copyright Office or any court, or any pending material proceeding that would affect our copyrights. We have no agreements which would limit our right to license the use of any existing or future patents, copyrights or proprietary information. Although not obligated under any express provision of the Franchise Agreement, we intend to protect our rights in our existing and future patents, copyrights and proprietary information.

If anyone institutes or threatens litigation involving any of our patents, copyrights or proprietary information against you, you must notify us promptly and cooperate fully with us in defending or settling the litigation.

We will have control over the defense and settlement of any administrative proceeding or litigation regarding any patents, copyrights or proprietary information relating to the Franchised Business system. You also should notify us immediately when you learn about any infringing use of our patents, copyrights or proprietary information or any challenge to your use of our patents, copyrights or proprietary information.

Except as stated above, we do not have any obligation to take any affirmative action, participate in your defense, or indemnify you for expenses or damages if you become a party to an administrative or judicial proceeding involving any patents, copyrighted material, or proprietary information licensed by us to you or if the proceeding is resolved unfavorably to you.

If we must discontinue the use of any of our patents, copyrighted materials, or proprietary information relating to the Franchised Business system, we reserve the right to substitute different materials and/or information for use in your franchised business, but we have no obligation to compensate you for the discontinuance or modification of any patents, copyrighted material, or proprietary information. We know of no infringing rights that could materially affect you.

We intend to renew any future registered copyrights when the registration expires.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

A franchisee has responsibility for the operation of its Franchised Business. At least one person who has a significant equity ownership position in the franchisee (at least 5%) must be designated the Owner-Operator of the franchisee and attend the MIT Program. The Owner-Operator must dedicate his or her full working time and attention to the Franchised Business. You may hire an “on-premises” manager to handle the day-to-day operations of your Franchised Business, but any such manager must have completed the MIT Program. Your on-premises manager must sign a written agreement at the time of employment to maintain the confidentiality of the trade secrets and other proprietary information contained in Item 14 and to comply with the covenants not to compete described in Item 17. The form is included in the Franchise Agreement as Attachment D and a copy of the fully executed agreement must be sent to us promptly after signing, and before we begin training.

If you operate as a corporation, partnership or other form of business entity, each of your owners must guarantee your obligations and agree to a restriction on the transfer of their equity ownership interests under the Guaranty and Restriction Agreement attached as Attachment C to the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate your Franchised Business under the System as specified in the Franchise Agreement, the Operations Manual, and in our standards and policies. You may not engage in any business or offer any other services or products at your Franchised Business that is or are not a part of the System or without our express authorization in advance. You must offer our entire menu except those items we designate as optional. You may not offer additional menu items without our prior written consent. We retain the right to modify the Operations Manual to modify, discontinue or add to the goods and services that you must sell in your Franchised Business, which may include new or modified menu items and recipes, methods of preparation or serving, and the installation and use of new or modified food preparation and serving equipment. There are no limits on our right to make these changes.

All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Franchised Business) and other items we designate must bear the Marks in the form, color, location and manner we prescribe. In addition, all advertising and promotion in any medium, (including websites, Internet postings or markings) must be conducted in a dignified manner and must conform to the standards and requirements in the Operations Manual, the Franchise Agreement or otherwise. You must obtain our approval before you use any advertising and promotional materials and plans. You must obtain our written approval of the content and design of your website or Internet posting or marketing in advance of such use and such use must be in compliance with our policies including the use and presentation of the Marks.

We have the right to establish a guest survey feedback program, and any similar programs that we elect, in our sole discretion, to implement. We may use the scores and comments from such program to evaluate whether or not you meet System Standards, are eligible for additional franchises or area development agreements, or comply with your Franchise Agreement. As of the Issuance Date, we have not established a guest survey feedback program dedicated to this purpose. However, we accept guest feedback through our website and have established a secret shopper program, neither of which factor into our formal evaluations.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

Franchise Agreement

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in that agreement attached as Exhibit A to this Disclosure Document.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
a.	Length of the franchise term	4	The Franchise Agreement runs for a term of 10 years unless terminated earlier under the Franchise Agreement.
b.	Renewal or extension of the term	4	You may renew the franchise for a five-year renewal term four times. You may not renew if (i) you or any of your Affiliates are in default under any Franchise Agreement with us, (ii) any monetary obligations to us or our Affiliates are unsatisfied, (iii) if your restaurant performs in the bottom quartile of Net Cash Sales for all Franchised Business restaurants, or (iv) the average TSA score for all of your Restaurants on the three assessments preceding the date your renewal notice must be given is less than 85%. We will notify you if you choose to renew and you do not meet these conditions.
c.	Requirements for franchisee to renew or extend	4	You may renew the franchise up to four (4) additional “Renewal Terms” of five (5) years each, subject in each renewal to satisfaction of the following conditions for renewal: You must give us 180 days advance notice of renewal, sign our then current form of the Franchise Agreement (which may contain materially different terms and conditions from the original contract), execute a general release of claims, complete any retraining program we may require, and pay a renewal fee of \$5000. At the end of the initial term and at the end of the second renewal term you must also upgrade your restaurant to our current entry standards and design elements, complete any retraining we require, upgrade to our current kitchen equipment package and install our current point-of-sale system and other equipment. At the end of the first renewal term and the end of the third renewal term, you must remodel, redecorate and replace or reupholster your seating.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
d.	Termination by franchisee	28	You may terminate the Franchise Agreement only if we substantially fail to perform any of our material obligations to you under the Franchise Agreement. You must give written notice of and 60 days to cure the failure. If the failure is not cured within 60 days you may terminate the Franchise Agreement upon written notice.
e.	Termination by franchisor Without cause	31	We may terminate your Franchise agreement after written notice to you if we determine that either (i) a law or regulation is enacted, promulgated, repealed, modified or amended, (ii) a judicial or administrative tribunal or administrative agency has issued, published or released a decision, ruling or opinion in a matter not involving the Parties directly or indirectly that we reasonably expect will affect applicable law or its interpretation, or (iii) an administrative agency, arbitrator or judge has issued an interim or final decision in a matter in which the Parties are involved directly or indirectly, which (A) frustrates or adversely affects or could reasonably be expected to affect adversely the purposes of the Franchise Agreement, (B) makes performance of the Franchise Agreement commercially impracticable, (C) effectively modifies the allocation of risk, benefits and burdens agreed by the Parties, (D) deprives any Party of its benefits of the bargain struck by the Parties, as originally set forth in the Franchise Agreement, or (E) determines that an employment or a joint employment relationship exists between us.
f.	Termination by franchisor with cause	6(e), 29 and 30	We may terminate your Franchise Agreement after written notice of a curable default if you fail to cure within the time permitted or such longer period as required by law, or immediately upon written notice of an incurable default unless a longer notice period is required by law.
g.	“Cause” defined - curable defaults	30	A curable default consists of (1) the breach of any of your obligations under any agreement with us or our affiliates, other than an incurable default listed below, or (2) any condition which makes the continued operation of your Franchised Business a danger to public health or safety. If you do not remedy a curable default within 30 days after notice of a non-monetary default or within five days after notice of a monetary default, we may terminate your Franchise Agreement. These cure or notice periods may be extended by applicable law in your state.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
h.	"Cause" defined - non-curable defaults	6 (e), 29	An incurable default will occur if (1) you close or abandon your Franchised Business without approval; (2) you or any of your equity owners request the appointment of a receiver or have a receiver appointed for any of your or their assets; (3) you or any of your equity owners make a general assignment for the benefit of your or their creditors; (4) you or any of your owners commence a case or have an order for relief entered against you or them under the U.S. Bankruptcy Code or any foreign equivalent; (5) you or any of your owners suffer a conviction for a crime involving moral turpitude or any other offense, or an incident occurs at or involving the Restaurant or an off-premises service provided by the Restaurant reasonably likely, in our opinion, to have an adverse effect on the good will of the Marks, the System or other Restaurants; (6) we discover a material inaccuracy in any of the representations made by you in the Franchise Agreement or in any written application submitted by you to us in order to qualify as a franchisee; (7) you maintain false books or records; (8) you breach the same provision of the Franchise Agreement on three occasions within any 12-month period having received notice of the first two breaches; (9) you commit a breach, which by its nature, you cannot cure or which you notify us you do not intend to cure; (10) a court, administrative tribunal, health department having jurisdiction over your Restaurant or an independent laboratory determines that a preventable incident of food borne illness is attributable to your Restaurant, and we determine in good faith that such incident resulted from your breach of System Standards or your Franchise Agreement; or (11) you don't complete the Restaurant according to the approved plans and System Standards, and open the Restaurant within the time specified in the Franchise Agreement.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
i.	Franchisee's obligations on termination/non-renewal	33	You must (1) abide by the non-competition provisions of the Franchise Agreement; (2) promptly pay us and our affiliates all amounts owed; (3) not use or adopt the Franchised Business system or any of our proprietary marks or intellectual property; (4) remove from the restaurant all signs, emblems and displays identifying it as associated with the Franchised Business system; (5) cease to use and return to us the Operations Manual and other confidential materials delivered to you; (6) cease to hold yourself out in any way as our franchisee or to do anything which would indicate any relationship between you and us; (7) change the exterior and interior design and décor of the restaurant and make all changes in signs, buildings and structures which we direct to distinguish the building from its former appearance as a Franchised Business; and (8) transfer to us all telephone listings, domain names, and web pages for your Franchised Business or which contain, use or display any of our proprietary marks or intellectual property.
j.	Assignment of contract by franchisor	22(a)	We may transfer, assign or pledge our interest in the Franchise Agreement, in whole or in part, to any person.
k.	"Transfer" by franchisee-defined	54(z)	Any transaction that is or results in (i) an assignment of the Franchise Agreement or delegation of any of your rights and obligations under the Franchise Agreement, (ii) grant of a security interest in, pledge of, lien or encumbrance on the Franchise Agreement, (iii) a change in ownership of an equity interest, or any issuance of additional equity interests to new persons or entities not listed on Attachment A to the Franchise Agreement, or any transaction among your existing equity owners that results in a change in control over your equity interests; (iv) any merger, consolidation or sale of substantially all assets, if you are an entity, (v) any sale or lease of the Franchised Restaurant, or a sale of the Location if you own it, or any eviction, detainer, foreclosure or deed in lieu of foreclosure that results in the loss of possession of and control over the Franchised Restaurant, (vi) any delegation of management rights or responsibilities of the Franchised Business, or (vii) any distribution, gift or donation of any interest in the Franchised Restaurant will constitute a "transfer" of your Franchise Agreement or you.
l.	Franchisor approval of transfer by franchisee	22(b)	You generally may not transfer any interest in your Franchise Agreement or an equity interest in the franchisee entity without our consent.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
m.	Conditions for franchisor approval of transfer	22(b)	We may impose any condition for our approval, including (1) the proposed transferee must satisfy all of the requirements and conditions then being used to qualify a person as a new franchisee; (2) the proposed transferee must comply with Section 24 of the Franchise Agreement relating to business entities; (3) you must satisfy all of your accrued monetary obligations to us and our affiliates; (4) you must cure all existing defaults under the Franchise Agreement; (5) you must execute and deliver a general release of all claims against us and our affiliates; (6) the transferee must execute and deliver our then current form of franchise agreement with the same royalty fee and same expiration date and remaining renewal term (if any); and (7) you must pay us a transfer fee (See Item 6) unless the transfer is an initial transfer from an individual to an entity or to any of your existing owners or any member of your immediate family.
n.	Franchisor's right of first refusal to acquire franchisee's business	23	We have a right of first refusal to purchase your Franchised Business or any controlling interest in you that you propose to sell on the same terms and conditions offered to you by a third party.
o.	Franchisor's option to purchase franchisee's business	34	We have an option to purchase your Franchised Business for its fair market value upon the termination or expiration of the Franchise Agreement.
p.	Death or disability of franchisee	25	Upon the death of an owner, or the appointment of a permanent guardian or conservator to manage the owner's affairs, the owner's trustee, conservator or other personal representative may hold the deceased's equity interest in the franchisee entity for up to one year and may only transfer the deceased's interest from the estate, a testamentary trust or inter vivos trust to a third party we approve under the procedures set forth in the Franchise Agreement. If the owner was the Owner-Operator, then we may treat the personal representative, trustee or conservator as the owner-operator until you appoint someone else as the Owner-Operator. Any failure to commence administration of the decedent's estate within 90 days after death or any distribution of the decedent's equity interest in the franchisee entity without our consent if such distribution operates as an assignment and our consent is required, is a material breach of the Franchise Agreement.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
q.	Non-competition covenants during the term of the franchise	11	You may not engage, either directly or indirectly through any financial or beneficial interest in any other person, in any competing business, other than a Franchised Business. A competing business means any restaurant serving as its primary menu offering Greek or Mediterranean cuisine in a quick service, fast casual, casual dining, diner or buffet format, featuring pre-made and prepared to order salads, gyros, lavash wraps and grilled proteins.
r.	Non-competition covenants after the franchise is terminated or expires	11	For a period of two years after the termination or expiration of the Franchise Agreement, you may not engage in any competing business other than a Franchised Business, within your Territory and within the Applicable Radius in miles from any Restaurant listed on our web site at the time of termination, either directly or indirectly through any financial or beneficial interest in any other person.
s.	Modification of the agreement	52	We may alter the System or Operations Manual as we deem necessary. We and you must agree in writing to any modifications to your Franchise Agreement.
t.	Integration/merger clause	40	Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Not Applicable	Not applicable.
v.	Choice of forum	47	Any legal action must be brought in the judicial district where our headquarters is located, which is currently Jefferson County, Alabama. Your local law may supersede this provision. See Disclosure Document Addenda for Certain States at <u>Exhibit C</u> .
w.	Choice of law	46	Alabama and applicable federal law will apply to your Franchise Agreement and all rights and duties under the Franchise Agreement (subject to applicable state law). See the Disclosure Document Addenda for Certain States at <u>Exhibit C</u> .

Area Development Agreement

The following table lists certain important provisions of the Area Development Agreement. You should read these provisions in that agreement attached as Exhibit B to this Disclosure Document.

	<u>Provision</u>	<u>Section in Area Development Agreement</u>	<u>Summary</u>
a.	Length of the franchise term	4	The Area Development Agreement expires on the date negotiated by you and us, usually 5 years from its effective date.
b.	Renewal or extension of the term	Not Applicable	You may not renew the Area Development Agreement.
c.	Requirements for franchisee to renew or extend	Not Applicable	You may not renew the Area Development Agreement.
d.	Termination by franchisee	Not Applicable	You may not terminate the Area Development Agreement.
e.	Termination by franchisor Without cause	15	We may terminate your Area Development Agreement after written notice to you if we determine that either (i) a law or regulation is enacted, promulgated, repealed, modified or amended, (ii) a judicial or administrative tribunal or administrative agency has issued, published or released a decision, ruling or opinion in a matter not involving the Parties directly or indirectly that we reasonably expect will affect applicable law or its interpretation, or (iii) an administrative agency, arbitrator or judge has issued an interim or final decision in a matter in which the Parties are involved directly or indirectly, which (A) frustrates or adversely affects or could reasonably be expected to affect adversely the purposes of the Area Development Agreement, (B) makes performance of the Area Development Agreement commercially impracticable, (C) effectively modifies the allocation of risk, benefits and burdens agreed by the Parties, (D) deprives any Party of its benefits of the bargain struck by the Parties, as originally set forth in the Area Development Agreement, or (E) determines that an employment or a joint employment relationship exists between us.
f.	Termination by franchisor with cause	13 and 14	We may terminate your Area Development Agreement 30 days after we give you written notice of a curable default that you fail to cure or immediately upon written notice of an incurable default.
g.	“Cause” defined - curable defaults	13	A curable default consists of the breach of any of your obligations under any agreement with us or our affiliates, other than an incurable default listed below. Requesting the appointment of a receiver or assigning your interest may also constitute a curable default. If you do not remedy a curable default within 30 days after notice, we may terminate your Area Development Agreement.

	<u>Provision</u>	<u>Section in Area Development Agreement</u>	<u>Summary</u>
h.	“Cause” defined - non-curable defaults	13	An incurable default will occur if you fail to comply with the Performance Schedule or any incurable default occurs under Section 29 of any of your existing Franchise Agreements.
i.	Franchisee’s obligations on termination/non-renewal	14	You must cease to select or develop any sites for a Franchised Business or hold yourself out as a Franchised Business developer. However, the termination of the Area Development Agreement will not affect your right to open and operate a Franchised Business under any effective Franchise Agreement.
j.	Assignment of contract by franchisor	17(a)	We may transfer, assign or pledge our interest in the Area Development Agreement, in whole or in part, to any person.
k.	“Transfer” by franchisee-defined	17	Any transfer, assignment or pledge of the Area Development Agreement will constitute a “transfer” of the agreement.
l.	Franchisor approval of transfer by franchisee	17(b)	You may not transfer any interest in your Area Development Agreement without our express written consent.
m.	Conditions for franchisor approval of transfer	17(b)	You may not transfer any interest in your Area Development Agreement without our express written consent.
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Not Applicable	Not Applicable
o.	Franchisor’s option to purchase franchisee’s business	Not Applicable	Not Applicable
p.	Death or disability of franchisee	Not Applicable	Your death or permanent incapacity, in and of itself, will not affect your Area Development Agreement.
q.	Non-competition covenants during the term of the franchise	12	During the Term of the Development Agreement you and your Owners may not engage, either directly or indirectly in any competing Business other than a Taziki’s Mediterranean Café Restaurant licensed by us.
r.	Non-competition covenants after the franchise is terminated or expires	12	You may not develop any competing Business within the Development Area and within the Applicable Radius of any Restaurant during a period of two years after termination of the Area Development Agreement.
s.	Modification of the agreement	29	You and we must agree in writing to any modifications to the Area Development Agreement.

	<u>Provision</u>	<u>Section in Area Development Agreement</u>	<u>Summary</u>
t.	Integration/merger clause	20 and 32	Only the terms of the Area Development Agreement are binding (subject to applicable state law). Any representations or promises outside of this Disclosure Document and the Area Development Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Not Applicable	Not applicable.
v.	Choice of forum	24	Any legal action must be brought in the judicial district where our headquarters is located, which is currently Jefferson County, Alabama. Your local law may supersede this provision. See Disclosure Document Addenda for Certain States at <u>Exhibit C</u> .
w.	Choice of law	23	Alabama law will apply to the Area Development Agreement and all rights and duties under the Area Development Agreement (subject to applicable state law). See Disclosure Document Addenda for Certain States at <u>Exhibit C</u> .

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

Table 1 represents the financial performance representations of 26 Restaurants owned by our affiliates and joint ventures, representing 30% of the 86 Restaurants open at the end of our 2022 fiscal year. For these 26 locations, the Average Annual Net Sales were \$2,242,279 and the Average Weekly Volume was \$43,121. Annual Net Sales ranged from \$ 1,253,827 to \$3,507,604 and the Average Weekly Volume ranged from \$24,112 to \$67,454 for this group. The median Restaurant's Annual Net Sales were \$ 2,313,960 and its Average Weekly Volume was \$ 44,499.

Table 2 represents the financial performance representations of 47 Restaurants owned by franchisees, representing 55% of the 86 Restaurants open at the end of our 2022 fiscal year. For these 47 locations, the Average Annual Net Sales were \$1,725,907 and the Average Weekly Volume was \$33,191. Annual Net Sales ranged from \$607,527 to \$3,245,082 and the Average Weekly Volume ranged

from \$11,683 to \$62,405 for this group. The median Restaurant's Annual Net Sales were \$1,607,388 and its Average Weekly Volume was \$30,911.

Table 3 represents the Average System Sales, broken down by thirds as determined by performance, for 83 representative restaurants constituting 97% of the 86 Restaurants open at the end of our 2022 fiscal year. Three stores that opened during 2022 were excluded. The Average Annual Sales for the top third of Restaurants (26 Restaurants) were \$2,511,596 with an Average Weekly Sales of \$48,300. The Average Annual Sales for the bottom third of Restaurants (28 Restaurants) were \$1,099,269, with Average Weekly Sales of \$21,140. The Average Annual Sales for the middle third of Restaurants (28 Restaurants) were \$1,725,913, with Average Weekly Sales of \$33,191.

Table 4 represents the financial performance for Restaurants that are part of a Multi-Unit Market, with at least 3 units per market. These 45 Restaurants constitute 52% of the 86 Restaurants open at the end of our 2022 fiscal year. The Multi-Unit Market Restaurants owned by franchisees (19 Restaurants) generated Annual Average Sales of \$1,847,437, with Weekly Average Sales of \$35,528. The Multi-Unit Market Restaurants owned by our affiliates or joint ventures (26 Restaurants) generated Annual Average Sales of \$2,153,112 with Weekly Average Sales of \$41,406. The Average Annual Sales generated by the total system of Multi-Unit Market Restaurants was \$2,024,049, with Weekly Average Sales of \$38,924.

These annual results have not been audited by an independent auditor and are compiled from information voluntarily reported by the Restaurants. Apart from variances attributable to geographic location and length of time the outlets have operated, the material characteristics of these Restaurants are similar to the Franchised Business being offered to you in this Disclosure Document.

Table 1: Affiliate Owned Restaurants Open More than One Year – 2022 Fiscal Year

	Percent of Average Net Sales		Results from Highest Volume Store		Results from Median Volume Store		Results from Lowest Volume Store		# and % of stores at or above average		# and % of stores at or above median volume store	
Total Net Sales <i>AWV</i>	\$2,242,279		\$ 3,507,604		\$2,313,960		\$1,253,827		14	54%	13	50%
	\$ 43,121		\$ 67,454		\$ 44,499		\$ 24,112					
Cost of Goods Food & Beverage	\$ 632,323	28.2%	\$1,027,214	29.3%	\$ 700,247	30.3%	\$ 326,939	26.1%	14	54%	11	42%
Supplies	\$ 145,748	6.5%	\$ 239,265	6.8%	\$ 151,447	6.5%	\$ 86,746	6.9%	13	50%	13	50%
Total Cost of Goods	\$ 778,071	50.9%	\$ 1,266,479	49.3%	\$ 851,694	36.8%	\$ 413,685	33.0%	14	54%	11	42%
Payroll												
Crew	\$ 439,487	19.6%	\$ 747,247	21.3%	\$ 545,212	23.6%	\$ 255,483	20.4%	12	46%	8	31%
Managers	\$ 150,233	6.7%	\$ 121,619	3.5%	\$ 79,769	3.4%	\$ 132,401	10.6%	10	38%	23	88%
Taxes & Benefits	\$ 100,903	4.5%	\$ 150,297	4.3%	\$ 98,594	4.3%	\$ 83,093	6.6%	10	38%	12	46%
Total Labor	\$ 690,622	30.8%	\$1,019,163	29.1%	\$ 723,575	31.3%	\$ 470,977	37.6%	13	50%	13	50%
Prime Costs	\$1,468,693	65.5%	\$2,285,642	65.2%	\$1,575,269	68.1%	\$ 884,662	70.6%	14	54%	12	46%
Gross Margin	\$ 773,586	34.5%	\$ 1,221,962	34.8%	\$ 738,691	31.9%	\$ 369,165	29.4%	13	50%	15	58%
Franchise Fees	\$ 106,508	4.8%	\$ 166,611	4.8%	\$ 109,913	4.8%	\$ 59,557	4.8%				
Net Margin	\$ 667,078	29.8%	\$1,055,351	30.1%	\$ 628,778	27.2%	\$ 309,608	24.7%				

Total Stores: 26*

**Excludes one store that opened during 2022*

Table 2: Franchised Restaurants Open More than One Year - 2022 Fiscal Year

	Percent of Average Net Sales		Results from Highest Volume Store		Results from Median Volume Store		Results from Lowest Volume Store		# and % of stores at or above average		# and % of stores at or above median volume store	
Total Net Sales	\$ 1,725,907		\$ 3,245,082		\$1,607,388		\$607,527		20	33%	24	40%
<i>AWV</i>	\$ 33,191		\$ 62,405		\$ 30,911		\$ 11,683					
Cost of Goods												
Food & Beverage	\$ 481,528	27.9%	\$ 871,923	26.9%	\$439,945	27.4%	\$ 166,098	27.3%	20	33%	24	40%
Supplies	\$ 110,458	6.4%	\$ 208,989	6.4%	\$ 109,336	6.8%	\$ 41,799	6.9%	22	37%	25	42%
Total Cost of Goods	\$ 591,986	34.3%	\$ 1,080,912	33.3%	\$ 549,281	34.2%	\$ 207,897	34.2%	19	32%	24	40%
Payroll												
Crew	\$ 358,989	20.8%	\$ 597,923	18.4%	\$ 365,936	22.8%	\$ 125,097	20.6%	23	38%	23	38%
Managers	\$ 125,991	7.3%	\$ 134,254	4.1%	\$ 159,952	10.0%	\$ 105,242	17.3%	26	43%	12	20%
Taxes & Benefits	\$ 86,295	5.0%	\$ 112,732	3.5%	\$ 119,214	7.4%	\$ 35,016	5.8%	18	30%	11	18%
Total Labor	\$ 571,275	33.1%	\$ 844,909	26.0%	\$ 645,102	40.1%	\$ 265,355	43.7%	23	38%	19	32%
Prime Costs	\$1,163,261	67.4%	\$ 1,925,821	59.3%	\$1,194,383	74.3%	\$ 473,252	77.9%	22	37%	21	35%
Gross Margin	\$ 562,646	32.6%	\$ 1,319,261	40.7%	\$ 413,005	25.7%	\$ 134,275	22.1%	24	40%	33	55%
Franchise Fees	\$ 81,981	4.8%	\$ 154,141	4.8%	\$ 76,351	4.8%	\$ 28,858	4.8%				
Net Margin	\$ 480,665	27.9%	\$ 1,165,120	35.9%	\$ 336,654	20.9%	\$ 105,417	17.4%				

Total Stores: 47**

***Excludes two locations that transferred ownership during 2022*

Excludes two locations that opened during 2022

Excludes ten locations that did not report year-end financials as of the date of this issuance

Table 3: System Sales Average Breakdown

All Stores	Top 1/3	Middle 1/3	Bottom 1/3
Average Annual Sales	\$2,511,596	\$1,725,913	\$1,099,269
<i>Average Weekly Sales</i>	<i>\$48,300</i>	<i>\$33,191</i>	<i>\$21,140</i>
Number of Restaurants	27	28	28
Number at or above Average	11	12	17
Percent at or above Average	41%	43%	61%

Table 4: Average Results of Stores in Multi-Unit Markets (Markets with at least three units)

All Stores	Total System	Franchise Only	Affiliate Only
Average Annual Sales	\$2,024,049	\$1,847,437	\$2,153,112
<i>Average Weekly Sales</i>	<i>\$38,924</i>	<i>\$35,528</i>	<i>\$41,406</i>
Number of Restaurants	45	19	26
Number at or above Average	24	11	14
Percent at or above Average	53%	58%	54%

Accounting Presentation. The preceding summary historical financial statements are not presented in conformity with generally accepted accounting principles and have not been compiled, reviewed or audited by independent accountants. We do not include any unusual or non-recurring items, footnotes, extraordinary items, statements regarding cash flow, statements regarding changes in financial position, or provisions for taxes that would be included in GAAP financial presentations. There are no bad debt losses on catering or merchant chargebacks from credit card receivables. No other accounting policies are germane to this presentation.

Definitions and Assumptions. The following apply to this Item 19:

Net Sales. Food and beverage sales (including beer and wine); less sales taxes and sales of gift cards and certificates. This definition is consistent with guidance from the Uniform System of Accounts for Restaurants for the purpose of comparing expenses to net sales among restaurants. We compute fees payable under a Franchise Agreement using Net Cash Sales, which has more deductions. See Item 6.

AWV. Average weekly volumes of Net Sales.

Cost of Goods.

Food & Beverage. All food & beverage used & waste incurred in the production of meals for the Restaurant and catering.

Supplies. Disposable items used in the packaging and utilization of the Restaurant's products, cleaning supplies, wares replaced, uniforms and linens.

Payroll.

Crew. Wages paid to team members, including training period wages.

Managers. Salaries and hourly wages paid to the management staff at each Restaurant.

Taxes & Benefits. Employer Payroll taxes, health insurance, workers compensation insurance and employee meals.

Prime Costs. Combination of "Total Cost of Goods" and "Total Labor."

Gross Margin. Net Sales less Prime Costs.

Franchise Fees. Pro forma on-going franchise fees including a Royalty of 4% of Net Sales and a Marketing Fee of 0.75% of Net Sales.

Net Margin. Gross Margin less Franchise Fees.

Expenses Not Shown. The table does not include information certain costs and expenses a Restaurant will incur in the categories of, including but not limited to, repairs and maintenance, advertising, utilities and occupancy expenses, office supplies, bank charges, credit card fees, security, small wares replacements, depreciation and amortization, marketing fees and franchise or license royalty fees.

Our financial performance representations rely on our current store locations. These financial results may not be typical for Restaurants located in different markets or your area.

Basis of Presentation. We consider these target demographic benchmarks and site attributes to be the most important criteria to our site selection:

- Residential Population: 50,000 within 3 mile radius and 70,000 within 5 mile radius of location.
- Median Household Income: At least \$60,000 within both the 3 mile radius and 5 mile radius.
- Traffic Counts: Minimum 20,000 daily (conventional site).
- Daytime Traffic Generators: Retail Anchors, High-end Grocery, Office Buildings, Hospitals, Universities, other sources of daytime population.
- Visibility: Maximum visibility desired for location signage and the patio.
- Other Site Attributes: Strip center end-caps with adjacent patio, free parking convenient to site, good ingress/egress from afternoon drive direction.

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

Other than the above representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting William G. Magruder at 3009 Pump House Road, Suite 200, Birmingham, Alabama 35243, (205) 451-1860, the Federal Trade Commission, and the appropriate state regulatory agencies. A written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary for Years 2020-2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change.
Franchisee	2020	75	75	0
	2021	75	74	-1
	2022	74	59	-15
Company-Owned	2020	16	16	0
	2021	16	17	+1
	2022	17	27	+10
Total	2020	91	91	0
	2021	91	91	0
	2022	91	86	-5

(1) Note that we do not operate a Taziki's Mediterranean Café, but our affiliate by common ownership, Taziki's Restaurants, currently operates 27 locations. The "Company-Owned" outlets are actually affiliate-owned restaurants.

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2020-2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Alabama	2020	2
	2021	0
	2022	0
Mississippi	2020	0
	2021	0
	2022	1
Texas	2020	0
	2021	0
	2022	2
TOTAL	2020	2
	2021	0
	2022	3

Table No. 3
Status of Franchise Outlets
For Years 2020-2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renew als	Reacquired by Franchisor	Ceased Operation s - Other Reasons	Outlets at End of the Year
Alabama	2020	11	0	0	0	0	0	11
	2021	11	0	0	0	0	0	11
	2022	11	0	1	0	1	0	9
Arkansas	2020	7	1	0	0	0	0	8
	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
Colorado	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Florida	2020	9	0	1	0	0	0	8
	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
Georgia	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Idaho	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	2	0	0	0	0
Indiana	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2

Kentucky	2020	4	0	1	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Louisiana	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Mississippi	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	1	0	0	0	1
North Carolina	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	1	0	0	0	4
Ohio	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
Oklahoma	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	1	0	0	0	2
South Carolina	2020	3	0	0	0	0	1	2
	2021	2	0	0	0	0	0	2
	2022	2	0	1	0	0	0	1
Tennessee	2020	17	0	0	0	0	0	17
	2021	17	0	0	0	0	0	17
	2022	17	0	0	0	8	0	9
Texas	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Virginia	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
West Virginia	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	1	0	0	0	2
TOTAL	2020	74	3	2	0	0	1	74
	2021	74	0	0	0	0	0	74
	2022	74	2	8	0	9	0	59

Table No. 4
Status of Company-Owned Outlets
For Years 2020-2022

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired from Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Alabama	2020	8	0	0	0	0	8
	2021	8	0	0	0	0	9
	2022	9	1	1	0	0	11
Georgia	2020	5	0	0	1	0	5
	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
Tennessee	2020	0	0	0	1	0	0
	2021	0	0	0	0	0	0
	2022	0	0	8	0	0	8
Virginia	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
TOTAL	2020	16	0	0	0	0	16
	2021	16	1	0	0	0	17
	2022	17	1	9	0	0	27

Table No. 5
Projected Openings as of December 25, 2022

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlet in the Next Fiscal Year
Alabama	0	0	1
Georgia	0	0	1
Louisiana	0	1	0
Missouri	0	0	1
North Carolina	0	0	1
South Carolina	0	1	0
Tennessee	0	1	5
Texas	0	1	0
Total	0	4	9

The names, addresses, and phone numbers of all franchised outlets as of December 25, 2022, as well as the names and phone numbers of franchised outlets who have ceased to do business under the franchise agreement or had an outlet terminated, canceled, not renewed, or transferred during our last fiscal year are listed in Exhibit G to this Disclosure Document. During the year preceding the date of this Disclosure Document, we terminated eight franchise agreements. No franchisee has failed to communicate with us during the 10 weeks prior to the date of this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

Confidentiality Clauses

As a standard practice, when we enter into settlement agreements with a franchisee or former franchisee, we will require them to agree to maintain as confidential all information that the franchisee or former franchisee has about us. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with the System. You may wish to speak with current and former franchisees but be aware that not all of these franchisees will be able to communicate with you.

Franchisor Sponsored and Independent Trademark Specific Franchisee Organizations

We have not endorsed any trademark-specific franchisee organization, and no independent franchisee organization is incorporated or otherwise organized under state law and has asked us to be included in our Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

We have included our audited financial statements for the fiscal years ended December 27, 2020, and December 26, 2021, and December 25, 2022, as Exhibit D to this Disclosure Document. Our fiscal year end is the Sunday closest to December 31. We have also included unaudited financial statements dated as of April 16, 2023 in Exhibit D.

ITEM 22

CONTRACTS

We have included copies of our Franchise Agreement, including forms of Termination and Release Agreement, Authorization Agreement for Pre-Authorized Payments, Guaranty and Restriction Agreement, Fresh Technology Tools and Help Desk Services Agreements, Optional Digital Management Services Program, Management Confidentiality and Non-Competition Agreement, Lease Rider, Nontraditional Concept Addendum, SBA Addendum (available for Franchised Restaurants financed with SBA-guaranteed loans), Receipt of Operations Manual, and Area Development Agreement to this Disclosure Document. Our forms of Closing Acknowledgment and General Release, as well as the form of Extension and General Release are included as Exhibits H and I. The Closing Acknowledgment is used for all new franchisees. The General Release is used for all transfers and renewals.

ITEM 23

RECEIPT

Duplicate copies of the receipt appear after the exhibits as the last two pages of this Disclosure Document.

Exhibit A
Franchise Agreement

TAZIKI'S MEDITERRANEAN CAFÉ™

FRANCHISE AGREEMENT

between

Taziki's Franchising, LLC

and

Restaurant Location:

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FRANCHISE AGREEMENT

This Franchise Agreement (this “Agreement”) is made and entered into as of the Effective Date, by and between Taziki’s Franchising, LLC, an Alabama limited liability company (“we,” “us” or “our”), as franchisor, and _____, a _____ (“you” or “your”), as franchisee. For good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, the parties mutually agree as follows:

1. Definitions. Words and phrases used in initially-capitalized form in this Agreement have the meanings assigned in Section 54 of this Agreement unless the context indicates otherwise.

2. Grant of Franchise.

(a) Grant. Subject to the terms and conditions in this Agreement, we grant to you the right, license and privilege to operate a Taziki’s Mediterranean Café Restaurant, only at the Location, and the right, license and privilege to use and employ the Franchised System, the Proprietary Marks, and the Intellectual Property at that address during the Term.

(b) Reservation of Rights. We and our affiliates reserve the rights to engage or authorize others to engage in any business activity at any location within or outside the Assigned Area under the Proprietary Marks or otherwise except as expressly limited under this Agreement. There are no implied covenants or obligations regarding territorial rights arising from this Agreement or any other agreement or arrangement between us and you. You have no right to participate in or benefit from any such other business activity. In addition, we reserve all rights of ownership, control, modification, revision, updating and termination with regard to the Franchised System. Your only rights with regard to the Franchised System are limited to the license as we expressly grant the license to you under this Agreement during the Term, and the parties intend that no implied covenants or rights attach or arise under the license you accept in this Agreement.

(c) Designation of Owner-Operator. Unless you operate as a sole proprietorship, you will designate from among the list of Owners on Exhibit A one person who will be your “Owner-Operator.” In such capacity, the Owner-Operator shall devote his or her full time and attention to the management, supervision and operation of the Franchised Restaurant. We may rely upon communications and decisions of the Owner-Operator as fully authorized by all necessary corporate action and legally binding on you. You may designate another Owner to serve as Owner-Operator by written notice to us.

3. Assigned Area.

(a) We and our Affiliates will not operate a Taziki’s Mediterranean Café Restaurant and will not license any other Person to operate a Taziki’s Mediterranean Café Restaurant within the Assigned Area, provided that this restriction shall not apply to a Nontraditional Concept Restaurant. You acknowledge and agree that we and our Affiliates will have the right to operate, franchise and license other Persons to operate a Taziki’s Mediterranean Café Restaurant at any location outside of the Assigned Area, and to franchise, license or operate a Nontraditional Concept Restaurant inside or outside the Assigned Area.

(b) We may, at our discretion, by written notice to you restrict your solicitation, acceptance and fulfillment of orders for off-premises catering or delivery to your Assigned Area, or to an area that does not encompass the assigned area of another Taziki’s Mediterranean Café Restaurant.

(c) You also acknowledge and agree that we will have the right (a) to market and sell the same and similar services and products as those offered under the Franchised System under trademarks, service marks, and commercial symbols different from the Proprietary Marks through the same, similar or different distribution channels; (b) to market and sell the same services and products as those offered as part of the Franchised System through dissimilar channels of distribution, including (without limitation) the Internet and retail outlets other than restaurants; and (c) to advertise, market and sell those services and products on the Internet and otherwise. These rights include the offer and sale of food products under the Proprietary Marks in supermarkets, discount, warehouse, department and convenience stores, and other retail and wholesale channels, within and outside the Assigned Area. We may restrict certain food and specialty items to these retail channels.

(d) We grant to you a right of first offer to submit a franchise application to develop and operate a Nontraditional Concept Restaurant to be located at a venue in your Assigned Area if the primary operator of food service at the venue does not have exclusive rights to the venue. To exercise this right, you must be in good standing under this Agreement and all other Franchise Agreements with us, have an average standards assessment score of at least 90% for the last three assessments of all of your Franchised Restaurants, and either initiate the inquiry or respond with an application within 30 days after we contact you about the prospect of a Nontraditional Concept facility in venue. If you do not or you cannot exercise the right of first offer, then we may proceed with another party, or our Affiliates may proceed, to develop a Nontraditional Concept Restaurant at the venue.

4. Term. The “Term” consists of the Initial Term and the Renewal Terms described below.

(a) Initial Term. This Agreement shall be effective as of the Effective Date and shall continue for an “Initial Term” of ten (10) years from the Opening Date, unless terminated earlier under this Agreement.

(b) Renewal Terms. You may renew the franchise for the Taziki’s Mediterranean Café Restaurant for up to four (4) additional “Renewal Terms” of five (5) years each, subject in each renewal to satisfaction of the conditions for renewal in this Section. THERE ARE NO OTHER RENEWAL RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT.

(c) Renewal Notice & Eligibility. If you intend to renew, you must give us written notice of your intent at least 180 days and not more than one year before the end of the Initial Term and each Renewal Term, if any. Your renewal fee of \$5,000.00 must accompany the renewal notice and is not refundable. You will be eligible to renew if at the time you must give notice of your intent to renew and at all times through the end of the Term then ending, (i) you and your Affiliates are not in default under this Agreement or any other franchise agreement with us; (ii) you and your Affiliates have satisfied all monetary obligations then due and owing to us and our Affiliates; and (iii) the Franchised Restaurant is not in the bottom quartile of franchised Taziki’s Mediterranean Café Restaurants for Net Cash Sales for the preceding fiscal year, and (iv)) the average standards assessment score for all of your Franchised Restaurants on the three assessments preceding the date your renewal notice must be given is at least 85%. We will notify you within 30 days after we receive your renewal notice if you are not eligible to renew. We may waive, in our sole discretion, any disqualifications for any Franchised Restaurant or franchisee to renew its franchise. No such waiver will provide or confer any right or benefit on any Person except the affected franchisee.

(d) Additional Conditions. Our consent will be further conditioned on maintaining eligibility to renew through the end of each Term, and on your satisfaction of the following conditions: You and your Owners must, at the times we specify, (i) at our request and after any disclosure required by law, execute our then current form of franchise agreement and personal guaranty; (ii) perform the

remodeling, repairs and renovations described below that we may require; (iii) complete, at your expense, any retraining program we may require; and (iv) execute a general release of any and all claims you, your Owners and any guarantor may have against us and our Affiliates as of that time, except for such claims as may not be released in advance under applicable law. At the end of the initial term (10 years from the Opening Date) and at the end of the second renewal term (20 years from the Opening Date) you must also upgrade your Franchised Restaurant to our current entry standards and design elements, upgrade to our current kitchen equipment package and install our current point-of-sale system and other equipment. At the end of fifth year of the initial term (5 years from the Opening Date), at the end of the first renewal term (15 years from the Opening Date) and the end of the third renewal term (25 years from the Opening Date), you must remodel and redecorate the dining room and customer facing areas of the Franchised Restaurant according to the Manuals and replace or reupholster your seating.

5. Fees & Security Interest.

(a) Initial Franchise Fee. You will pay us a non-refundable franchise fee when you sign this Agreement in the amount specified on Attachment A.

(b) Royalty Fee. No later than ten (10) days after the end of each Reporting Period, you will pay us a Royalty Fee equal to 4.00% of the Net Cash Sales of the Franchised Restaurant during the preceding Reporting Period.

(c) Marketing Fee. You also will pay us, when you pay your Royalty Fee, a Marketing Fee if, as and when required under this Agreement. You will pay the Marketing Fee to us in addition to the amounts you must spend under Sections 16 and 17 of this Agreement. The rate of the Marketing Fee as of the Effective Date is stated on Attachment A.

(d) Interest. Any late payments that you make pursuant to this Agreement will bear interest from their due date until paid at a rate equal to the lower of (a) 1.50% per month or (b) the maximum interest rate allowed by applicable law.

(e) Taxes. You will pay us an amount equal to any federal, state, provincial or local sales, gross receipts, use, value added, excise or similar taxes assessed against us on the Royalty Fee and Marketing Fees by the jurisdictions where your Taziki's Mediterranean Café Restaurant is located, but not including any income tax, franchise or other tax levied on us for our privilege of doing business in your State. You will pay Taxes to us when due.

(f) EFT Payment. You will pay all amounts due to us after your Taziki's Mediterranean Café Restaurant opens by electronic means under the Automated Clearing House Payment Authorization attached as Attachment B, or under any substitute form of authorization that we may require during the Term so that your fees will be paid by means of electronic funds transfer without the necessity of your transmitting a paper check to us.

(g) Security Agreement and Interest. As security for the payment of the foregoing amounts and performance of your obligations under this Agreement, you grant to us, our successors and assigns a security interest in this Agreement, all signs, signage, décor items, goods, supplies, equipment, and inventory containing any of the Proprietary Marks located at the Franchised Restaurant. You grant us the authority and power to file a copy of the signature page of this Agreement as part of any financing statement necessary to perfect and maintain our security interest during the Term, in any and all appropriate offices and public records. We may notify your other creditors and lenders about the security interest and have no obligation to subordinate our interest to that of any other lender or secured creditor, except to the rights of any bank or other financial institution that provides first priority financing to you to

be used directly in the operation of the Franchised Restaurant and secured by the assets of the Franchised Restaurant.

(h) Late Fee for Financial Reporting. You are expected to provide accurate financial reports, including profit and loss statements, in a timely manner. If the financial reports are not submitted by the due date, we charge an initial \$100 fee and also an additional \$100 for every financial reporting period the reports remain outstanding.

(i) Failure of Audit. If you score below a passing score for operational performance ("Failed Audit"), we will charge you \$500 for each Failed Audit and will require you to participate in a re-audit within a certain time period.

6. Franchised Restaurant Development.

(a) Development Oversight. Except as specified in this Agreement and the Operations Manual, we are not obligated to provide any assistance in locating a site, negotiating the lease, conforming the premises to local codes and ordinances, obtaining permits, constructing, remodeling or decorating, hiring and training employees (except for the training we provide described in training below), or providing for necessary equipment, signs, fixtures, opening inventory and supplies.

(b) Location Selection. If you have not selected a site for the Location that we accepted when we signed this Agreement and identified in Attachment A, we will provide you with advice and consultation in the selection of sites for Location(s) through the use of the forms, criteria and materials that we make available to franchisees. You must submit the site proposal within 15 days after the Effective Date. We will review the information you submit for each proposed site for the Location, conduct any investigation of the proposed site we deem appropriate to evaluate the site, and accept or reject the site within 30 days after your submission of all initial and supplemental information we request regarding a proposed site. If we accept the site, we will give you notice of any remaining conditions to that acceptance. If we reject the site, we will give you the reasons for the rejection. Effective upon our acceptance of your selected site, whether identified and accepted at the signing of this Agreement or afterwards, you acknowledge that you have selected and we have accepted the Location, and that our acceptance of your selection does not guarantee or warrant that the Location will be successful or that it represents the best site for the Franchised Restaurant from among those available to you. You acknowledge that we may have provided you with advice and consultation in the selection of sites for your Franchised Restaurant through the use of the forms, criteria and materials that we make available to franchisees and prospective franchisees. We may have delivered our written review and evaluation of any proposed sites you propose. You have had the opportunity to obtain independent advice on the site for your Franchised Restaurant and are not relying on our review and evaluation.

(c) Lease. You must own or lease the Location at all times during the Term and provide us with a copy of the deed or lease of the Location before commencing development of the Franchised Restaurant. We must approve the form and content of any Location lease and any modifications or amendments thereto before you sign the lease. We will review the lease and, if applicable, any modifications or amendments to the lease, and accept or reject your lease for the Location within 30 days after your submission of all initial and supplemental information we request regarding the proposed lease. You must obtain as part of the lease documentation a signed Lease Rider with the landlord in substantially the form attached as Exhibit E when you provide us with a copy of the signed Location lease (the "Lease"). You must deliver a signed Lease or purchase contract for an approved site within 30 days after the Effective Date, or the date we approve your proposed site if not accepted on the Effective Date. You have the option to secure a single 30 day extension of the 30 day period by written

notice to us that you are exercising your extension option. The grant of any further extension of time to complete this phase of pre-opening is at our sole discretion.

(d) Plans. We will provide you with our standard renovation and finish plans, specifications and layouts for the interior build-out, mechanical and electrical systems, equipment, décor and signs for a prototype Taziki's Mediterranean Café Restaurant that we make available to franchisees. We will review your site plan and final plans and specifications for conformity to System Standards. We will not unreasonably withhold or delay our approval, which is intended only to test compliance with System Standards, and not to detect errors or omissions in the work of your architects, engineers, contractors or the like. Our review does not cover technical, architectural or engineering factors, or compliance with federal, state or local laws, regulations or code requirements. We will not be liable to your lenders, contractors, employees, customers, others or you on account of our review or approval of your plans, drawings or specifications, or our inspection of the Franchised Restaurant before, during or after renovation or construction.

(e) Construction of Franchised Restaurant. You will complete the construction or remodeling of the Franchised Restaurant within the time specified on Attachment A. You will construct or remodel the Franchised Restaurant in strict conformity with the site layout, plans and specifications we approve. If we determine (before the Opening Date) that you have not constructed or remodeled the Franchised Restaurant in strict conformity with the site layout, plans and specifications we approved, within the time set forth on Attachment A, we may terminate this Agreement for cause, or obtain an injunction from a court of competent jurisdiction against the opening of the Franchised Restaurant and to compel you to specifically perform your obligation to construct or remodel the Franchised Restaurant in strict conformity with the approved site layout, plans and specifications, in addition to any other remedies available to us at law or in equity, without any obligation to furnish any bond or security. You will bear the expense of all engineering and architectural services incurred for your final construction plans and for obtaining approvals by the appropriate governmental authorities required under applicable law to construct, remodel and occupy the Franchised Restaurant.

(f) Furnishings, Fixtures, Equipment, and Other Personalty. You will install in and about the Franchised Restaurant equipment, fixtures, furnishings and other personal property that strictly conform to System Standards, and specifications we specify in the Operations Manual or otherwise. You will not display any other sign or advertising at the Franchised Restaurant without our consent other than as permitted under the Operations Manual.

(g) Technical Services. You may engage any architect, construction manager or contractor to assist you in developing the Franchised Restaurant as long as the party you engage is duly licensed in the state of the Location. You shall secure for us and our agents the right to inspect the construction site and related materials stored off site at any reasonable time. You shall correct, upon our request and at your expense, any deviation from the approved site plans and specifications. You shall furnish to us a copy of the certificate of occupancy and a certificate from your architect (which may use AIA form G704-2000 or its equivalent) that the Franchised Restaurant was built in accordance with the approved final plans and specifications, and in compliance with all applicable building codes and in compliance with all applicable local, state and federal laws, ordinances and regulations, including but not limited to the Americans with Disabilities Act and related regulations.

(h) Opening. The Franchised Restaurant shall be opened to the public at the Location on the Opening Date only after you receive our authorization to do so, which you must request in writing on or after the date you receive the certificate of occupancy and at least 7 days in advance of the desired date for such opening. In addition to and not in lieu of your other advertising obligations, you will conduct local advertising and promotion for the Franchised Restaurant's grand opening (the "Grand

Opening Advertising Program”) that we specify in the Operations Manuals or otherwise in writing. You will not open the Franchised Restaurant without our prior written authorization. We will have the right to withhold that authorization until (i) you complete (to our satisfaction) the construction or remodeling of the Franchised Restaurant and furnish copies of all governmental approvals required before opening under applicable law, (ii) you complete preparation of the Franchised Restaurant for the commencement of operations per the Operations Manual, and (iii) your management personnel and store personnel to be employed on the Opening Date complete the MIT program as required this Agreement. You will notify us when you open for business. We will confirm the Opening Date in writing for the purpose of fixing the expiration date of the Initial Term.

7. Our Obligations. During the Term, we will provide you with the following services:

(a) Training. We will provide you (or if you are an entity, your Owner-Operator) and your general manager with eight weeks (approximately 400 hours) of our Manager in Training (“MIT”) program, covering the Franchised System and methods of operating a Franchised Restaurant. This training and information will include a standard chart of accounts for use in the daily and periodic accounting of the Franchised Restaurant. We will provide training for no additional tuition fee to your Owners who are not your Owner-Operator if this is their first Taziki’s Mediterranean Café Restaurant franchise at the times and places and for the duration we may designate. The initial MIT program to become a Certified Manager is mandatory for the Owner-Operator and the proposed General Manager and is to be completed at least two weeks prior to the scheduled Franchised Restaurant Opening Date. If your Owner-Operator is also the General Manager, then one Assistant General Manager must also complete the full MIT program. Our Training Director or our designee will conduct a thorough evaluation of each trainee near the end of the MIT program, including a review of the manager trainee’s interaction with training materials assigned in CREATE, the Taziki’s learning management system, as part of the MIT program. Each manager trainee must successfully complete and pass all assigned courses and checklists, including the Final Exam, to become a Certified Manager, with a score 90% or better on the evaluation to be “certified.” For Owner-Operators and proposed General Managers opening their first store in a new market, the training must take place at a Certified Training Store. The successful completion of the MIT program by the General Manager and/or the Owner-Operator is required for opening approval and failure to complete this program on time will delay your opening date. We may provide or arrange for the MIT program and intensive training at any Certified Training Store. We may change the length, content, materials and criteria for successful completion of the MIT program at any time.

1. In addition to the certified General Manager for a new Restaurant opening, you must identify and hire an Assistant General Manager and two Shift Leaders who will participate in our initial training program for those positions. There is no tuition charge for the two Assistant General Managers and the two Shift Leaders for their initial training. We require that your Assistant General Manager complete four weeks (approximately 200 Hours) of training. If your Owner-Operator is also the General Manager, then one of the Assistant General Managers must also complete the full MIT program at a Company Training Store, which is to be completed at least two weeks before opening. We may modify an opening date you propose based upon the projected date of successful completion of the MIT program by the Assistant General Managers. We recommend that the two Shift Leaders complete two weeks (100 Hours) of Shift Leader training at a Certified Training Store.

2. We require that you must always have a Certified Manager in Franchised Restaurant or be in the process of hiring a manager who will attend and successfully complete the MIT program within 90 days after the manager’s hire or promotion date. If you do not have a Certified Manager or are not actively in the process of hiring and training a manager to become

certified, you will receive a Notification of Non-Compliance with a deadline for completing corrective action. If corrective action is not timely completed, a “Late Training Fee” will be assessed as provided in the Operations Manual, which may include a daily fee of up to \$50.00, a surcharge on the tuition we charge for training the replacement manager of up to \$1,000, ineligibility for or a reduction in marketing incentives or reimbursement we offer to franchisees, or a surcharge on your Royalty Fee of up to one percent (1.00%) of Net Cash Sales. If a Certified Manager leaves your employment for any reason, you must hire a replacement manager and notify our Training Department within 30 days after the hire date to arrange for training to become a Certified Manager. The training plan will be arranged by our Training Department and may include time at a Certified Training Store, a Certified Trainer sent at your cost to your market to train the new manager trainee on site, or a combination of both, at our sole discretion.

3. We will provide training at the times and places and for the duration we may designate for replacement managers. You must pay the tuition for training in advance, and we will not refund the tuition if the replacement manager does not attend the training session.

4. We may charge you reasonable tuition and reimbursement that reflects our costs for training for replacement managers and our expenses if we provide additional training. The Operations Manual specifies the tuition charges we may impose and the circumstances when you will incur a tuition charge. Tuition is currently payable for additional training performed at your request in your Franchised Restaurant, or for an Additional Training Fee plus expenses as described in Section 8(a). We reserve the right to charge for training material.

5. Prior to opening the third Franchised Restaurant in the Training Group (defined in Section 54), one of the Franchised Restaurants in the Training Group must be certified by us as a “Certified Training Store” at which all managers have been trained by a Certified Trainer or Certified Manager. The Training Group must create and then maintain at least one Certified Training Store per five total Franchised Restaurants for future Franchised Restaurant manager and staff training purposes.

(b) Operations Manual. We will loan you one copy of the Operations Manual, or may grant access rights on our secure website for franchisees.

(c) Approved Products, Services and Suppliers. We will publish a list of approved suppliers and their respective approved products and services in the Operations Manual and/or in other written or electronic communications to you. As new suppliers, products and services become available, we will amend that list. We may also publish in the Operations Manual the procedures and fees for obtaining approval of any supplier you wish to nominate to become an approved supplier. We may deny approval of any nominee in our sole discretion. We or our Affiliate may be the sole approved suppliers for proprietary goods or services, or for goods and services we deem to be integral parts of the Franchised System that must be supplied on a consistent, uniform basis to all franchisees. We or our Affiliates may earn a profit from providing purchasing and procurement services, including receipt of fees from third party suppliers.

(d) Opening Assistance. We will provide you with the services of one or more trainers to assist you with the opening of the Franchised Restaurant at no fee to you. For the first and second Franchised Restaurants in your Training Group, we will provide twelve days of opening assistance (seven (7) days before, opening day, and four (4) days after opening). Beginning with the third Franchised Restaurant in your Training Group and for each additional Franchised Restaurant in the Training Group, we will provide seven (7) days of opening assistance (three days (3) before, opening day,

and three (3) days after opening.) You must reimburse us for reasonable travel and living expenses of the trainers while performing this service. Subject to availability, we will provide the trainer services for additional days to continue to assist you with the opening of the Franchised Restaurant charged at the Additional Training Fee described in Section 8(a) then in effect.

(e) Marketing Assistance. We will provide you with the merchandising, marketing and advertising research data and advice that we develop from time to time and deem helpful in the operation of a Taziki's Mediterranean Café Restaurant using the Franchised System.

(f) Evaluation Program. We will conduct periodic field evaluations and standards assessment inspections and reviews of the Franchised Restaurant to test and promote its compliance with System Standards and quality control. We may implement customer evaluation and feedback programs, mystery shopper programs, and independent inspection programs. We may publish the results of our tests and evaluations.

(g) Advice & Communications. We will provide you with periodic individual or group advice, consultation and assistance by personal visit, by telephone, electronic communication, or by newsletters or bulletins that we may make available to our franchisees from time to time. We will provide you with any other materials in any medium that we may develop to communicate new developments, techniques, and improvements in the Franchised System and our plans, policies, research, developments and activities to franchisees.

(h) Other Assistance. We will provide you with the other resources and assistance that we may develop and make generally available to all of our other franchisees.

8. Your Obligations. During the Term, your obligations are as follows:

(a) Training. You will not open or operate the Franchised Restaurant without having at least one individual working full time at the Franchised Restaurant who has completed our MIT program. If a certified manager leaves your employment for any reason, you must hire a replacement manager within 30 days who must attend the next MIT program slot we make available. You may continue operating the Franchised Restaurant until a replacement manager has completed the MIT program without being in default of this agreement. You must pay any tuition and additional fees for materials we then charge for training of additional operators after pre-opening training. As of the Effective Date, we charge an Additional Training Fee of \$35.00 per hour plus travel, lodging and meals for trainers we provide at your request for additional training at your Franchised Restaurant. We may change this rate at any time in the Manuals. You are responsible to pay all compensation, benefits, travel expenses, living expenses, and any other personal expenses for your designees enrolled in the MIT program and any other training program we offer. Because of the long hours of training, you may be required to pay trainees over time if they are non-exempt employees. You must furnish proof of worker's compensation insurance coverage for such persons before their training begins. Your trainees will not be considered borrowed servants of ours or our Affiliates for any purpose, and they will at all times remain under your control and supervision. Any of your employees who attend our operators training must sign a Management Confidentiality and Non-Competition Agreement before such training starts in substantially the form attached as Attachment D.

(b) Operation of Franchised Restaurant. You will maintain and operate the Franchised Restaurant under the Franchised System in strict conformity with System Standards and policies, all as amended. You will maintain the Location and the Franchised Restaurant in clean, safe and sanitary condition, consistent with sound health and sanitation practices. You also will maintain and operate the Franchised Restaurant in compliance with all applicable governmental laws, rules, regulations

and ordinances. Any conflict between System Standards and any applicable governmental requirement will be resolved in favor of the more stringent standard. You will use the site of the Franchised Restaurant exclusively for the purpose of operating a Taziki's Mediterranean Café Restaurant. You will not engage in any business or offer any products or services at the Franchised Restaurant not a part of the Franchised System without our consent. You will obtain as and when needed all governmental permits, licenses and consents required by law to construct, acquire, renovate, operate and maintain the Franchised Restaurant and to offer all products and services you advertise or promote. You will pay when due or properly contest all federal, state and local payroll, withholding, unemployment, beverage, permit, license, property, ad valorem and other taxes, assessments, fees, charges, penalties and interest, and will file when due all governmental returns, notices and other filings. You will comply with all applicable federal, state and local laws, regulations and orders applicable to you and/or the Franchised Restaurant, including those combating terrorism such as the USA Patriot Act and Executive Order 13224.

(c) Approved Products, Services and Suppliers. You will follow the System Standards and specifications we establish for goods, products and services procured for the operation of the Franchised Restaurant. We will have the right to require you to obtain any product or service used in the operation of the Franchised Restaurant from us, our Affiliates, or suppliers we approve. We will have the right to require you to participate in a national or regional approved purchasing cooperative for the area in which the Franchised Restaurant operates.

(d) Marketing Media. You will establish and maintain accounts for participating in all digital and traditional media that we so designate for marketing the Franchised Restaurant. You will not register, acquire or maintain control over any media or media account that describes or advertises the Franchised Restaurant or otherwise contains uses or displays our Proprietary Marks or Intellectual Property, or links to our websites, without our prior consent.

(e) Franchised Restaurant Condition. If the Franchised Restaurant suffers physical damage, you will restore the Franchised Restaurant to reflect the then current image, design and specifications of a Taziki's Mediterranean Café Restaurant. If a casualty substantially destroys the Franchised Restaurant, you may elect to terminate this Agreement in lieu of restoring the Franchised Restaurant unless your financing obligates you to restore and operate the Franchised Restaurant.

(f) Upgrades of Franchised Restaurant. We may require you to upgrade your Franchised Restaurant to conform to changes in our System Standards, which may include new signage, image, décor, equipment, technology and image standards for new Taziki's Mediterranean Café Restaurants. We will not require any such upgrade within 2 years before the expiration date of the initial term or any renewal term. At the end of the initial term (10 years from the Opening Date) and at the end of the second renewal term (20 years from the Opening Date) you must also upgrade your restaurant to our current entry standards and design elements, complete any retraining we require, upgrade to our current kitchen equipment package and install our current point-of-sale system and other equipment. At the end of the fifth year of the initial term (5 years from the Opening Date), the end of the first renewal term (15 years from the Opening Date), and at the end of the third renewal term (25 years from the Opening Date), you must remodel, redecorate and replace or reupholster your seating. We may encourage you at any time to make a voluntary upgrade because of economic circumstances, competition, technological advances, brand imaging opportunities, or other compelling events or circumstances. Your voluntary agreement to perform an upgrade in those cases will not constitute a required upgrade under this paragraph.

(g) Your Employees. You must recruit, hire, train, schedule, equip, dress, discipline, manage and supervise a competent, conscientious staff to meet our System Standards, compliant with such uniforms and/or dress code as we may prescribe in the Operations Manual, and take such steps as are

necessary to ensure that your employees preserve good customer relations and the goodwill of the Franchised System.

(h) Life Safety. You must operate and maintain the Franchised Restaurant to meet the health and life safety standards and ratings applicable to the operation. You must furnish to us, within five days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates and/or ratings resulting from inspections conducted by any federal, state or municipal agency with jurisdiction over the Franchised Restaurant. The Franchised Restaurant's failure of any health, sanitation, food-related or life safety inspection is a material breach of this Agreement and must be remedied within the time frame specified in the applicable regulations or code.

(i) Material Contracts. You must timely comply with your obligations under the Lease and any note, indebtedness, mortgage, deed of trust, security deed, equipment lease, supply agreement, utility contract, service agreement and other material contracts ("Material Contracts") applicable to you or the Franchised Restaurant and necessary to operate the Franchised Restaurant in compliance with System Standards. You shall furnish to us, within 10 days after your receipt, a copy of all notices, letters, warnings, or any other communications from the counterparty of any Material Contract regarding any default under or termination of any Material Contract. You must furnish a copy of any amendment, modification, replacement or supplement to the Lease.

9. Technology, Communications And Internet.

(a) Computer Systems and Required Software. We have the right to specify in the Operations Manual or otherwise in writing that you acquire and use in the operation of the Franchised Restaurant electronic data collection, storage, reporting, exchange and interchange capability and services, including certain brands, types, makes and models of communications, hardware and software systems, peripherals and equipment, including without limitation: (i) back office accounting, inventory and management systems, (ii) storage, retrieval and transmission systems for data, audio, video and voice files, (iii) point of sale systems or such other types of cash registers as we may designate or approve ("Cash Register Systems"), (iv) physical, electronic and other security systems and procedures, (v) archival back-up systems, (vi) internet access capability and connectivity, and (vii) customer-facing marketing, ordering, entertainment, audio, video, internet access points and service systems (together, the "Technology"). We have the right, but not the obligation, to develop or have developed for us, or to designate computer software programs and accounting system software that you must use as part of the Technology ("Required Software"). You shall install, learn, use and integrate all updates, supplements, modifications or enhancements to the Required Software when we so require. We may specify in the Operations Manual or otherwise the tangible media upon which you shall record data, the database file structure of the Technology and the requirements to ensure your compliance with legal and payment card industry security standards. You shall implement and periodically make upgrades and other changes to the Technology as we request in writing (together, "Technology Upgrades") for all Franchised System Restaurants. We may be the sole supplier of proprietary Technology or Technology Upgrades that we develop or acquire for use at all Franchised Restaurants

(b) Data. We may specify in the Operations Manual or otherwise in writing the information that you shall collect and maintain on the Technology. You will maintain your Cash Register and management systems on-line so that we may access them remotely at our discretion, copy stored data, update software, and view all records, files and reports available on or from those systems. You shall provide to us such reports as we may reasonably request from the data so collected and maintained. All data you provide to us, transfer to us from your Technology and download from us to your Technology will be owned exclusively by us or the data source we identify. We will have the right to use such data in any manner that we deem appropriate without compensation to you. All other data you capture, create or

collect in the operation of the Franchised Restaurant or from your affiliation with us (including, without limitation, consumer and transaction data), is and will be owned exclusively by us during the Term of, and following termination or expiration of, this Agreement. You must provide to us in the format we require copies or original files of such data at our request. We license the use of such data back to you, at no additional cost, solely for the Term and solely for your lawful use in the business franchised under this Agreement or in any other business that you own. You may not lease, sell or rent such data to others.

(c) Customer Facing Technology. We may mandate that you offer free wireless internet access or other accepted means of communication for customers of the Franchised Restaurant. We may also mandate customer facing technology to accept and process food and beverage orders, payments, entertainment options and other means of providing service and an attractive environment to customers.

(d) Privacy & Security. You shall abide by all applicable laws and payment card industry standards pertaining to the privacy and security of consumer, employee and transactional information ("Privacy Laws"). You shall comply with our System Standards and policies pertaining to Privacy Laws. If there is a conflict between our Standards and policies pertaining to Privacy Laws 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 to determine the most effective way, if any, to meet our System Standards and policies pertaining to Privacy Laws within the bounds of applicable law. You shall not publish, disseminate, implement, revise or rescind a data privacy policy without our prior written consent. You shall encrypt personally identifiable information about customers and employees as required by Privacy Laws or the Operations Manual and follow all notification requirements, with a copy of all of your outbound notices to us, if any data breach, hack or unauthorized access event occurs.

(e) Extranet. We may, but are not required to, establish a dedicated website with secure access for communication with and among franchisees and to offer information content relevant to operation of the Franchised Restaurant (the "Extranet"). If we establish an Extranet, then you shall comply with our requirements set forth in the Manuals or otherwise in writing for connecting to the Extranet and utilizing the Extranet in the operation of the Franchised Restaurant. The Extranet may include, without limitation, and if so, will satisfy our obligations under this Agreement to provide to you, the Manuals, training and other assistance materials, and management reporting solutions (both upstream and downstream, as we may direct).

(f) Websites. Unless we otherwise approve in writing, you shall not establish a separate Website (the term "Website" is defined to mean a group of related documents that can be accessed through a common internet address), but shall only have one or more references or webpage(s), as we designate and approve in advance, within our Website. However, you may request to establish a separate Website and shall submit to us with your request, for our prior written approval, a sample of the proposed Website domain name, format, visible content (including, without limitation, proposed screen shots) and non-visible content (including, without limitation, meta tags) in the form and manner we may reasonably require. You may activate the Website only if we so approve in advance in writing (which we are not obligated to approve and which approval we have the right to revoke at any time), in which case then the following conditions shall apply:

1. Any Website owned or maintained by or for your benefit shall be deemed "advertising" under this Agreement, and will be subject to (among other things) our approval of content and appearance under Section 16.

2. You may not add inbound or outbound hyperlinks to or from, or modify the Website without our prior written approval as to such proposed hyperlinks or modification.

3. You shall comply with System Standards for Websites that we may prescribe in the Operations Manual or otherwise in writing.

4. You will establish such hyperlinks to our Website and others as we may request in writing.

5. You will not permit the entry, acceptance or confirmation of delivery or catering orders on the Website that would violate Section 3.

(g) Online Use of Marks and E-mail Solicitations. You shall not use the Proprietary Marks or any abbreviation or other name associated with the Franchised System or us as part of any e-mail address, domain name and/or other identification of you or your Owners in any electronic medium. You will not transmit or cause any other party to transmit on your behalf advertisements or solicitations by e-mail or other electronic media without first obtaining our written consent as to: (a) the content of such e-mail advertisements or solicitations and (b) your plan for transmitting such advertisements. You shall be solely responsible for compliance with any laws pertaining to sending e-mails including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003"). Under no circumstances shall you send any e-mail to a person or address outside the United States.

(h) No Outsourcing without Prior Written Approval. You shall not hire third party or outside vendors other than our Affiliates to perform any services or obligations related to the Technology, Required Software, or any other of your obligations under this Section, without our prior written approval. We may condition our consideration of any proposed outsourcing vendor(s) upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with us and you in a form we provide.

(i) Changes to Technology. The parties acknowledge that technology used in the restaurant business is dynamic and not subject to predictable patterns of development and change. To keep pace with technological needs and opportunities and to support the competitiveness of the Franchised System, you acknowledge that we shall have the right to establish, in writing, new and revised System Standards for the implementation of technology as part of the System. You shall abide by those new or revised System Standards as implemented on a System-wide basis.

10. E-Mail Communication. You acknowledge that we are entitled to rely upon e-mail to communicate with you as part of the economic bargain underlying this Agreement. To facilitate the use of e-mail to exchange information between you and us, you will maintain e-mail capabilities as specified in the Operations Manual. You authorize the transmission of e-mail from and to us, vendors and our affiliates on matters pertaining to the business contemplated under this Agreement. You will provide us with the current e-mail address, and shall immediately notify us of any change of e-mail address and any technical problems with the e-mail account of you and your Owners that would make communications delayed or impossible. If any such e-mail account becomes disabled for any reason, you shall immediately provide us with an alternative e-mail address. You will cause your officers, directors, members and employees (as a condition of their association or position with you) to give their consent (in an e-mail, electronically, or in a pen-and-paper writing, as we may reasonably require) to transmission of our e-mails to them, and such persons shall not opt-out, or otherwise ask to no longer receive e-mails from us during the time that such person works for or is affiliated with you. You acknowledge that if you opt-out, or otherwise ask to no longer receive e-mails from us during the Term you will be in material breach of this Agreement.

11. Covenants Not to Compete. During the Term, you may not engage, either directly or indirectly through any financial or beneficial interest in any other Person, in any Competing Business,

other than a Taziki's Mediterranean Café Restaurant licensed by us. For a period of two years after the termination or expiration of this Agreement for any reason, you may not engage in any Competing Business, other than a Taziki's Mediterranean Café Restaurant licensed by us, within your Assigned Area and within the Applicable Radius from any existing Taziki's Mediterranean Café Restaurant, as then listed on our website or any directory we provide to you. We may reduce the duration and/or geographic scope of this provision by written notice to you for applicable law. You will not employ or seek to employ any individual who, at the time, currently works or worked during the preceding three months for any of our other licensees or franchisees or for us, except with the consent of the affected licensee or franchisee or with our consent (as applicable). We will not employ or seek to employ any individual who, at the time, currently works or worked during the past three months for you, except with your consent.

12. Confidential Information. You acknowledge you have no interest whatsoever in the Franchised System except the license in this Agreement. You acknowledge that the Franchised System constitutes our proprietary information including some Confidential Information and that the use or duplication of the Franchised System other than as permitted under this Agreement will constitute an unfair method of competition. You will not use the Franchised System in any business or any capacity for the benefit of any Person except as permitted under this Agreement or another written agreement with us. You will take all appropriate actions to preserve the confidentiality of all Confidential Information. Access to Confidential Information should be limited to persons who need the Confidential Information to perform their jobs and are subject to your general policy on maintaining confidentiality as a condition of employment or who have first signed a confidentiality agreement. You will not permit copying of Confidential Information (including, as to computer software, any translation, decompiling, decoding, modification or other alteration of the source code of such software). You will use Confidential Information only for the Facility and to perform under this Agreement. Upon termination (or earlier, as we may request), you shall return to us all originals and copies of the System Standards Manual, policy statements and Confidential Information "fixed in any tangible medium of expression," within the meaning of the U.S. Copyright Act, as amended. Your obligations under this subsection commence when you sign this Agreement and continue for trade secrets (including computer software we license to you) as long as they remain secret and for other Confidential Information, for as long as we continue to use the information in confidence, even if edited or revised, plus three years. We will respond promptly and in good faith to your inquiry about continued protection of any Confidential Information.

13. Franchised System Management.

(a) Ownership. We represent with respect to the Proprietary Marks that we, or one of our affiliates, is the owner of all rights, title and interests in and to the Proprietary Marks. We and our affiliates have taken and will take all steps reasonably necessary to preserve and protect the ownership and validity in and of the Proprietary Marks.

(b) Display of Marks. Your use and display of the Proprietary Marks will be subject to the following: (i) You shall use only the Proprietary Marks we designate, and use such Proprietary Marks only in the manner we authorize and permit; (ii) you shall use the Proprietary Marks only for the operation of the Franchised Restaurant and only at the Location authorized under this Agreement, or in advertising for the Franchised Restaurant; (iii) unless we otherwise authorize or require, you shall operate and advertise the Restaurant only under the name "Taziki's Mediterranean Cafe," without prefix or suffix; (iv) during the Term, you shall identify yourself (in a manner reasonably acceptable to us) as the owner of the Franchised Restaurant when you make any use of the Proprietary Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Franchised Restaurant as we may designate in writing; (v) your right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement and the Operations Manual, and any unauthorized use thereof shall constitute an infringement

of the rights of the owner of the Proprietary Marks; and (vi) you shall execute any documents deemed necessary by us or our counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

(c) Prohibitions. You are prohibited from using the Proprietary Marks, including “Taziki’s Mediterranean Cafe” to: (i) incur any obligation or indebtedness on behalf of yourself or us; and (ii) be all or part of your entity name or other legal name, or as part of any e-mail or other electronic media address, domain name, URL, social media identifier, user name or other identification of you or your Owners in any electronic medium, or as a metatag, paid search term, or in any search engine optimization program, except as we expressly authorize in writing, in the Operations Manual or in any policy regarding Internet activity.

(d) Internet Use. We reserve the right to establish, modify and terminate policies and procedures about Internet marketing, publicity, social media, blogging and other activity as part of System Standards included in the Operations Manual. You shall not register, purchase or obtain the right to control the content offered under any domain name or website that includes any Proprietary Mark except with the prior written consent of or as part of the marketing program controlled or approved by us.

(e) Infringements. You shall promptly notify us of any suspected infringement of the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to our ownership of, or your right to use, the Proprietary Marks we license to you. You acknowledge that we shall have the sole right to direct and control any civil, administrative or other proceeding involving the Proprietary Marks, including any settlement. We shall also have the sole right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. If we undertake the defense or prosecution of any litigation relating to the Proprietary Marks, you shall execute any and all documents and do such acts and things as may, in the opinion of our counsel, be necessary to carry out such defense or prosecution, including, without limitation, becoming a nominal party to any legal action.

(f) Our Defense of You. If you use the Proprietary Marks in compliance with this Agreement, we will defend you at our expense against any third party claim, suit or demand involving the Proprietary Marks arising out of your proper use thereof. We will reimburse you for your out-of-pocket costs in doing what we request under this Section, excluding the compensation costs of your employees, and we will pay the costs of any judgment or settlement. If such litigation is the result of your use of the Proprietary Marks in a manner not in compliance with this Agreement, you shall reimburse us for the costs of such litigation, including, without limitation, our attorney’s fees and the cost of any judgment or settlement.

(g) Reservation of Rights. You expressly understand and acknowledge that: (i) we and our affiliates are the owners of all rights, title and interests in and to the Proprietary Marks and the goodwill associated with and symbolized by them; (ii) the Proprietary Marks are valid and serve to identify the Franchised System and those who are authorized to operate under the Franchised System; (iii) neither you nor any of your Owners shall directly or indirectly contest the validity or the ownership of the Proprietary Marks, nor shall you, directly or indirectly, seek to register the Proprietary Marks with any government agency, except with our express prior written consent; (iv) your use of the Proprietary Marks does not give you any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement; (v) any and all goodwill arising from your use of the Proprietary Marks shall inure solely and exclusively to our benefit, and upon expiration or termination of this Agreement and the license granted under this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System or the Proprietary Marks; and (vi) the

right and license of the Proprietary Marks granted to you is not exclusive, and we have and retain the rights, among others:

1. To use the Proprietary Marks ourselves to offer and sell products and services;
2. To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and
3. To develop and establish, or to become affiliated with, other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to you.

(h) Substitute Marks. We reserve the right to substitute different Proprietary Marks for use in identifying the Franchised System and the restaurant businesses operating thereunder if our currently owned Proprietary Marks no longer can be used, or if we determine that substitution of different Proprietary Marks will be beneficial to the Franchised System.

(i) Control of Franchised System. We will control and establish requirements for all aspects of the System. We may, in our discretion, change, delete from or add to the Franchised System, including any of the Proprietary Marks or Standards, in response to changing market conditions. We may, in our discretion, permit deviations from System Standards, based on local conditions and our assessment of the circumstances.

(j) Improvements. All present and future distinguishing characteristics, improvements and additions to or associated with the Franchised System by us, you or others, including, without limitation, all new and improved recipes and preparation instructions for menu items, ingredients, new menu items and the like, and all present and future service marks, trademarks, copyrights, and service mark and trademark registrations used and to be used as part of the Franchised System, and the associated goodwill, shall be our property and will inure to our benefit. You acknowledge that Standards include non-functional trade dress that is an integral part of the System, and you covenant that you will not, directly or indirectly through an affiliate, use the trade dress in any structure that is not the Franchised Restaurant. You also acknowledge that such Intellectual Property includes any recipes, ideas, inventions, concepts, instructions, techniques of cooking, preparation, display or service, or other know-how developed, marketed, or licensed as part of the Franchised System, whether created by us, an Affiliate, a predecessor, licensor or by you with our approval as outlined in the Operations Manual. You grant to us a non-exclusive, perpetual, royalty-free worldwide license of all recipes, concepts, instructions, ideas, inventions, techniques of cooking, preparation, display or service, or other know-how, advertising materials and trade secrets created by or for you for use in, by or for the Franchised Restaurant, and you acknowledge that we and our Affiliates may incorporate, modify, supplement, sublicense or otherwise commercialize such information as part of the Franchised System or in any other manner. At our request and expense, we may require you to execute and deliver an assignment of the ownership rights to any such Intellectual Property or such other writing as we may request to transfer ownership to us, or pursue registration or other legal protection for such Intellectual Property.

(k) Operations Manual. During the Term, we will provide you with access to the Operations Manual, one copy of which you acknowledge having received on loan from us, in a format we choose (including, without limitation, paper, CD/DVD or online). We may from time to time revise the contents of the Operations Manual, and you will follow our instructions to make corresponding revisions to all of your copies of the Operations Manual and to comply with each change in any System Standard.

If there is any dispute as to the contents of the Operations Manual, the master copy of the Operations Manual we maintain in our home office shall be controlling.

(l) Manual Controls. The Operations Manual shall at all times remain our sole property regardless of format and shall at all times be kept, and the access codes and procedures for electronic versions shall be kept, in a secure place on the Franchised Restaurant premises. You shall at all times treat the Operations Manual, any other written material created for or approved for use in the operation of the Franchised Restaurant and the information contained therein as confidential and shall use all reasonable efforts to maintain such information as proprietary and confidential. Except for those portions of the Operations Manual that we designate in writing as appropriate for copying and use at the Franchised Restaurant, you shall not at any time copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

14. Reports and Records. On Tuesday of each week, you will deliver to us a statement of the Net Cash Sales of the Franchised Restaurant for the preceding week of the Reporting Period. Within 20 days after the end of each Reporting Period, you will deliver to us a complete profit and loss statement for the Franchised Restaurant in a form prescribed by us (and any other statistical reports which we may require under the Operations Manual) for the Reporting Period upon written request. You also will send us a copy of all sales tax returns filed for the Franchised Restaurant as and when filed with each appropriate taxing authority. Within 90 days after the end of each fiscal year, you will deliver to us a complete profit and loss statement covering the operations of the Franchised Restaurant for the preceding fiscal year and a balance sheet dated as of the close of that fiscal year. You will keep all records of the Franchised Restaurant for at least seven years after the end of the fiscal year in which they are created in a manner and form satisfactory to us and will deliver any additional financial, operating and other information and reports which we may request on the forms and in the manner we prescribe in the Operations Manual. We will have the right to assemble and disseminate to third parties financial and other information regarding you and other franchisees to the extent required by law or to the extent necessary or appropriate to further the interests of the Franchised System as a whole. We will have the right to disclose your business name, address and telephone number as they appear in our records in our franchise disclosure documents and to any Person making inquiry as to the ownership of the Franchised Restaurant. We will not disclose specific financial information regarding you or the Franchised Restaurant to any Person without (a) your consent or (b) compulsion of law.

15. Inspection, Testing and Audit. We will have the right to inspect your Franchised Restaurant at any time during or immediately before or after regular business hours during the Term, with or without notice to you as part of our evaluation and quality assurance programs. You will also permit us or our agents, at any reasonable time, to remove samples of food or non-food items from your inventory, or from the Franchised Restaurant, without payment for such items, in amounts reasonably necessary for testing by us or an independent laboratory to determine whether said 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 to our specifications. We also will have the right to audit your accounts, books of original entry, records and tax returns (including, without limitation, state and local sales tax reports and federal, state and local income tax returns) at all times during and after the Term. You will make copies of those items available for audit at our corporate offices at your cost. If the audit discloses that Net Cash Sales actually exceeded the amount you reported, you immediately must pay us any additional fees required by Section 5 plus interest at the rate specified in Section 5. If the audit discloses that Net Cash Sales actually exceeded the amount reported by an amount equal to 2% of the originally reported Net Cash Sales or more, you also must reimburse us for our

out-of-pocket costs and allocable administrative costs and overhead incurred for the audit and its enforcement.

16. Local Marketing. During each fiscal quarter, we require that you spend at least 1% of Net Cash Sales for local marketing and promotional expenses of the Franchised Restaurant. We recommend that you spend at least 2% of Net Cash Sales for local marketing and promotional expenses of the Franchised Restaurant. Local marketing and promotional expenses include the cost of direct mail solicitations, public relations activities, community events and sponsorships, newspaper advertisements, telephone book listings and advertisements, and other distributed promotional materials. Local marketing and promotional expenses do not include amounts spent on sign rental, paper products, or food items which may contain one or more of the Proprietary Marks. You will conduct all marketing and promotional activities that use the Proprietary Marks or refer to the Franchised Restaurant in a dignified manner and in compliance with the System Standards and requirements we specify. You will submit for our approval samples of all advertising and promotional materials that you wish to use at least 30 days before making any financial commitment to use the materials. We will give you notice of any objections to the proposed materials within 10 days after their receipt. If you fail to discontinue the use of any unapproved materials within five days after notice from us, we may enter the Franchised Restaurant, remove any unapproved materials and hold the materials for proper disposition according to your instructions.

17. Advertising Cooperative. We may establish one or more advertising cooperatives from time to time and, further, may modify, terminate and reform any existing advertising cooperative at any time in our sole discretion. If the Franchised Restaurant operates within a DMA for which an approved advertising cooperative exists, you will contribute to the advertising cooperative the amounts required by the cooperative up to 2% of the Net Cash Sales of the Franchised Restaurant during each Reporting Period. Any such payments made to any cooperative will count towards satisfaction of your minimum local advertising spending under Section 16. All Taziki's Mediterranean Café Restaurants that we or our Affiliates operate will participate in any advertising cooperative that we establish for the DMA in which they are located on the same basis as the Franchised Restaurants in the DMA. We will administer the cooperative unless we designate another party to perform the administrative functions. The cooperative may have written governing documents that we must provide or approve, which will be available for all participants in the cooperative to review. Each cooperative will maintain accounting records and compile financial statements that will be available for review by all participants. We retain the power to require any cooperative to be formed, changed, dissolved or merged with another cooperative.

18. Gift Cards. You shall participate in promotional programs we develop for the Franchised System in the manner we direct in the Operations Manual or otherwise in writing. Additionally, we may sell or otherwise issue gift cards or certificates (together, "Gift Cards") that have been prepared utilizing the standard form of Gift Card we provide or designate. You shall fully honor all Gift Cards that are in the form we provide or approve, regardless of whether a Gift Card was issued by us or another sponsor. You will sell, issue and redeem Gift Cards in compliance with procedures and policies we specify in the Operations Manual or otherwise in writing, including those relating to procedures by which you shall request reimbursement for Gift Cards issued by other Franchised System Restaurants and for making timely payment to us or other franchisees of Gift Cards issued from your Franchised Restaurant honored elsewhere.

19. Marketing Fund. We have established a marketing fund (the "Marketing Fund"). You will pay a Marketing Fee to us in an amount equal to up to 1.00% (as we designated in the Operations Manual) of the Net Cash Sales of the Franchised Restaurant. Attachment A lists the Marketing Fee in effect on the Effective Date. We will account for all Marketing Fees we collect in a separate account. We also may deposit the marketing, promotional and other payments we receive from suppliers into the

Marketing Fund. We will disburse the Marketing Fund to pay for marketing, advertising, promotional, public relations, and other similar activities intended to benefit Taziki's Mediterranean Café Restaurants, and their administration. Those activities may include (without limitation) (a) market research, (b) marketing technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, (e) advertising production, (f) advertising and public relations agency fees and expenses, and (g) product research and development. We also may use the Marketing Fund to pay or reimburse us for our administrative overhead incurred for activities supported by the Marketing Fund. Any moneys in the Marketing Fund not spent at the end of each fiscal year will remain in the Marketing Fund, provided that amounts contributed to the Marketing Fund may be used to pay taxes associated with unspent amounts on deposit in the Marketing Fund. We will have the sole and exclusive discretion to direct all activities and programs funded by the Marketing Fund. We generally will administer the Marketing Fund for the benefit of all Taziki's Mediterranean Café Restaurants. You acknowledge that we have no obligation expend Marketing Fund amounts for your benefit equivalent or proportionate to your Marketing Fees, and we do not warrant or guaranty that you will receive or derive any benefit from Marketing Fund activities. We will make all studies and reports produced by the Marketing Fund available to you at no cost as Confidential Information. We will make copies of all materials produced by the Marketing Fund for franchisee use available to you at your expense. We may suspend, terminate and reinstate the Marketing Fund at any time. The Marketing Fund will not terminate, however, until we have spent all moneys in the Marketing Fund for the purposes set forth above.

20. Publicity and Promotional Materials. We will have the right to photograph the Franchised Restaurant and to use the photographs in any of our publicity or advertising programs. You consent to such photography and use, and covenant to cooperate in securing the photographs and the consents of any individuals pictured. You will place franchised recruitment advertising and promotional materials for Taziki's Mediterranean Café franchises in the Franchised Restaurant if and when we so request.

21. Insurance.

(a) Before opening the Franchised Restaurant, you must obtain and thereafter maintain during the Term the following minimum amounts and policy forms of insurance from a responsible carrier or carriers authorized to write coverage in your state having an A.M. Best rating of at least A-VI and that we find acceptable. The type of coverage includes:

1. Commercial General Liability coverage (\$1 million single limit per occurrence; \$2 million general aggregate limit, for both general liability and products /completed operations liability) for personal injury and property damage, including premises, independent contractors, products and completed operations, contractual, personal and advertising liability, on an occurrence basis, with coverage on a 1986 or later ISO commercial general liability form policy;

2. "All Risk" property coverage including a property damage limit for the full cost of replacement of the Franchised Restaurant and business interruption coverage for up to twelve months of projected earnings;

3. Business Automobile Liability covering liability arising out of any auto (including owned, hired and non-owned autos), with a minimum of \$1 million combined single limit each accident;

4. Workers' Compensation or legally appropriate alternative covering all employees and contractors working at the Franchised Restaurant for statutory limits and Employers Liability with minimum limits of \$1 million bodily injury for each accident, \$500,000 bodily injury by disease for each employee and \$500,000 bodily injury disease aggregate;

5. A \$2 million Umbrella Policy on an occurrence basis excess of covering excess of the underlying insurance described in (1), (3) and (4) above which is at least as broad as each and every underlying policy, provided that you may purchase more underlying coverage and less umbrella coverage under such policies as long as you maintain the total amount of the limits specified for each coverage area

6. Liquor Liability insurance (if applicable) (Minimum Limit \$1 million);

7. Other insurance as may be required by the state or locality of the Franchised Restaurant;

8. Employment practices liability insurance with a limit of \$500,000; and

9. Employee Dishonesty/Fidelity insurance with a limit of \$100,000.

(b) Other Provisions. All of the liability insurance policies, other than Workers' Compensation, must name us, Taziki's Inc. and our respective officers, directors, members, shareholders, partners and employees as additional insureds on a primary noncontributory basis for operations of the Franchised Restaurant. The form of additional insured endorsement will be ISO CG 2010 11 85 Form B or its equivalent. If the additional insured has other insurance applicable to a loss, it will be on an excess or contingent basis. The additional insured's insurance coverage will not be reduced by the existence of such other insurance. Your policies must constitute primary policies of insurance with regard to other insurance, must contain a waiver of subrogation provision in favor of us as it relates to the operation of the Franchised Restaurant, and must provide for at least 30 days' notice to us prior to cancellation, non-renewal or amendment. Your policies may provide the minimum limits set forth above through a single policy or through the combination of primary and umbrella policies. We may modify the policy limits, policy requirements and coverage types during the Term in the Operations Manual.

(c) Certificate of Insurance. Before you commence renovation or construction of the Franchised Restaurant, you must furnish us with certificates of insurance evidencing that you have obtained the required insurance in the forms and amounts as specified above. You must deliver evidence of the continuation of the required insurance policies at least 30 days prior to the expiration dates of each existing insurance policy. If you fail to acquire and maintain the required insurance coverage, we will have the right (but not the obligation), at your expense, to acquire and administer the required minimum insurance coverage on your behalf. We may end all of our duties with respect to the administration of any required insurance policies by giving you 10 days' notice.

(d) Remedial Insurance. If you, for any reason, shall fail to procure or maintain the insurance required by this Agreement and the Operations Manual, we shall have the right and authority (without any obligation to do so) immediately to procure such insurance and to charge the cost to you, together with a reasonable fee for acquiring each policy. You shall pay the same to us immediately upon notice.

22. Assignments & Transfers.

(a) Our Assignments. We may assign, delegate or subcontract all or any part of our rights and duties under this Agreement, including by operation of law, without notice and without your consent. You are not the third party beneficiary of any contract with a third party to provide services to you under this Agreement, but we are responsible for the performance of all of our obligations to you under this Agreement. We may dissolve, terminate and wind up our business under applicable law but we will transfer the System and this Agreement to a party that will perform the franchisor's obligations and that will assume this Agreement in writing. We will have no obligations to you after you are notified that

our transferee has assumed our obligations under this Agreement except those that arose before we assign this Agreement.

(b) Your Assignments. This Agreement is personal to you (and your Owners if you are an entity). We are relying on your experience, skill and financial resources (and that of your Owners and the guarantors, if any) to sign this Agreement with you. You may not directly or indirectly engage in a Transfer, without our prior consent, which we may withhold or condition in our sole discretion, except as expressly permitted under this Agreement. We condition our consent on satisfaction of one or more of the following: (i) the proposed transferee must satisfy all of the requirements and conditions then being used to qualify as a new franchisee of ours; (ii) the proposed transferee must comply with Section 24; (iii) you must satisfy all of your monetary obligations then due and owing to us and our Affiliates; (iv) you must cure all existing defaults under this Agreement; (v) you and your guarantors must execute and deliver a general release of all claims and causes of action against us and our Affiliates; (vi) the transferee must execute and deliver our then current form of franchise agreement with the same Royalty Fee and the same expiration date and remaining renewal term (if any) as set forth in this Agreement; and (vii) you must pay us a transfer fee equal to 50% of the initial fee we would then charge for the Franchised Restaurant if you transfer this Agreement or the Franchised Restaurant, or in the event of an ownership change (a "Control Change") involving Control of 50% or more of your equity interests, or effective Control over the management of your business by modification of your Core Agreement (defined below). A proposed transferee is not eligible for our consideration if the transferee or any of its owners has had a Franchise Agreement with us or any affiliated franchise system terminated for cause, is affiliated with a competitor, or would be in breach of Section 11 immediately upon closing of the transaction. However, a Transfer that is (1) an initial transfer of the Franchised Restaurant and this Agreement from an individual to an entity owned by the individual, or (2) other than a Control Change, conveyance of the equity interests conveyed by any the Owners listed on Attachment A to any of the other Owners listed on Attachment A or any member of their immediate family does not require our consent or payment of a transfer fee. We will waive the transfer fee if the Control Change results from conveyance of the equity interests between the persons listed on Attachment A so long as you obtain our consent prior to executing the transaction. We may withhold or condition our consent to such a transaction among existing equity Owners in our sole discretion. If you are an individual, then in the event of your death, permanent disability or appointment of a guardian for you, this Agreement will terminate 90 days after your death, permanent disability or appointment of a guardian unless we give our consent within that 90-day period to the assignment of this Agreement to a successor in compliance with this paragraph. You will notify us in writing of any change in the information stated on Attachment A before or within 10 days after such events. If our consent and the transfer procedures stated above are not required, we will produce and send to you a revised Attachment A that will be a unilateral amendment to this Agreement not requiring your signature to be effective.

23. Right of First Refusal. Prior to the sale or transfer of any interest that constitutes Control (the "Offered Interest") of the Franchised Restaurant or of you, you must notify us of the proposed sale or transfer and deliver to us the name and address of the proposed purchaser or transferee, the proposed purchase price, and all other terms and conditions of the proposed sale or transfer of the Offered Interest. In addition, you must deliver to us one photocopy of all proposed purchase agreement, if any and all other agreements and instruments signed and to be signed in the transaction, and copies or electronic access to all diligence, offering and other materials furnished to the proposed purchaser as part of the selling process. Within 30 days after we receive the foregoing notice and materials, we will have the right and option to send notice to you that we intend to acquire the Offered Interest on the same terms and conditions as contemplated by the third party. If we do not send notice of our intent to acquire the Offered Interest within the 30-day period, you may proceed with the sale or transfer as disclosed to us, subject to our rights as set forth in Section 22 of this Agreement, as long as the terms and conditions of the sale or transfer stay identical to those as originally disclosed to us. Our failure to exercise our right of

first refusal will not constitute a waiver of any other provision of this Agreement, or our right of first refusal as to any subsequent proposed sale or transfer. Any material change in the terms of the proposed sale or transfer prior to closing will constitute a new sale or transfer, subject to the same right of first refusal by us as for the initial sale or transfer. Any sale or transfer attempted without first giving us the right of first refusal specified in this Section 23 will render the attempted sale or transfer null and void. We may utilize the remedy of specific performance to enforce this right.

24. Business Entity Franchisee. If you constitute a business entity, each of your Owners must execute the Guaranty and Restriction Agreement attached as Attachment C. Your certificate of incorporation, shareholders' agreement, partnership agreement, trust agreement, operating agreement, or other similar agreement (a "Core Agreement") must provide that your purpose will consist only in the development, ownership, operation and maintenance of Taziki's Mediterranean Café Restaurants. The Core Agreement must prohibit the issuance of any additional equity ownership interests or the transfer, assignment or pledge of any issued equity ownership interests without our consent and must provide that each certificate or document issued to evidence any equity ownership interest will contain a legend disclosing the foregoing restriction. In giving our consent under Section 22 to any issuance or transfer of your equity interests, we may in our discretion impose one or more conditions, including (without limitation) the requirement that the individual beneficial owner of the equity ownership interest execute the form of Guaranty and Restriction Agreement attached as Attachment C or a supplement to the original such Agreement acceptable to us in form and substance adding such person as a guarantor. You must deliver to us of the documents demonstrating compliance with this Section when we so request.

25. Death or Appointment of Guardian or Conservator of a Principal. Upon the death of an Owner, or the appointment of a permanent guardian or conservator to manage the Owner's affairs, the Owner's trustee, conservator or other personal representative may hold the deceased's equity interest in the franchisee entity for up to one year and may only transfer the deceased's interest from the estate, a testamentary trust or inter vivos trust to a third party we approve under the procedures set forth in this Agreement. If the Owner was the Owner-Operator, then we may treat the personal representative, trustee or conservator as the Owner-Operator until you appoint someone else. Any failure to commence administration of the decedent's estate within 90 days after death or any distribution of the decedent's equity interest in the franchisee entity without our consent if such distribution operates as an assignment and our consent is required under this Agreement, is a material breach of this Agreement.

26. Temporary Disability of An Owner. If a physician, court or administrative agency determines that an Owner-Operator or an Owner owning a controlling interest in you has become temporarily disabled and incompetent to manage his or her own affairs, we have the right to require that a different Owner-Operator be appointed until the Owner's permanent status is determined. We may require that the Owner's equity interest be transferred to a third party acceptable to us following the assignment conditions and procedures in this Agreement if the temporary disability does not resolve within six months after the temporary disability is determined.

27. Securities Offerings. If you intend to engage in a public or private offering of your equity interests, then you must submit for our review your offering materials or prospectus before you file the document or commence its use. No offering by you or any affiliate shall imply (by use of the Proprietary Marks or otherwise) that we are participating in an underwriting, issuance or offering of your securities or those of affiliates. Our review of any offering material shall be limited solely to the relationship between you and us (and any of our affiliates, if applicable), an accurate description of our System, and the absence of any disclosure of confidential information about us or the System. We may, at our option, require that the offering materials make a written statement we prescribe about the limitations stated in the preceding sentence. Your indemnification obligations in Section 35 include claims relating to your securities offering, disclosure materials and compliance with applicable laws and

regulations. For each proposed offering, you shall pay us a non-refundable fee of \$10,000 or such greater amount as is necessary to reimburse us for our reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering materials. You must submit your offering materials for our review at least 30 days in advance of the anticipated filing or release date. Any such offering shall be subject to our approval as to the structure and voting control of the offeror (and you, if you are not the offeror) after the financing is completed.

28. Termination by You. If we substantially fail to perform any of our material obligations to you under this Agreement, you must give us written notice of non-performance and at least 60 days to cure the failure. If the failure continues at the end of such 60 day cure period, you may terminate this Agreement on written notice to us delivered at any time before we cure the failure. You may not withhold the payment of any fees due under this Agreement during the pendency of cure period, and any payment by you of fees accruing after the expiration of the cure period will be deemed a waiver of our default by you.

29. Termination by Us for Incurable Defaults. We may terminate this Agreement effective immediately (or at the earliest time allowed under applicable law) upon written notice to you for any of the following events:

(a) You close or abandon the Franchised Restaurant for a period of three or more days in any seven day period except for any remodeling or vacation we approve in advance;

(b) You or any of your Owners request the appointment of a receiver or have a receiver appointed for the Franchised Restaurant, you or any of your or their assets;

(c) You or any of your Owners become insolvent or make a general assignment for the benefit of your or their creditors;

(d) You or any of your Owners commence a case for relief or have an order for relief entered for you or them under the United States Bankruptcy Code;

(e) You or any of your Owners suffer a conviction for, or plead guilty or *nolo contendere* to a crime involving moral turpitude or any other offense reasonably likely, in our opinion, to have an adverse effect on the goodwill of the Proprietary Marks or name and reputation with the consuming public of Taziki's Mediterranean Café Restaurants;

(f) We discover a material inaccuracy in any of your representations in this Agreement or in any application you submitted to us to become a franchisee;

(g) You maintain false books or records, including tax records;

(h) You breach the same provision of this Agreement on three occasions within any 12-month period, with our having given you the required notice of the first two breaches (whether or not timely cured by you); or

(i) You commit a breach which, by its nature, you cannot cure or with regard to which you notify us that you do not intend to cure.

30. Termination by Us for Curable Defaults. We may terminate this Agreement if you fail to cure any monetary default after at least five business days' notice of the monetary default. We may terminate this Agreement if you fail to cure any non-monetary default after at least 30 days' notice of the

non-monetary default. A monetary default means your failure to make any payments as and when due to us or to our Affiliates, or to maintain the insurance required under this Agreement. A non-monetary default means (a) any default in the performance of any of your other obligations under this Agreement or any other agreement with us or our Affiliates, other than the failure to make any payments as and when due to us or our Affiliates; or (b) any condition which makes the continued operation of the Franchised Restaurant more likely than not a danger to public health or safety.

31. Termination by Us for Commercial Impracticability. The parties agree that the commercial purpose of this Agreement is for Franchisor to license the System specified by Franchisor to Franchisee for use in operating the Franchised Restaurant strictly in accordance with the Operations Manual, in exchange for payment of the fees and under the conditions set forth in this Agreement. This Agreement intends for Franchisee to control the terms and conditions of employment for the employees of the Franchised Restaurant, and to supervise such employees as their employer, as set forth in Section 38, without constituting Franchisor as a joint employer of Franchisee or Franchisee's employees. Franchisee acknowledges that Franchisor is not in the business of owning and operating any Franchised Restaurant, and Franchisee has independently decided to enter into this Agreement to obtain the right to use the System so as to enter into the trade and business contemplated by the System. Franchisor may terminate this Agreement by written notice to Franchisee without penalty and without payment of any refunds or damages to Franchisee, and Franchisee will follow its post-termination obligations under Section 33 at its expense, if Franchisor determines in its sole discretion that either (i) a law or regulation is enacted, promulgated, repealed, modified or amended, (ii) a judicial or administrative tribunal or administrative agency has issued, published or released a decision, ruling or opinion in a matter not involving the parties directly or indirectly that Franchisor reasonably expects will affect applicable law or its interpretation, or (iii) an administrative agency, arbitrator or judge has issued an interim or final decision in a matter in which the parties are involved directly or indirectly, which (A) frustrates or adversely affects or could reasonably be expected to affect adversely the purposes of this Agreement, (B) makes performance of this Agreement commercially impracticable, (C) effectively modifies the allocation of risk, benefits and burdens agreed by the parties, (D) deprives any Party of its benefits of the bargain struck by the parties, as originally set forth in this Agreement, or (E) determines that an employment or a joint employment relationship exists between Franchisor and Franchisee.

32. Certain Waivers.

(a) You and we waive the right to pursue and receive any exemplary and punitive damages against the other party in any dispute arising under this Agreement or relating to the franchise relationship, whether asserted as a related or independent tort, as a breach of contract, or as any other claim or cause of action based on constitutional, statutory or common law.

(b) THE PARTIES WAIVE THE RIGHT TO A JURY TRIAL IN ANY ACTION RELATED TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE FRANCHISOR, THE FRANCHISEE, ANY GUARANTOR, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.

33. Obligations Upon Termination or Expiration.

(a) Upon the termination or expiration of this Agreement for any reason, all of your rights under this Agreement will terminate and you will (a) abide by the non-competition and confidentiality provisions contained in Sections 11 and 12 of this Agreement; (b) promptly pay us and our Affiliates all amounts then due us and them; (c) not use or adopt the Franchised System or any of the Proprietary Marks or Intellectual Property; (d) remove from the Franchised Restaurant all signs, emblems and displays using any Proprietary Marks or identifying it as associated with the Franchised System; (e)

cease to use and return to us the Operations Manual and other proprietary materials delivered to you under this Agreement; (f) change the exterior and interior design and decor of the Franchised Restaurant and make any and all changes in signs, buildings and structures which we direct to distinguish the building from its former appearance as a Taziki's Mediterranean Café Restaurant; (g) cease to hold yourself out in any way as our franchisee or to do anything which would indicate any relationship between you and us, except pursuant to the terms of a separate agreement with us; and (h) transfer to us all telephone listings, domain names, and web pages for the Franchised Restaurant or which contain, use or display any of our Proprietary Marks or Intellectual Property. You will complete all modifications within 30 days after the termination or expiration of this Agreement. If you fail to complete such modifications or fail to transfer or return such property within 30 days as contemplated above in this Section, or should you indicate at such time earlier than 30 days that you do not intend or are unable to comply with this Section, you appoint us as your attorney-in-fact to perform such acts in your stead and for your account. You will reimburse us for all of our costs and expenses, including without limitation administrative overhead and employee salaries, that we may incur in acting as your attorney-in-fact to perform such acts.

(b) You acknowledge that the parties cannot determine the exact amount of damages resulting from termination prior to the expiration of a term. If this Agreement terminates for any reason other than our material breach and our failure to cure the breach within a reasonable time after you give us written notice of the breach but not less than 60 days, then in addition to any and all other remedies and causes of action available to us, you will pay us liquidated damages in addition to amounts due to us accruing under this Agreement prior to termination. The amount of liquidated damages shall equal the average monthly Royalty Fees payable to us for the twelve months preceding the date of termination, multiplied by the lesser of 24 or the number of months remaining in the term at the time of termination. You and we agree that it is a reasonable estimate of the actual damages which we will sustain as a result of the breach and is not a penalty. The liquidated damages will constitute neither a waiver of your obligation to comply with the foregoing post-termination requirements nor a license to use the Franchised System.

34. Our Option to Purchase. Upon the termination or expiration of this Agreement for any reason, we will have the option to purchase the Franchised Restaurant, including the land or leasehold interest in the Location, improvements, fixtures and equipment comprising the Franchised Restaurant, at the fair market value of the Franchised Restaurant. We will have the right to set off all amounts you owe us against any payment for the assets purchased. We will exercise our option under this Section by giving you notice of the exercise of the option at least 30 days prior to the expiration of this Agreement or within 30 days after the early termination of this Agreement. We will close the transaction within 60 days after the exercise of our option. At the closing, you will transfer the assets comprising the Franchised Restaurant to us by special warranty deed (or assignment of leasehold estate) and bill of sale in form and substance acceptable to us. You and we will resolve any dispute regarding the fair market value of the Franchised Restaurant by arbitration, provided that the arbitrator shall be an accountant or investment banker experienced with the valuation of businesses similar to the Franchised Restaurant. Such proceeding will be final and binding arbitration under the Rules for Commercial Arbitration of the American Arbitration Association. The Federal Arbitration Act will apply. The arbitration will take place before one arbitrator selected by the American Arbitration Association. The arbitration will take place in the city in which we then have our principal place of business. Currently our principal place of business is located in Vestavia Hills, Alabama in Jefferson County. The parties will conduct any arbitration proceeding and resolve any dispute on an individual basis only and not on a class-wide or multiple-party basis. The prevailing party will have the right to enter the award of the arbitrator in any court having jurisdiction. The award will not have any precedential or collateral estoppel effect on any other dispute. Our option under this Section will not affect or limit our rights under any security agreement or our subrogation rights under any guaranty or surety agreement.

35. Indemnification by Franchisee.

(a) You will, at all times, indemnify and hold harmless to the fullest extent permitted by law, us, our parent entity (member), our affiliates, the respective shareholders, members, directors, officers, employees, agents and representatives of each of them, and their respective successors and assigns, from all Losses and Expenses incurred in 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:

1. Your infringement, alleged infringement or any other violation or alleged violation of any trademark, copyright or other proprietary right owned or controlled by third parties;

2. Your violation, breach or alleged violation or breach (i) of any contract, federal, state or local law, regulation, ruling, standard or directive or (ii) arising out of your business activities hereunder;

3. Libel, slander or any other form of personal injury by you or arising out of your business activities hereunder;

4. Your violation or breach of any warranty, representation, agreement or obligation in this Agreement; or

5. Acts, errors or omissions of you or any of your agents, servants, employees, contractors, Owners, partners, affiliates or representatives.

(b) Notice of Claims. You will give us notice of any such action, suit, proceeding, claim, demand, inquiry or investigation. At your expense and risk, we may elect to assume (but under no circumstance is obligated to undertake), 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 your obligations under this Section.

(c) Risk of Loss. All Losses and Expenses incurred under this Section shall be chargeable to and paid by you as 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.

(d) No Assumption of Liability. The persons or parties indemnified do not assume any liability whatsoever for acts, errors, or omissions of those with whom Franchisee may contract, regardless of the purpose. Franchisee's hold harmless and indemnity obligation shall include all losses and expenses that may arise out of any acts, errors or omissions of these third parties.

(e) Remedial Action. In order to protect persons or property, or its reputation or goodwill, or the reputation or goodwill of others, we may, at any time and without notice, as we, in our Reasonable Business Judgment deem appropriate, order, consent or agree to settlements or take such other remedial or corrective action as it deems expedient with respect to any action, suit, proceeding, claim, demand, inquiry or investigation if, in our sole judgment, there are reasonable grounds to believe that:

1. Any of the acts or circumstances enumerated in this Section have occurred; or

2. Any act, error or omission of yours may result directly or indirectly in damage, injury or harm to any person or any property.

(f) Survival. This Section shall survive expiration or earlier termination of this Agreement without regard to the cause of termination.

36. Force Majeure. If an act of nature or any other cause beyond the reasonable control of the party whose performance is affected which cannot be overcome despite the party's exercise of reasonable diligence to overcome the cause prevents a party from performing any obligation under this Agreement despite the party's exercise of reasonable diligence, the act of nature or other cause will toll the due date for the performance of that obligation for the duration of the act of nature and for a reasonable time thereafter. However, no force majeure or other cause shall excuse the timely payment of amounts due under this Agreement. Should the Franchised Restaurant close for any reason relating to natural disaster, accident or other unforeseeable events, you will vigorously pursue reopening at the same or a new location in the Territory that we first approve. If you have not resumed operations within 180 days after closing, we may terminate this Agreement without penalty to you so long as you have paid us a Royalty Fee on your business interruption insurance proceeds and not breached the covenants in Section 11.

37. Relationship of Parties.

(a) Limitations. Neither this Agreement nor the performance of the obligations set forth in this Agreement will operate to make you our partner or agent. Neither party will have the authority to act or contract on behalf of the other. Neither party will have any responsibility for the obligations of the other party. The relationship created by this Agreement is that of an independent contractor, and no fiduciary relationship is created or intended. You must indicate clearly the independent ownership of your business in all public records and in all of your dealings with third parties.

(b) Reserved Rights. Whenever we reserved in this Agreement a right to take or withhold an action, or are deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant you a right to take or omit an action, except as otherwise expressly and specifically provided in this Agreement, we may make our decision or exercise our rights, on the basis of the information readily available to us and our judgment of what is in our best interests and/or in the best interests of the our franchise network, at the time the decision is made, without regard to whether: (i) other reasonable alternative decisions or actions could have been made by us; (ii) our decision or action will promote our financial or other individual interest; (iii) our decision or the action we take applies differently to you and one or more other franchisees or our company-owned operations; or (iv) our decision or the exercise of our right or discretion is adverse to your interests. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties acknowledge that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

(c) Reasonable Business Judgment. You and we agree that we may use our Reasonable Business Judgment in the exercise of our rights, obligations and discretion under this Agreement except where otherwise indicated. "Reasonable Business Judgment" means that our determination shall prevail even in cases where other alternatives are also reasonable so long as we intend to benefit or its actions or omissions could benefit the Franchised System. Examples of benefits to the Franchised System would include, without limitation, protecting or enhancing the value of the Proprietary

Marks, promoting economic efficiency or gain for the Franchised System Restaurants, increasing customer satisfaction, increasing brand identification, or minimizing possible customer brand or location confusion. We shall not be required to consider your particular economic or other circumstances when exercising our Reasonable Business Judgment. At no time are you or any third party (including, but not limited to other franchise owners or any trier of fact) entitled to substitute your or its judgment for a judgment, which has been made by or on behalf of us which meets the definition of Reasonable Business Judgment. You and we agree that the long-term goals of a franchise system, and the long-term interests of both us and all the franchisees, taken together, require that we have the latitude to exercise our Reasonable Business Judgment.

(d) Time. Time is of the essence of this Agreement.

38. Employment Decisions. You have and will continue to have sole responsibility for recruitment, selection, training, supervision, discipline and termination of your employees, all acts and omissions of your employees, and all employment related decisions involving compensation, benefits, hours of work, scheduling, record keeping, and all other terms and conditions of employment.

39. Holidays. If the due date for any payment of funds under this Agreement falls on a legal holiday, the due date for the payment will extend until the next business day.

40. Entire Agreement. This Agreement (including all attachments, exhibits and schedules) constitutes the entire agreement of the parties with regard to the subject matter of this Agreement and replaces and supersedes all other prior written, electronic and oral agreements and statements of the parties relating to the subject matter of this Agreement. Neither party is relying on any writing to enter into this Agreement other than as set forth in this Agreement and the Franchise Disclosure Document delivered to you.

41. Disclaimer Limitation. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that we delivered to you or your representative, subject to any agreed-upon changes to the contract terms and conditions described in that Franchise Disclosure Document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement).

42. Approvals and Waivers. You must request any prior approval or consent required under this Agreement from us by means of a timely written request. Any such approval or consent must be obtained in writing. 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 under this Agreement shall constitute a waiver by us to enforce any right, option, duty or power as against you, or shall apply as to subsequent breach or default by you. Subsequent acceptance by us of any payments due to us hereunder shall not be deemed to be a waiver by us of any preceding breach by you of this Agreement. The failure of a party to insist in any one or more instances on the performance of any term or condition of this Agreement will not operate as a waiver of any future performance of that term or condition.

43. Notice. Except as otherwise provided in this Agreement, when this Agreement requires notice, the sending party must deliver or address the notice to the other party by certified mail, or delivery service with receipted delivery, or by electronic mail followed by transmittal of the original by first class United States Mail, to the following address:

Us: 3009 Pump House Road, Suite 200
Birmingham, Alabama 35243
Attention: Franchising Department
Email: franchise@tazikis.com

You: _____

Email: _____

All notices will be deemed delivered and received if transmitted to the proper address on the earlier of (a) the date that the other party receives or refuses delivery of the notice or (b) three business days after the party places the notice in the United States mail, first class postage prepaid. Each party may change the party's address by giving written notice to the other party.

44. Cumulative Rights. No right or remedy conferred upon or reserved to us or you by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy in this Agreement or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy. The parties retain all rights and remedies available at law or in equity.

45. Survival. The provisions of this Agreement which, by their terms, survive the termination or expiration of this Agreement will survive the termination or expiration of this Agreement for any reason.

46. Governing Law. This Agreement shall be governed by the laws of Alabama (without regard to any conflicts of law principles).

47. Venue. Except for any third party dispute in which the Parties may be involved subject to Section 35, the proper, sole and exclusive venue and forum for any action arising out of or in any way related to this Agreement shall in the federal and state court districts in which we then have our principal place of business. As of the Effective Date, the proper venue is in the United States District Court for the Northern District of Alabama and Jefferson County, Alabama. Each party to this Agreement hereby consents to any of those courts' exercise of personal jurisdiction over the party in that type of action and expressly waives all objections the party otherwise might have to that exercise of personal jurisdiction.

48. Legal Fees. If either party succeeds in any arbitration or legal action to enforce this Agreement, the losing party will reimburse the prevailing party for its outside and inside attorneys' fees and costs related to the action, in addition to any other relief obtained by the prevailing party.

49. Construction. The rule of construction requiring the resolution of any ambiguities in this Agreement against the drafting party will not apply to the construction of this Agreement.

50. Severability. If any provision of this Agreement (other than Section 5) is held to be invalid or ineffective with respect to any Person or circumstance, the holding will not affect the remainder of this Agreement or the application of this Agreement to any other Person or circumstance.

51. Counterparts. The parties may execute this Agreement in counterparts, each of which will constitute an original and all of which, when taken together, will constitute one and the same instrument.

52. Amendment. No amendment to this Agreement will become effective or binding on the parties, unless it is in writing and signed by all of the parties; provided, that we may modify or change the Franchised System or Operations Manual unilaterally at any time, effective 30 days after notice of the change or modification is sent to you, unless health and safety concerns compel us to provide a shorter notice period.

53. Third Party Beneficiaries. Except for the benefits reserved for our parent, Taziki's, Inc. and our Affiliates, there are no third party beneficiaries for this Agreement.

54. Definitions. Unless the context of their use in this Agreement requires otherwise, the following words and phrases have the following meanings when used in initially-capitalized form in this Agreement.

(a) Affiliate means (1) any Person who Controls, is Controlled by, or is under common Control with a Person, and (2) any Owner of any Person.

(b) Certified Manager means an individual who has completed successfully our Manager in Training program or other initial management training that we may specify, according to criteria we establish and who remains current in all training we specify in the Manual to maintain Certified Manager status.

(c) Certified Trainer means a Certified Manager who has successfully completed an MIT program and is approved by the Training Department.

(d) Certified Training Hours mean training hours approved by our Training Department.

(e) Certified Training Store means a Taziki's Mediterranean Café Restaurant at which all managers and shift leaders in the Training Group have been trained by a Certified Trainer and we certify as meeting our System Standards for such designation. We specify procedures to obtain and maintain certification of a Restaurant as a Certified Training Store in the Operations Manual. A Certified Training Store must employ a Certified Trainer as a General Manager, have passed a "Certified Training Store Assessment" initially and have passed all of its subsequent Taziki's Standards Assessments.

(f) Competing Business means any restaurant serving as its primary menu offering Greek or Mediterranean cuisine in a quick service, fast casual, casual dining, diner or buffet format, featuring pre-made and prepared to order salads, gyros, lavash wraps and grilled proteins.

(g) Confidential Information means any trade secrets we own or protect and other proprietary information not generally known to the restaurant industry including confidential portions of the Operations Manual and information we otherwise impart to you and your representatives in confidence. Confidential Information includes recipes, food preparation instructions, proprietary software and other valuable property.

(h) Control means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

(i) DMA means a Designated Market Area, as defined by Nielsen Media Research or its successors in interest from time to time. We may designate a substitute independent source for providing the boundaries of a single television advertising market in the Operations Manual.

(j) Effective Date means the date we enter immediately below our signature block on this Agreement as the date on which you and we are legally bound under this Agreement, provided that if no such date is entered, then the Effective Date shall be the date on which we execute and deliver this Agreement.

(k) Franchised Restaurant means the Taziki's Mediterranean Café Restaurant you establish and operate at the Location.

(l) Franchised System means the distinctive, unique and proprietary marks and trade dress, products, presentation styles and services, know-how, methods of operation, identification, décor, furnishings, equipment, training, service, production, technology, marketing, advertising, promotion and development that we may designate in written or electronic form or through usage from time to time that define and distinguish a Taziki's Mediterranean Café Restaurant, including (without limitation) (1) plans and specifications for interior and exterior signs, designs, layouts and color schemes; (2) methods, techniques, formats, systems, menus, ingredients, recipes, specifications, procedures, information, trade secrets, sales and marketing programs; (3) methods of business operations and management; (4) System Standards; (5) the Operations Manual; and (6) knowledge and experience regarding the operation and franchising of Taziki's Mediterranean Café Restaurants.

(m) Losses and Expenses means, without limitation, all losses, compensatory, exemplary or punitive damages, penalties, fines, charges, costs and expenses of investigation, defense and resolution, lost profits, attorneys' fees, court costs, settlement amounts, judgments, compensation for damages to our and our Affiliates' 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 matter described.

(n) Intellectual Property means the Proprietary Marks, patents, copyrights, copyrightable material, ideas, concepts, inventions, know-how, trade secrets, Confidential Information, and other proprietary information that we designate in written or electronic form or through usage from time to time as part of or prescribed for use with the Franchised System.

(o) "Net Cash Sales" means all revenues accrued from all business conducted at or from your Franchised Restaurant, whether paid by cash, check, credit card, charge account, barter exchange or otherwise, without deduction for bad debt, credit card fees or other costs of collection or processing. Net Cash Sales does not include: (i) any exchange of goods or services between your Restaurants where such exchange is made solely for the convenient operation of your Restaurant business and not for the purpose of consummating a sale made in, at or from an Approved Location, (ii) returns to shippers, suppliers or manufacturers, (iii) cash or credit refunds to customers on transactions otherwise included in Net Cash Sales, (iv) sales of fixtures, machinery or equipment which are not stock in trade, (v) receipts from vending machines; (vi) sales taxes, consumer's excise taxes, gross receipts taxes and other similar taxes now or hereafter imposed upon the sale of meals, food, beverages, merchandise or services at the Restaurant, but only if charged and collected separately from the sales prices of such items; (vii) any portion of a sale that is deemed a non-cash sale such as the discounted portion of a sale, or any sale that is complimentary; and (viii) gratuities and delivery fees included to the extent they are paid over to servers and delivery providers.

(p) Nontraditional Concept Restaurant means a Taziki's Mediterranean Café Restaurant that uses all or some portion of the Franchised System and is located in a limited access host facility venue such as an airport, transportation center, sports and entertainment venue, educational institution dining hall, hospital cafeteria, mall food court, and in-plant cafeteria. A Nontraditional

Concept Restaurant may offer a different menu from a standard Taziki's Mediterranean Café Restaurant that we approve, share seating and beverage dispensing with other restaurant counters, offer service hours to match the traffic in the host facility, have server uniforms that match uniforms worn by other food servers at the host facility, and have limited use of Mark-bearing signage and other System elements.

(q) Location means the address identified in Attachment A as the site of your Taziki's Mediterranean Café Restaurant.

(r) Opening Date means the date on which you open your Taziki's Mediterranean Café Restaurant for business, after receiving our consent to open.

(s) Operations Manual means the manual or collection of materials in written or electronic form which we designate from time to time as containing the System Standards, specifications, procedures, policies, methods of operating the Franchised Restaurant, other elements of the Franchised System and any information designated in this Agreement for inclusion or modification in the Operations Manual.

(t) Owner means any Person that holds a direct or indirect equity ownership interest (including beneficial and record interests) in you.

(u) Owner-Operator means the Owner who is primarily responsible for supervising the operation of the Franchised Restaurant, as you designate in writing to us in Attachment A or otherwise.

(v) Person means any individual or business entity, including (without limitation) corporation, joint venture, general partnership, limited partnership, limited liability company, or trust.

(w) Proprietary Marks means the registered and unregistered distinctive and characteristic trade names, domain names, trademarks, service marks, logotypes, and trade dress elements that we designate in written or electronic form or through usage from time to time as prescribed for use with the Franchised System.

(x) Assigned Area means the geographic area described on Attachment A.

(y) Reporting Period "Reporting Period" means each 28 day period beginning on the date specified in the Operations Manual. Our accounting system operates on 13 periods of 28 days each for each fiscal year, with an extra day attached to one or two periods at our discretion. Our fiscal year typically ends on the Sunday closest to December 31.

(z) System Standards means the standards for the Franchised Restaurant and using the Franchised System published in the Operations Manual and elsewhere, including but not limited to standards for design, furnishings, fixtures and equipment, use and display of the Proprietary Marks, operations, technology and any other standards, policies, rules and procedures we promulgate about Franchised System operation and usage.

(aa) Taziki's Mediterranean Café Restaurant means a restaurant operating under the Franchised System using the Taziki's name and mark, or such other name and mark as we may specify under the Operations Manual, as amended.

(bb) Training Group means two or more Franchised Restaurants owned by Affiliates having Owners with at least 50% aggregate equity interests in common in all of the franchisees.

(cc) Transfer means, for the purposes of Section 22, any transaction that is or results in (i) an assignment of this Agreement or delegation of any of your rights and obligations under this Agreement, (ii) grant of a security interest, pledge, lien or encumbrance on this Agreement, (iii) a change in ownership of an equity interest, or any issuance of additional equity interests to new persons or entities not listed on Attachment A, (iv) any merger, consolidation or sale of substantially all assets, if you are an entity, (v) any sale or lease of the Franchised Salon, or a sale of the Location if you own it, or any eviction, detainer, foreclosure or deed in lieu of foreclosure that results in the loss of possession of and control over the Franchised Restaurant, (vi) any delegation of management rights or responsibilities of the Franchised Restaurant, or (vii) any distribution, gift or donation of any interest in the Franchised Restaurant. The creation of any profits interest, synthetic equity, phantom equity or similar interest that does not create ownership economic rights or voting rights is not a transfer.

55. Your Representations. You represent to us as follows:

(a) Independent Investigation. You have conducted an independent investigation of the business contemplated by this Agreement and recognize that it involves substantial business risks, making the success of the venture largely dependent on your management skills and resources. You have not received from us or our Affiliates, and have not relied upon, any oral or written, express or implied projection, representation, warranty or guaranty regarding the potential sales, revenues, income, profits or success of the business venture contemplated by this Agreement. You have had the opportunity to consult with independent advisors of your own selection such as a lawyer or accountant before making your decision to sign this Agreement and develop and operate a Taziki's Mediterranean Café Restaurant.

(b) This Transaction. You and the persons signing this Agreement for you have full power and authority and have been duly authorized, to enter into and perform or cause performance of your obligations under this Agreement. You have obtained all necessary approvals of your Owners, Board of Directors and lenders. No executory franchise, brand license or affiliation agreement for the Location exists other than this Agreement. Attachment A accurately states your Owners. Your execution, delivery and performance of this Agreement will not violate, create a default under or breach of any charter, bylaws, agreement or other contract, license, permit, indebtedness, certificate, order, decree or security instrument to which you or any of your Owners is a party or is subject or to which the Location is subject. Neither you nor the Location is the subject of any current or pending merger, sale, dissolution, receivership, bankruptcy, foreclosure, reorganization, insolvency, or similar action or proceeding on the date you execute this Agreement and was not within the three years preceding such date, except as disclosed in your franchise application. To the best of your knowledge, neither you, your Owners, your officers, directors, contractors, or employees or anyone else affiliated or associated with you, whether by common ownership, by contract, or otherwise, has been designated as, or are, a terrorist, a "Specially Designated National" or a "Blocked Person" under U.S. Executive Order 13224, in lists published by the U.S. Department of Treasury's Office of Foreign Assets Control, or otherwise.

(c) No Misrepresentations or Implied Covenants. All written information you submit to us about the Location, you, your Owners, any guarantor, or the finances of any such person or entity, was or will be at the time delivered and when you sign this Agreement, true, accurate and complete, and such information contains no misrepresentation of a material fact, and does not omit any material fact necessary to make the information disclosed not misleading under the circumstances. There are no express or implied covenants or warranties, oral or written, between we and you except as expressly stated in this Agreement.

(d) We and our representatives have made or communicated to you no claims of assured or guaranteed success of the business contemplated by this Agreement prior to signing this Agreement. You voluntarily enter into this Agreement and undertake all the terms and conditions thereof

without any such inducements, promises, or representations. Without limiting the foregoing, we expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any representations, warranties or guarantees, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement, or as to the suitability of any selected or proposed Location as a successful location for the Franchised Restaurant.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement, intending to be legally bound, as of the Effective Date.

Taziki's Franchising, LLC

By: _____

By: _____

Its: _____

Its: _____

Effective Date: _____

Date: _____

Attachment A

Transaction Details

1. Location of Franchised Restaurant: _____

2. Time to complete and open Franchised Restaurant: nine (9) months after the Effective Date.

3. Assigned Area: The geographic area within a radius (the “Applicable Radius”) from the Franchised Restaurant of (i) one mile in counties having a population over 750,000; (ii) two miles in counties having a population under 750,000 and at least 250,000, or (iii) five miles in counties with a population of less than 250,000. The population of the county where the Franchised Restaurant will be located is: _____

4. Address and Contact Information of Franchisee:

5. Initial Franchise Fee: \$35,000.00

6. Marketing Fee as of Effective Date: ____% of Net Cash Sales

7. Your Owners:

Name	Address	Telephone	Email	Percentage Ownership

* Person designated as Owner-Operator.

Attachment B

Automated Clearing House Payment Authorization

ACH Authorization Form

This form **MUST** be accompanied by a **Printed Voided Check or Bank Letter**

Add ☐ Delete ☐ Change ☐

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____

Funds Settlement Information

Bank Name: _____

Account Owner: _____

Account Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Routing # (9 digits) _____

Account # _____

_____ (hereinafter referred to as User) authorizes Taziki's Franchising, LLC to initiate ACH transfer entries and to credit and/or debit the account identified herein. Such credits and/or debits shall take place on a [RECURRING TIME PERIOD] basis with a minimum amount of \$[•] and a maximum amount of \$[•] per transaction. Such minimum and maximum amounts may be amended at any time by any written notice from User to Taziki's Franchising, LLC. This authorization shall remain in effect unless and until Taziki's Franchising, LLC receives written notification from User that this authorization has been terminated in such time and manner to allow Taziki's Franchising, LLC to act. Undersigned represents and warrants to Taziki's Franchising, LLC that the person executing this form is an authorized signatory on the Account referenced above and all information regarding the Account and Account Owner is true and correct.

_____/ /
Account Owner Signature Date

Print Name and Title

ATTACH PRE-PRINTED VOIDED CHECK
OR
BANK LETTER

Attachment C
Guaranty and Restriction Agreement

GUARANTY AND RESTRICTION AGREEMENT

The undersigned owners (the “Guarantors”) of _____ (the “Franchisee”) enter into this Guaranty and Restriction Agreement (this “Agreement”) as of the Effective Date.

1. Guaranty of Obligations. To induce Taziki’s Franchising, LLC, its successors and assigns (“you”) to sign the Franchise Agreement (the “Agreement”) with the party named as the “Franchisee,” to which this Guaranty is attached, the undersigned, jointly and severally (“we, “our” or “us”), irrevocably and unconditionally (i) warrant to you that Franchisee’s representations and warranties in the Agreement are true and correct as stated, and (ii) guaranty that Franchisee’s obligations under the Agreement, including any amendments and note, will be punctually paid and performed. Upon default by Franchisee and notice from you we will immediately make each payment and perform or cause Franchisee to perform, each unpaid or unperformed obligation of Franchisee under the Agreement. Without affecting our obligations under this Guaranty, you may without notice to us extend, modify or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee. We waive notice of amendment of the Agreement. Upon the death of an individual guarantor, the estate of the guarantor will be bound by this Guaranty for obligations of Franchisee to you existing at the time of death, and the obligations of all other guarantors will continue in full force and effect. This Guaranty may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one in the same instrument.

2. Restrictions on Transfer of Equity Ownership of Franchisee. The Guarantors will not transfer, assign or pledge any of their direct or indirect equity interests in the Franchisee to any person without the prior consent of the Franchisor, except as authorized under the Franchise Agreement.

3. Other Provisions. The Guarantors, as owners of the Franchisee, acknowledge that this Agreement and the Franchise Agreement inure to the benefit of the Franchisee and to the undersigned. The Guarantors expressly adopt, ratify, incorporate into this Agreement, and agree to be bound individually by the following provisions of the Franchise Agreement as if they were parties to such Franchise Agreement: Sections 11 (Covenants Not to Compete); 12 (Confidential Information); 22 (Assignment); 23 (Right of First Refusal); 24 (Business Entity Franchisee); 32 (Certain Waivers); 34 (Resolution of Disputes); 34 (Our Option to Purchase); 46 (Governing Law); 47 (Venue); and 48 (Legal Fees).

Executed and delivered as of the Effective Date.

The Guarantors:

By: _____

Printed Name: _____

By: _____

Printed Name: _____

Attachment D

**Management Confidentiality
and Non-Competition Agreement**

MANAGEMENT CONFIDENTIALITY AND NON-COMPETITION AGREEMENT

The undersigned Taziki's Mediterranean Café Restaurant on-premises manager ("Manager"), in consideration of the access to training and confidential information he or she has received or will receive from Taziki's Franchising, LLC, an Alabama limited liability company, and/or its affiliates (collectively, the "Company") in connection with Manager's employment with the Company's franchisee named below (the "Franchisee"), hereby covenants and agrees as follows:

1. Confidentiality Agreement. Manager acknowledges that, while employed by the Franchisee, Manager has and will receive certain confidential information and knowledge concerning the Taziki's Mediterranean Café Restaurant business of the Company which the Company wishes to protect, including (without limitation) information, knowledge, know-how, recipes, formulae, materials, equipment, techniques, systems, and other data relating to or comprising the Taziki's Mediterranean Café Restaurant franchise system. Confidential information includes the Operations Manual and other materials and information supplied by Company to the Franchisee that is identified as confidential at the time of disclosure or before. Manager shall not reveal that confidential information to any other party, except the Company's or the Franchisee's independent public accountants, Manager's legal counsel (if that counsel also agrees to maintain the confidentiality of the confidential information), or as otherwise required by law. Manager shall not use or disclose the confidential information at any time for the purpose of competition with the Company, its successors and assigns, or Franchisee. When Manager's employment with Franchisee terminates for any reason, the Manager promptly shall surrender to Franchisee all papers, documents, writings and other property produced by Manager or coming into Manager's possession by or through Manager's employment with the Franchisee containing confidential information or related in any way to confidential information. All of the foregoing materials shall remain the property of the Company, its successors, or its assigns.

2. Covenant Not to Compete. During the term of Manager's employment with the Franchisee and for a period of 24 months after the termination of Manager's employment with the Franchisee for any reason, Manager shall not engage in, directly or indirectly as a principal, agent, trustee, employee, consultant, independent contractor or through any corporation, partnership, association, or other entity, any business or be employed in a restaurant or prepared food retailer that is the same or similar to a Taziki's Mediterranean Café Restaurant at any location within a 10-mile radius of any Taziki's Mediterranean Café Restaurant location at which Manager worked or within a 10-mile radius of any then-existing Taziki's Mediterranean Café Restaurant location.

3. Indemnification and Injunctive Relief. Manager shall indemnify and hold the Company and the Franchisee harmless against any losses, damages, costs, expenses, claims or actions, including attorneys' fees and costs, proximately caused by any breach of this Agreement by Manager. Manager shall pay to the Company any compensation, profits or economic benefits realized by the Manager resulting from any breach of this Agreement. The Company shall have the right to injunctive and other equitable relief prohibiting the Manager from any violation or threatened violation of this Agreement, without posting any bond or security.

4. Governing Law. The laws of Alabama shall govern this Agreement.

5. Entire Agreement. This Agreement constitutes the entire agreement of the parties with regard to the subject matter of this Agreement and replaces and supersedes all other written and oral agreements and statements of the parties relating to the subject matter of this Agreement.

6. Limitations. This is not a contract of employment and this creates no employment relationship between Manager and the Company. Manager is not a third party beneficiary of any contract between the Company and the Franchisee. Franchisee remains the sole employer of Manager and is solely responsible for the recruitment, selection, training, supervision, compensation, benefits, insurance, worker's compensation, discipline and termination of Manager. During any period of on the job training of Manager by the Company, Franchisee shall remain the sole employer of Manager and shall be responsible for controlling all aspects of Manager's employment.

Executed and delivered this ____ day of _____, 20__.

Manager:

Signature

Printed Name

Franchisee: _____

Attachment E

Lease Rider

LEASE RIDER

This Lease Rider is made and entered into as of _____, 20____ by and among Taziki's Franchising, LLC, an Alabama limited liability corporation ("Franchisor"), _____, a _____ ("Tenant/Operator") and _____, a _____ ("Landlord").

Recitals. Tenant/Operator and Landlord desire to enter into a lease (the "Lease") pursuant to which Tenant/Operator will occupy and finish the premises located at _____ (the "Premises") for use and operation of a Taziki's Mediterranean Cafe® restaurant (the "Restaurant") authorized under a Franchise Agreement to be executed between Franchisor and Tenant/Operator prior to the opening of the Restaurant (the "Franchise Agreement"). As a condition to Franchisor's approval of the Premises as the location for the Restaurant, the Tenant/Operator is required under the Franchise Agreement to execute this Lease Rider along with the Landlord and Franchisor;

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

(1) During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Restaurant.

(2) Landlord consents to Tenant/Operator's use and display of such proprietary marks (the "Proprietary Marks") and signs, decor items, color schemes, plans, specifications and related components of the Taziki's Mediterranean Café Restaurant system (the "System") as Franchisor has prescribed, and may in the future prescribe, for the Restaurant. Landlord affirms that the Lease does not prohibit the service of any menu items of the current System, based on the menu provided to Landlord.

(3) Landlord agrees to send Franchisor conformed, legible copies of any and all letters and notices sent to Tenant/Operator pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant/Operator.

(4) Franchisor shall have the right, and Landlord consents to allow Franchisor, to enter the Premises during hours when the Premises is available for tenant entry to make any modification or alteration necessary to protect the Taziki's Mediterranean Café Restaurant, the System and Proprietary Marks or to cure any default under the Franchise Agreement, or under the Lease, without being guilty of trespass or any other crime or tort.

(5) In the event of Tenant/Operator's default under the Lease, Franchisor may, but has no obligation, to cure the default. Franchisor shall make this determination within thirty (30) days after Franchisor receives notice of the Lease default from Landlord. If Franchisor elects to cure the default, Franchisor shall cure the default within thirty (30) days of such election or, if the default cannot be reasonably cured within such thirty (30) day period, then Franchisor shall commence and proceed to act diligently to cure the default within such time as is reasonably necessary to cure the default.

(6) Franchisor has an option to acquire the Restaurant from Tenant/Operator if the Franchise Agreement expires or terminates. If Franchisor exercises the option, it will notify Landlord when it notifies Tenant/Operator. If Franchisor so exercises its option, or makes a different arrangement with Tenant/Operator to acquire the Restaurant, then Landlord shall permit Tenant/Operator to assign the Lease to Franchisor or to Franchisor's affiliated assignee or designee as successor in interest

("Successor") to Tenant/Operator, which shall be obligated to assume Tenant/Operator's obligations under the Lease. Successor shall attorn to Landlord under the Lease and Landlord shall attorn to and agree not to disturb the tenancy of Successor. In such event Successor shall assume Tenant/Operator's occupancy rights, rights under any renewal or purchase options, and the right to sublease the Premises, for the remainder of the term of the Lease including any applicable renewal periods.

(7) Landlord hereby consents to such assignment and agrees not to impose or assess any assignment fee or similar charge or increase or accelerate rent under the Lease in connection with such assignment, or require Successor to pay any rent or other financial obligation of Tenant/Operator to Landlord arising prior to the assignment. Landlord agrees to look solely to the Tenant/Operator and its guarantors for any rents or other financial obligations owed to Landlord arising prior to such assignment. Landlord and Tenant/Operator acknowledge that Franchisor is not a party to the Lease and shall have no liability under the Lease, unless and until the Lease is assigned to, and assumed by Franchisor as Successor.

(8) Notwithstanding anything contained in this Lease Rider and in the Lease, Successor is expressly authorized, without the consent of the Landlord, to sublet the Leased Premises to an authorized System franchisee, provided such subletting is specifically subject to the terms of the Lease and further provided the franchisee expressly assumes in writing all obligations of the Lease. Franchisor agrees to notify Landlord as to the name of the franchisee within ten (10) days after such subletting.

(9) Tenant/Operator shall not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor.

(10) Landlord and Tenant/Operator shall not amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing without the prior written consent of Franchisor.

(11) This Lease Rider will supersede any conflicting terms of the Lease.

[remainder of page intentionally left blank]

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

FRANCHISOR:

TAZIKI'S FRANCHISING, LLC

By: _____
Name: _____
Title: _____

TENANT/OPERATOR:

By: _____
Name: _____
Title: _____

LANDLORD:

By: _____
Name: _____
Title: _____

Attachment F
Nontraditional Concept

NONTRADITIONAL CONCEPT

ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to Franchise Agreement (this “Addendum”) is made and entered into as of _____, by and between Taziki’s Franchising, LLC, an Alabama limited liability company (“we,” “us” or “our”), as franchisor, and _____, a _____ (you” or “your”), as franchisee. This Addendum relates to and modifies that certain Franchise Agreement (“the “Prime Agreement”) between the parties. This Addendum shall be controlling in the event of any conflict between the Prime Agreement and this Addendum. All definitions in the Prime Agreement shall apply to this Addendum unless the context otherwise indicates. The parties mutually agree, for good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, as follows:

1. Nontraditional Concept Restaurant. You have requested, and we have approved, the development and operation of a Nontraditional Concept Restaurant to be located in _____ (the “Host Facility”) and within the Host Facility, in the following location (the “Location”):
2. Lease with Host Facility. You represent and warrant to us that the Lease of the Location (the “Host Lease”) with the owner or landlord of the Host Facility (“Host Operator”) (i) allows for the operation of the Restaurant under the Franchised System without material modification, supplier or menu limitations, (ii) provides for [a common seating area convenient to the Restaurant][no common seating area but contemplates carry out servings for all food concepts in the vicinity of the Location], (iii) allows for the installation and operation of all equipment necessary to prepare the menu items of the Franchised System as of the Effective Date, (iv) permits display of the Proprietary Marks in signage over the Location serving area, (v) [allows you to serve beer subject to licensure and compliance with applicable alcoholic beverage regulations][does not allow you to serve beer], and (v) [permits the Restaurant to open and operate during lunch and dinner hours 365 days per year][limits operation to certain event dates and times or periods when active food service at the Host Facility is permitted].
3. Confidential Information. No inspection right in the Lease shall allow or imply our consent to grant to Host Operator or its representatives access to any confidential or proprietary information we provide to you.
4. Rent Payments. You will provide us with copies of any rental reports and forms you submit to Host Operator that show the Net Cash Sales of the Restaurant or calculate any percentage rent payable under the Lease.
5. Indemnification. You acknowledge that the indemnification set forth in Section 28 of the Prime Agreement extends to any claim arising from the condition, premises or events occurring at the Host Facility, whether the Host Operator or you control the space or activity from which the claim arises.
6. Local Marketing. You will receive credit toward your local marketing expense requirement under Section 13 of the Prime Agreement for the documented amounts you contribute to the marketing or advertising cooperative of the Host Facility.
7. Upgrade of Restaurant. You represent to us that the Lease will permit you to upgrade the Restaurant as and when contemplated by the Prime Agreement, subject only to Host Operator approval, which it may not unreasonably withhold or delay.

8. Technology & Communications. You represent to us that the Host Facility will support and the Lease allows you to install and maintain the technology and communications we require for the Restaurant as of the Effective Date under the Franchised System.
9. New Menu Items. Notwithstanding the Prime Agreement, you will not be obligated to prepare and serve any new menu item that we mandate under the Franchised System after the Effective Date if such item is prohibited under the Lease.

In witness whereof, the parties have executed and delivered this Agreement, intending to be legally bound, as of the Effective Date.

Taziki's Franchising, LLC

By: _____

By: _____

Its: _____

Its: _____

Effective Date: _____

Date: _____

Attachment G

**Receipt of Operations Manual
and Confidentiality Agreement**

RECEIPT FOR OPERATIONS MANUAL

The undersigned franchisee ("Franchisee"), acknowledges receipt of Taziki's Mediterranean Café Operations Manual No. _____ and/or receipt of access codes and instructions to access the on-line version of the Operations Manual. The Manual is being loaned, and access is being granted, to Franchisee under the Franchise Agreement between Franchisee and Taziki's Franchising, LLC ("Company"). Franchisee expressly agrees as follows:

1. Operations Manual. If the Operations Manual is misplaced, destroyed (in whole or in part), or otherwise lost, the Franchisee must pay for a replacement Operations Manual from the Company at a cost of \$500.00 and must sign a new receipt. The Franchisee shall not copy or otherwise reproduce any portion of the Operations Manual. The Operations Manual shall not be removed from the premises of the Location identified in the Franchise Agreement. The Franchisee shall not loan or disclose the Operations Manual to any third party. The Franchisee shall not communicate, transmit, describe, summarize, or otherwise convey the information contained in the Operations Manual, in whole or in part, to any third party not employed by the Franchisee to operate the Franchised Restaurant. The Operations Manual shall at all times remain the property of the Company, its successors and assigns.

2. Confidentiality Agreement. The Franchisee acknowledges that the Franchisee will receive certain confidential information and knowledge contained in the Operations Manual that is the subject of confidentiality obligations in the Franchise Agreement. When the Franchise Agreement with the Company terminates for any reason, the Franchisee promptly shall surrender to the Company the Operations Manual identified above, along with all papers, documents, writings and other property produced to the Franchisee or coming into the Franchisee's possession by or through the relationship with the Company and related in any way to the confidential information. All of the foregoing materials shall remain the property of the Company, its successors, or its assigns.

3. Indemnification and Injunctive Relief. The Franchisee's obligations to indemnify the Company and accept injunctive relief described in the Franchise Agreement shall apply to breaches of Franchisee's undertakings regarding the Operations Manual

4. Supplement to Franchise Agreement. This Receipt is a supplement and subject to the Franchise Agreement in all respects.

Executed and delivered this _____ day of _____, 2_____.

Franchisee:

Signature

Printed Name

Title:

Attachment H

Form of Fresh Technology Site Services Agreement



Fresh Technology, Inc and _____
Master Services Agreement

This Agreement ("Agreement"), entered into this January 1, 2023 ("Effective Date"), describes the relationship between Fresh Technology, Inc. a Delaware corporation, with an address at 975 Main Street, Suite 201, Nashville, TN 37206 (hereinafter referred to as "FTI") and _____, a _____ with an address at _____ ("COMPANY"). FTI and COMPANY are hereinafter sometimes individually referred to as a "Party" and, collectively as the "Parties." All exhibits and addenda attached hereto are hereby incorporated into this Agreement and made a part hereof. In consideration of the promises and mutual covenants contained herein, and other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

A) Definitions

- 1) **Affiliate:** An entity which directly or indirectly controls, is controlled by, or is under common control with a Party.
- 2) **Fresh KDS:** Kitchen Display System - a method for displaying Orders generated by Customers through a point of sale or online ordering system, or the Platform.
- 3) **Platform:** Fresh Web Portal which hosts KDS, native iOS and Android based Kitchen Display System and Management Platform, and ToGo, a white-label, web-based and native iOS and Android online ordering system.
- 4) **Site:** COMPANY Website.
- 5) **ToGo:** ToGoTechnologies online ordering system.
- 6) **Customers:** End users who order food through the Platform.
- 7) **Orders:** Food or other menu items ordered through a point of sale or online ordering system, or the Platform.
- 8) **COMPANY Content:** Menu items, descriptions, photos, prices, and any proprietary information owned by the COMPANY.
- 9) **Live:** The Platform, KDS, ToGo, or FMIT is made available to its intended end users and all material functions of such systems and platforms are functioning properly (e.g., in the case of ToGo, Customers are able to place orders for food through such system).
- 10) **PCI Guidelines** have the definition assigned in Section R below.
- 11) **Tools:** A proprietary Software as a Service ("SaaS") Restaurant Management ("RMS") Platform which includes:
 - a) Food and Beverage Inventory Functions include Food Cost Ideal v. Actual, Recipe Database, Raw Materials Database, Invoicing
 - b) Financial Functions include Flash PNL, Sales Projections, Daily Sales Reporting
 - c) Production Functions include Order Guides, Prep Sheets
 - d) Labor Functions include Employee Maintenance, Scheduling
 - e) Data Integration: Accounting systems integration which integrates financial data into various accounting platforms
- 12) **Software Maintenance:** a service that includes regular software updates and bug fixes designed to keep the software operating and functioning properly. Software maintenance does not include developing new functionality at Buyer's request. Any software development service rendered by FTI to COMPANY outside the scope of Software Maintenance will be billed hourly at \$110/hr. or on a project basis.
- 13) **Fresh Recipes:** A proprietary mobile and/or tablet-based Recipe Book.
- 14) **Fresh Timeclock:** A proprietary mobile and/or tablet-based Time Clock for capturing employee time worked.
- 15) **Covered Products and Services:** Covered Products and Services are limited exclusively to those services listed in Section B of this Agreement, and their related products and databases.

B) Services

FTI agrees to provide the services listed in the Covered Products and Services in Exhibit A of this Agreement ("Services") to COMPANY at its locations listed in Exhibit B of this Agreement and any new locations opened during the term of this Agreement (as such Exhibit B may be amended or modified from time to time as set forth herein, "Locations") in exchange for the fees listed in Exhibit A, Section C of this Agreement. FTI will use commercially reasonable efforts to maintain, enhance, and improve any technology and Services provided under this Agreement so as to remain competitive with market levels of functionality, integration and ease of use of technology, and



technology support services, for fast casual restaurants. FTI will use commercially reasonable efforts to provide the Services in accordance with the service level agreements ("SLAs") set forth in Exhibit C of this Agreement.

This Agreement does not include the following:

- 1) **On-Site Support:** On-site support is not included in Services. FTI reserves the right to refer COMPANY to a local or national provider for any and all on-site service requests. COMPANY is responsible for contacting and coordinating on-site repairs directly with third party providers.
- 2) **Setup and Installation:** This Agreement does not cover, and the Services do not include, the initial installation of Tools or other products on any computer, or the reinstallation of Tools or other products on a new computer for an existing site. Setup and installation of Tools and other products is not covered under this Agreement. Installation of Tools and other products will be billed at an hourly rate of \$110/hr.
- 3) **Remote users:** This Agreement does not cover any Services provided to remote users. Remote users are defined as users who use Services outside the Locations listed on Exhibit B. Services will only be provided to remote users who enter into a valid Remote User Service Agreement with FTI.

C) Ownership

FTI and COMPANY shall co-own all right, title and interest in and to any Customer data associated with an Order, including without limitation phone numbers, e-mail addresses, delivery addresses, other Customer Personal Information (as defined herein) and transaction data related to each Order (collectively, the "Customer Information") acquired through the Platform. COMPANY shall comply with all applicable laws, rules and regulations related to the performance of COMPANY's obligations hereunder, including without limitation all laws, rules and regulations related to the sale of any food, drink or other menu item; applicable health and safety codes; delivery service; computation and payment of sales, use or other taxes to the appropriate taxing authority(ies); and all matters concerning quality and condition of any Order or any menu item purchased in connection therewith. FTI shall comply with all applicable laws, rules and regulations related to the performance of FTI's obligations hereunder. FTI will not use, sell, or monetize Customer Information that is associated exclusively with Orders to solicit Customers for any marketing or other purpose, other than performing the Services for COMPANY hereunder.

D) Fees

COMPANY shall pay to FTI the fees set forth in Exhibit A, Section C of this Agreement.

E) Term and Termination Without Cause

This Agreement shall commence on the Effective Date, and unless terminated earlier in accordance with the terms set forth below under the heading "Termination for Cause", shall continue in full force and effect with respect to each Location(s) listed on Exhibit B for as long as such Location operates as a Taziki's, Inc. franchise.

In the event FTI is subject to a change in control in which the new controlling owner is not an Affiliate of FTI, the term of this Agreement shall automatically convert to a three (3) year initial term from the date of such change in control (the "Initial Term").

After the Initial Term, the Agreement will renew for successive periods of one (1) year (each a "Renewal Term" and collectively hereinafter, the Initial Term and any Renewal Term shall be referred to as the "Term"). Effective no earlier than the end of the Initial Term, either Party may terminate this Agreement at the end of the then current Renewal Term upon at least ninety (90) days written notice.

Upon mutual agreement, the Parties may agree to change the Term by means of an addendum to this Agreement executed by each of the Parties hereto.

F) Termination for Cause

Either Party may terminate this Agreement, effective upon written notice to the other Party, if such other Party breaches this Agreement and such breach is:

- 1) Incapable of cure, or



- 2) Capable of cure but remains uncured for thirty (30) days after the breaching Party receives written notice thereof from the non-breaching Party.

In addition, either Party may terminate this Agreement by written notice to the other Party if such other Party:

- (a) Becomes insolvent, voluntarily dissolves, liquidates or terminates operations or applies for, or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator for such other Party or for all or of a substantial part of its assets;
- (b) Admits in writing its inability, or is generally unable, to pay its debts as the debts become due;
- (c) Makes a general assignment for the benefit of its creditors;
- (d) Commences a voluntary case under the federal Bankruptcy Code, files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, fails to controvert in a timely and appropriate manner, or acquiesces in writing to, any petition filed against it in an involuntary case under the federal Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, or takes any corporate action for the purpose of effecting any of the foregoing.

If either Party terminates (or provides notice of non-renewal of) this Agreement in accordance with Section E or F of this Agreement, all Customer Information in FTI's possession and control will be promptly and securely provided to COMPANY in Excel format or such other format as is agreed by the Parties. However, with regard to Section F(2) of this Agreement, any Party asserting a breach of this Agreement shall be obligated to provide the breaching Party with notice of the alleged breach in sufficient detail so as to enable the alleged breaching Party to commence such a cure within thirty (30) days of the receipt of written notice.

G) Intellectual Property

Subject to Section C, the Platform, Services and all systems, applications, ideas, designs, methods, methodologies, developments and any associated intellectual property and materials used to provide the Services ("FTI Intellectual Property") are the sole and exclusive property of FTI. COMPANY shall not, nor permit others to, make any use of or disclose the FTI Intellectual Property, except as expressly permitted under this Agreement. FTI hereby grants COMPANY a non-exclusive, non-transferable, royalty-free, worldwide right and license, during the Term, to use, display, reproduce, transmit, publish, copy, and otherwise exploit the FTI Intellectual Property only as necessary to utilize and enjoy the Services hereunder and for no other purpose.

H) Confidential and Trade Secret Information

Each party hereto (each, a "Recipient") shall protect, treat as proprietary, and keep confidential all non-public information (whether or not marked or designated or otherwise identified as "confidential") and must not be disclosed or used outside disclosed to Recipient by the other Party (each, a "Discloser") including but not limited to trade secrets, business data, processes, plans and strategies, designs, concepts and Personal Information (information relating to an identifiable natural person) (collectively, "Confidential Information") and shall not, except as may be authorized by the Discloser in writing, use or disclose any such Confidential Information during and after the Term of this Agreement. Each Party hereto will be fully responsible and liable for the breach of any such confidentiality obligations, including any breach occurring as a result of any acts or omissions of its Affiliates, employees, and agents, as the case may be. These obligations of confidentiality shall not apply to information that: (i) was previously known to Recipient; (ii) is or becomes publicly available, through no fault or omission of Recipient; (iii) is lawfully obtained and disclosed to Recipient by a third-party having no obligation of confidentiality to the Recipient or Discloser relating to such Confidential Information; (iv) is independently developed by Recipient; or (v) is required to be disclosed as a matter of law. In the event of the alleged or actual breach of this Section, the non-breaching Party shall be entitled to injunctive relief in addition to any remedies afforded by law. Upon request, a Recipient will return or destroy all Confidential Information, data and other information furnished by a Discloser.

I) Indemnification by COMPANY

COMPANY shall indemnify and hold FTI, its agents, Affiliates, employees, officers, directors, suppliers, and its licensors ("FTI Indemnified Parties") harmless against losses, damages, costs, and expenses (including reasonable attorneys' fees and related expenses) incurred in connection with any claims, demands, suits or proceedings ("Claims") made or brought against the FTI Indemnified Parties arising out of or relating to:

- 1) COMPANY's unauthorized use or use other than as is prescribed herein of the Services and Platform (to the extent COMPANY has elected such option), including but not limited to any Claim brought against FTI as a result of COMPANY's failure to ensure the accuracy and completeness of the COMPANY Content, including without limitation failure to promptly update, change or modify the COMPANY Content;
- 2) COMPANY's gross negligence or willful misconduct;
- 3) The breach of the security of any FTI Confidential Information other than to the extent such breach is caused by any act or omission of the FTI Indemnified Parties; and
- 4) A violation of applicable law or regulation or PCI Guidelines by COMPANY.

J) Indemnification by FTI

FTI shall indemnify and hold COMPANY, its agents, Affiliates, employees, officers, directors, suppliers, and its licensors ("COMPANY Indemnified Parties") harmless against Claims made or brought against the COMPANY Indemnified Parties arising out of or relating to:

- 1) A claim that FTI's provision of the Services or any Deliverable infringes any copyright, trade secret, trademark, patent, or other intellectual proprietary rights of a third party;
- 2) FTI's gross negligence or willful misconduct;
- 3) The breach of the security of any COMPANY Confidential Information or Customer Information or claims related to any unlawful or unauthorized access to Personal Information other than to the extent such breach or unlawful access is caused by any act or omission of the COMPANY Indemnified Parties; and
- 4) Any claim that the FTI Intellectual Property infringes or misappropriates the intellectual property rights of any third party.
- 5) A violation of applicable law or regulation or PCI Guidelines by FTI.

K) Warranty and Disclaimer

FTI represents and warrants to COMPANY that: (a) FTI possesses the requisite expertise, knowledge, and skills necessary to perform the Services in accordance with the terms and conditions of this Agreement; (b) FTI has all rights, approvals, and/or licenses necessary to provide the Services, and FTI's performance of the Services pursuant to this Agreement will not violate any agreement or obligation between FTI and a third party; (c) FTI's services will be performed in a workmanlike and professional manner in accordance with industry standards; (d) The Services shall conform in all material respects to the specifications, performance standards and criteria, and other terms and conditions set forth herein; and (e) neither the Services, nor any portion thereof, nor any use of the Services by COMPANY for their permitted or intended purposes as set forth herein, shall violate, infringe upon, or misappropriate any patent, copyright, trade secret, trade name, or other intellectual property rights, moral rights, or proprietary rights of any third party, or breach any contract by which FTI is bound. In the event of a breach of this warranty, FTI shall re-perform the defective Services to bring them into compliance or if FTI is unable or unwilling to do so, then a pro-rata refund of any amounts paid by COMPANY for such Services will be promptly issued by FTI. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE SERVICES, PLATFORM AND ALL INFORMATION AND MATERIALS PROVIDED BY FTI (INCLUDING WITHOUT LIMITATION, THE APP) ARE PROVIDED "AS IS" AND "WITH ALL FAULTS."

L) Limitation of Liability

EXCEPT FOR A PARTY'S INDEMNIFICATION OBLIGATIONS AND BREACH BY A PARTY OF ITS OBLIGATIONS OF CONFIDENTIALITY AND DATA SECURITY HEREUNDER, IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY EVEN IF SUCH PARTY IS ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. Except for a Party's indemnification obligations and breach by a Party of its obligations of confidentiality and data security hereunder, but otherwise notwithstanding any other provision in this Agreement or other related documents, the aggregate liability of each Party, including any liability of its parent company, subsidiaries, Affiliates, employees, agents and assigns, for all events under this Agreement, whether arising from breach of contract, tort, or otherwise, to the other Party or to any third party claiming through the other Party, for all losses arising under the provisions of this



Agreement, shall not exceed the consideration paid or payable by COMPANY to FTI under this Agreement during the one (1) year immediately preceding the occurrence of the event in question.

M) Governing Law; Venue

This Agreement shall be governed exclusively by the laws of the State of Tennessee, without regard to its conflicts or choice of law rules. The proper venue is in the United States District Court for the Middle District of Tennessee and Davidson County, Tennessee. Each Party to this Agreement hereby consents to any of those courts' exercise of personal jurisdiction over the Party in that type of action and expressly waives all objections the Party otherwise might have to that exercise of personal jurisdiction.

N) General Security Requirements

FTI will, at all times, implement and maintain industry standard administrative, physical and technical security controls and best practices, which will be followed in all relevant aspects while performing any work under this Agreement and which will include, at a minimum, safeguards to: (1) ensure the security and confidentiality of COMPANY Content and Personal Information, hereby defined as any and all individually identifiable information or data relating to a natural person that (a) directly or indirectly identifies or can be used to directly or indirectly identify, contact or locate an individual or household, (b) that relates to an individual or household, whose identity can be either directly or indirectly inferred, including any information that is linked or linkable to that individual or household, or (c) that may be considered personally identifiable information or personal information under any applicable data protection laws, which includes any and all statutes, laws, ordinances, rules, regulations, codes, orders, official guidance, or other requirements of any federal, state, local, or foreign government or political subdivision thereof, or any arbitrator, court, or tribunal of any competent jurisdiction, relating to the protection, use, or security of personally identifiable information and personal information, including, but not limited to, the California Consumer Privacy Act and the EU General Data Protection Regulation (collectively referred to herein as "Data Protection Laws"); (2) protect against any anticipated threats or hazards to the security or integrity of such confidential and/or Personal Information; (3) protect against unauthorized access to or use of such confidential and/or Personal Information; and (4) dispose of such confidential and/or Personal Information in a secure manner. Such controls, practices and safeguards shall in no event be less stringent than those used to safeguard FTI's own property, or than those used by other companies providing similar services.

O) Consumer Privacy

FTI and COMPANY shall comply with all applicable Data Protection Laws. If FTI is a data processor, data controller or receives and utilizes Personal Information under this Agreement in accordance with applicable Data Protection Laws, FTI agrees that it will in the performance of Services under this Agreement: (1) only manage and process Personal Information in compliance with, this Agreement and will not use, sell, disclose or process the Personal Information for any purpose other than those permitted by COMPANY and anticipated by this Agreement; (2) take appropriate measures to assist COMPANY in responding to requests from individuals to exercise their data privacy rights under applicable Data Protection Laws; (3) provide to COMPANY, upon request, a list of current sub-processors which may handle Personal Information at FTI's direction; and (4) take appropriate measures to ensure that persons employed by it and other persons engaged by it are aware of and comply with applicable Data Protection Laws. In the event FTI receives a request from a consumer to access, amend, transfer, block, or delete Personal Information, FTI shall direct the consumer to submit any such request directly to COMPANY as set forth on COMPANY's website. FTI agrees to use commercially reasonable efforts, and no later than within five (5) business days from receipt of the consumer's request, to advise COMPANY of such request.

P) Personnel Resources Due Diligence - FTI

With respect to access to COMPANY systems, FTI will perform commercially reasonable due diligence to ensure the integrity of personnel resources assigned to perform the Services set forth in this Agreement and to use commercially reasonable efforts to prevent malicious activities by FTI personnel resources who are performing Services under this Agreement. FTI will comply with the following personnel security policy requirements as part of this Agreement: (a) FTI will disable orphan computer accounts within twenty-four (24) hours; and (b) FTI will, in a commercially reasonable manner, proactively monitor the activities of FTI employees performing Services under this Agreement to reasonably protect COMPANY's customers' assets and reasonably identify fraudulent, suspicious, or irregular activity. FTI and its subcontractors approved by COMPANY will be required to adhere to any COMPANY

global information security (“GIS”) policies related to the Services if such GIS Policies are provided to FTI in writing. Failure to adhere and cure within fourteen (14) days of written notice by COMPANY to COMPANY’s GIS policies or any COMPANY information security standard required by COMPANY (and provided to FTI in writing) for FTI to perform the Services may result in termination of access. If required and provided by COMPANY, FTI must complete a security assessment which must be reviewed and approved by COMPANY’s information security compliance designee prior to any connection to COMPANY’s systems.

Q) Personnel Resources Due Diligence – COMPANY

With respect to access to FTI systems, COMPANY will perform commercially reasonable due diligence to ensure the integrity of personnel resources assigned to perform COMPANY’s obligations under this Agreement and to use commercially reasonable efforts to prevent malicious activities of COMPANY personnel resources who are assigned to perform COMPANY’s obligations under this Agreement and remain employees of COMPANY. COMPANY will comply with the following personnel security policy requirements as part of this Agreement: (a) COMPANY will disable orphan computer accounts within twenty-four (24) hours; and (b) COMPANY will, in a commercially reasonable manner, proactively monitor the activities of COMPANY employees performing COMPANY’s obligations under this Agreement to reasonably protect FTI’s and its customers’ assets and reasonably identify fraudulent, suspicious, or irregular activity. COMPANY will be required to adhere to FTI’s GIS policies related to the Platform, if such FTI GIS policies are provided to COMPANY in writing. Failure to adhere and cure within fourteen (14) days of written notice by FTI to FTI’s Global Information Security policies or any FTI information security standard necessary for FTI to perform the Services for COMPANY may result in termination of access.

R) Payment Card Industry Compliance

Each Party acknowledges and agrees that it is responsible for the security of cardholder data in its possession, and it shall adhere to Payment Card Industry Data Security Requirements (“PCI Guidelines”) with regard to access and use of cardholder data to the extent applicable to such Party. In the event of termination or expiration of this Agreement, each Party shall continue to treat cardholder data as confidential. FTI agrees to have a disaster recovery plan in place that shall provide for business continuity in the event of a major disruption, disaster, or failure of business function. FTI further agrees to the right to audit in the event of a cardholder data compromise of such Party’s information by a PCI approved third party authorized on the other Party’s behalf. Each Party shall only use the cardholder data for the services contracted for hereunder or as otherwise specifically required by law and shall at all times perform such services in compliance with all applicable laws, rules, and regulations. On an annual basis during the term of this Agreement, FTI shall provide COMPANY with a current AOC (Attestation of Compliance) for PCI in accordance with the PCI Data Security Requirements.

S) Disclosure and Notification of Security Breaches

Both Parties warrant that the information technology systems that are necessary for the provision of services (the “Service-Related IT Systems”) to the other Party under the Agreement have not suffered any actual or reasonably suspected unauthorized access to or acquisition of any information maintained on the Service-Related IT Systems (each, a “Security Breach”). Both Parties warrant that they are not and have not been a party to any current, pending, threatened, or resolved enforcement action of any government agency, or any consent decree or settlement with any governmental agency or private person or entity regarding any Security Breach or otherwise regarding data or information security.

If there is a Security Breach, FTI shall promptly notify COMPANY of any actual or reasonably suspected Security Breach of the Service-Related IT Systems. In any notification required under this Section of the Agreement, FTI shall designate one or more individuals employed by FTI who will be available to COMPANY as a contact regarding such Security Breach. FTI shall (a) use commercially reasonable efforts to address and assist the COMPANY with its reasonable concerns regarding such Security Breach and any dispute, inquiry or claim that concerns such Security Breach; and (b) shall provide COMPANY with assurance reasonably satisfactory to COMPANY that reasonable steps have been taken to minimize and prevent the recurrence of similar Security Breaches. Unless prohibited by an applicable statute or court order, FTI shall also notify COMPANY of any third-party legal process relating to any such Security Breach, including, but not limited to, any legal process initiated by any governmental entity (foreign or domestic).

T) Insurance

FTI shall maintain adequate insurance during the Term, which shall include a thirty (30) day written notice of modification or cancellation, and automobile, commercial general liability, products liability and workers' compensation insurance or an equivalent occupational health and benefits plan throughout the period of performance of this Agreement, with minimum limits as follows:

- (1) Commercial general liability, with broad form property damage, completed operations, personal and advertising injury, advertiser's liability, independent contractors, products liability, and contractual liability: \$5,000,000 per occurrence and \$5,000,000 in the aggregate.
- (2) Workers' Compensation: Statutory limits, employers' liability: \$500,000 per occurrence.
- (3) Technology Errors and Omissions: \$5,000,000 per occurrence.
- (4) Network Security/Data Privacy (either as separate policy or as specific sub-limit in Technology Errors and Omissions policy): \$5,000,000 per occurrence.
- (5) Crime/Employee Dishonesty: \$3,000,000 per occurrence.

This insurance shall remain in effect throughout the term of this Agreement. FTI shall require all permitted subcontractors to maintain the required insurance.

U) Force Majeure

Either Party shall be excused from performance or delay hereunder if such Party is unable to perform its obligations hereunder as a result of any act of God, war, riots, fire, floods, epidemics, quarantine restrictions, strikes, civil commotions or governmental authorities or similar acts outside the reasonable control of the non-performing Party (a "Force Majeure"). Both Parties shall use their best efforts to terminate or cause the expiration of any Force Majeure as soon as practicable following its occurrence. Nothing in this Section U will excuse FTI from executing its disaster recovery plan as described above. Further, if any Force Majeure prevents FTI from performing any material portion of the Services for a period of time in excess of 30 days, COMPANY may upon written notice to FTI terminate this Agreement immediately and without penalty.

V) Assignment and Subcontracting

Neither Party may assign its rights or delegate its obligations hereunder without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided, however, that a Party may, without the other Party's written consent, assign or transfer its rights, duties, obligations or privileges under this Agreement (i) to any Affiliate of such Party or (ii) in connection with a change of control of such Party, and provided further that the assignee, to the extent that this Agreement is assigned, agrees to adhere to the terms of this Agreement. Any purported assignment, delegation, or subcontract in violation of this provision will be null and void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the Parties, their respective successors and permitted assigns. In the event of a change in control of a Party, the Term of this Agreement shall be as set forth in Section E above.

W) Amendment

This Agreement may be amended or modified only by a written instrument executed by each of the Parties hereto; provided, that Exhibit B, Locations, may be amended from time to time by COMPANY to (i) add a new Location or (ii) remove a Location if any Location permanently ceases operations or is no longer a Taziki's, Inc. franchise.

X) Survival

The terms and provisions, which by their nature should survive expiration or termination, shall survive expiration or termination of this Agreement.



Y) **Notices**

All notices and other communications in connection with this Agreement shall be in writing and shall be deemed to have been received by a Party when actually received in the case of hand delivery, or upon the passage of five (5) calendar days after deposit in the United States mail, by registered or certified mail, postage prepaid, or the passage of two (2) days after mailing by a nationally recognized overnight carrier, to each Party at the addresses shown above.

Z) **General**

The Parties are independent contractors. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties. This Agreement is entered into for the benefit of the Parties only.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

Fresh Technology, Inc.

By: _____
(Authorized Signature)

By: _____
(Authorized Signature)

Shaun Shankel
Printed Name

Printed Name

Chief Executive Officer
Title

Title

Date

Date

EXHIBIT A

Covered Products and Services

- A. Below is the Covered Products and Services document. All work is subject to change based on the following:
1. Limitations presented from third party integrations: Should such changes be necessary, FTI will provide, in writing, the proposed necessary changes. Changes will be agreed upon by both Parties and attached in writing to this SOW.
 2. Design and functionality changes requested by COMPANY: Should COMPANY wish to make changes to the Platform after the Agreement has been executed and FTI has begun building the Platform, it may do so by sending a change request in writing. Both Parties will agree to a SOW document including, if necessary, additional fees, and attach the SOW document to the Agreement.
 3. Change Request: Change requests should be sent to FTI via email with the following information:
 - a. Design and functionality change request
 - b. Desired due date
 4. As additional COMPANY Locations are added to the Platform, additional SOW documents may be added into this Agreement. Each SOW that references this Agreement becomes part of this Agreement.

B. Covered Products and Services:

Service	Notes	Rate per Month per Location
Fresh KDS		\$25.00
ToGo		\$65.00
Tools	Tools Replacement. FTI may provide a similar RMS platform delivering materially the same functionality to COMPANY in lieu of Tools (a "New RMS Platform"), subject in each case to COMPANY's written consent, which consent shall not be unreasonably withheld. In the event FTI provides a New RMS Platform to COMPANY in lieu of Tools, FTI shall adjust the rate per month therefor, considering FTI's cost to service and support such New RMS Platform and the market rate for similar RMS platforms delivering materially the same functionality. In the event the New RMS Platform is not owned by FTI or an Affiliate, FTI will no longer be subject to the SLAs described in Exhibit C with respect to such functionality.	\$290.00
Fresh Recipes		\$25.00
Fresh Timeclock		\$10.00
Data Integration		\$50.00

Implementation Support: FTI will continue to provide 'train the trainer' services to key members of COMPANY service teams, identified to FTI by COMPANY. FTI expressly acknowledges that COMPANY's obligations hereunder are conditioned, in part, on FTI's provision of requested development and training to the COMPANY service team. The content, format and frequency of training provided by FTI, at the request of COMPANY, shall be provided in a commercially reasonable manner. FTI will also appoint a single point of contact within FTI for COMPANY's service team support and communicate the name of that single point of contact (updated from time to time in writing, as necessary, by FTI) to COMPANY within one (1) day of a request by COMPANY.



- C. **Service Fees:** Each month during the Term, COMPANY will pay FTI via ACH a service fee in the amount of four hundred and sixty-five dollars (\$465.00) per month for each Location listed on Schedule B hereto from time to time (the "Service Fee") using the Services, regardless of whether Services are made Live by the COMPANY. FTI shall invoice COMPANY for Service Fees in advance each month. COMPANY shall pay such invoiced Service Fees within thirty (30) days of receipt of each invoice via ACH. Additional Locations can be added to Exhibit B, and the Service Fee for any such added location shall be added to the invoice generated by FTI for the Service Fees applicable to each store location. Upon written notice, any Location that permanently ceases operations or is no longer a Taziki's, Inc. franchise may be removed from Exhibit B and the Service Fee going forward will be correspondingly reduced. FTI reserves the right to adjust the Service Fee once each calendar year, on not less than 30 days' prior written notice to COMPANY, to reflect changes in the services and the market conditions for technology and labor. FTI may increase the Service Fee for additional services and products included in the Services at rates competitive with comparable services from other providers. The percentage of each adjustment that is an increase in the Service Fee without any change in Services will not exceed the aggregate percentage increase in the mean hourly wage for the computer and mathematical occupational groups reported by the U.S. Bureau of Labor Statistics ("BLS") for the market where the majority of our employees are located for the time period starting with the last Service Fee increase and ending on the date of the current Service Fee adjustment. FTI may substitute a different published index of labor costs in the computer services industry for the BLS information.
- D. **Change Requests:** Should COMPANY require altered or additional work beyond that contemplated by this Exhibit A ("Customizations"), it shall submit to FTI the change request in writing. COMPANY shall pay FTI \$135 per hour on a time and materials basis for each such customization request ("Customization Fees") except that modification of the costs of items listed on menus shall not constitute a Customization or modification under this section. The Parties will execute an addendum to this Exhibit A for such Customizations. No Customization Fees will be due except as agreed in any such mutually executed addendum for such Customizations.
- E. **Travel Expenses:** If travel is required by a FTI employee(s) to fulfill the SOW, COMPANY shall reimburse FTI for all pre-approved travel costs. Both Parties will agree in writing to the travel costs (in advance of the travel) and such costs will be attached as an addendum to the SOW.

[End of Scope of Work Document]



Exhibit B
PARTICIPATING LOCATIONS

Entity/Location	Location/ Other Name	Unit Address	City, State, Zip Code
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Severity Level 1, Telephone Support	Saturday, Sunday and After Hours	24 hours
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Support will be given: (i) to answer routine questions regarding the use of the Services and Platform; and (ii) to provide work-around solutions when reasonably available; and (iii) to assist COMPANY in identifying and reporting new features and functional improvements that may warrant the development of an update or upgrade. For any contact (e.g., telephone support) that is not resolved on the initial inquiry, FTI will open a ticket. For each ticket that is created, FTI will include the designated COMPANY support e-mail address in order to provide tracking and notification on the COMPANY Location open ticket item. Notification will be provided to the COMPANY Location and COMPANY upon the creation of a ticket, status changes or updates and close.

FTI will note a Priority Code on each COMPANY Location ticket according to the following descriptions:

Severity 1	This is the highest severity level and is considered an emergency. The Platform, or a component thereof, is unavailable to any COMPANY Locations or their Customers.
Severity 2	This is the second highest severity level and is considered critical. Performance of Platform, or a component thereof is degraded to the point that usage of that product or service to any COMPANY Locations or users of that product or service is possible but such use is substantially or materially impaired.
Severity 3	This is the lowest severity level. The Platform, or a component thereof is available but contains errors that minimally affect performance and use of the service or product; or the issue affects any COMPANY Locations or users of the Platform.

Note: The Priority Codes do not include any issue caused by any third-party application or integration, or custom coding or design work unless done or provided by FTI.

"Initial Response" means the time it takes from the initial email or telephone call notification or create a trouble ticket code with FTI of the problem until FTI responds via email or telephone.

"Interim Resolution" means the time it takes FTI to apply a functional resolution to the reported Problem measured from the time at which the initial notification was made, meaning FTI provides COMPANY with a temporary fix or workaround that solves a reported problem and that it can be used by COMPANY Locations with minimal inconvenience and minimal impact on COMPANY Locations' business operations.

"Final Resolution" means FTI provides a final correction to COMPANY's.

RESPONSE AND RESOLUTION PROCEDURE. FTI will respond to and remedy Problems with the Services in accordance with the table below:

Severity Level	Initial Response	Interim Resolution Target	Final Resolution Target
Severity 1	Zero to Fifteen (15) Minutes	Four (4) Hours	Twenty-four (24) Hours
Severity 2	One (1) Hour	Four (4) Hours	Seven (7) Calendar Days
Severity 3	Twenty-Four (24) Hours	Five (5) Calendar Days	Thirty (30) Calendar Days

* The resolution times are targets, and FTI will not be considered to be in breach for failure to satisfy such targets if FTI is working diligently to promptly resolve the issue, except for a Severity Level 1 problem which has not been



solved within seven (7) calendar days or a Severity Level 2 problem which has not been solved within fourteen (14) calendar days.

[End of Service Level Agreement Document]

**Fresh Support, LLC and [_____]
Master Services Agreement**

This Agreement ("Agreement"), entered into this January 1, 2023 ("Effective Date"), describes the relationship between Fresh Support, LLC, a Tennessee limited liability company, with an address at 975 Main Street, Suite 201, Nashville, TN 37206 (hereinafter referred to as "Fresh Support") and _____, a _____ with an address at _____ "Company"). Fresh Support and Company are hereinafter sometimes individually referred to as a "Party" and, collectively as the "Parties." All exhibits and addenda attached hereto are hereby incorporated into this Agreement and made a part hereof. In consideration of the promises and mutual covenants contained herein, and other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

A) Definitions

- 1) **Affiliate:** An "Affiliate" of a Party is an entity which directly or indirectly controls, is controlled by, or is under common control with, that Party.
- 2) **Covered Products and Services or CPS:** Covered Products and Services are limited exclusively to the services listed in Exhibit A of this Agreement, and any related products and databases.
- 3) **Database Management:** Database Management is a service to manage an RMS system which includes recipe fixes, data management, regular system updates, backup service, and ongoing preventive maintenance. Database Management does not include building new recipes, new menus, re-designing existing menus, or new menu rollouts. Any service provided outside the scope of Database Management will be billed at an hourly rate of \$110/hr to be agreed be the parties hereto.
- 4) **Helpdesk Support:** Helpdesk Support is a service including email and phone support to troubleshoot technical software problems related to the CPS. Includes general support for installed Point Of Sale ("POS") systems, in-store data network, and Restaurant Management Systems ("RMS") components including Tools. Support does not include services such as operational analysis, food cost analysis, invoice reconciliation, food cost reconciliation, operational consulting, on-site technical support, on-site hardware repair, on-site installation, upgrade labor, virus eradication, training, programming, database management, network security, or Windows/Mac PC software or hardware support. Any service rendered by Fresh Support to Company outside the scope of CPS will be separately billed at an hourly rate of \$110/hr.
- 5) **Installation:** Onsite hardware setup and deployment.
- 6) **Locations:** "Locations" means those locations, and any new locations opened during the term of this Agreement, listed in Exhibit B of this Agreement (as such Exhibit B may be amended or modified from time to time as set forth herein).
- 7) **New Store Opening:** A New Store Opening ("NSO") is the opening of a new Location.
- 8) **Restaurant Management System or RMS:** A Restaurant Management System is a software platform used to manage food and beverage inventory, costs, recipes, labor and financial metrics for a restaurant.
- 9) **Staging:** A service whereby Fresh Support stages hardware and software necessary to perform the Services for a location.
- 10) **Store Database Build:** Store Database Build is a service whereby Fresh Support builds and deploys a Tools database to the RMS for new location added to Exhibit B.
- 11) **Remote Users:** Remote Users are defined as users who use Services off-premises of Locations listed in Exhibit B of this Agreement.
- 12) **Services:** Services to be provided by Fresh Support to Company hereunder are those listed in the CPS on Exhibit A of this Agreement.
- 13) **Third-Party Provider:** A Third-Party Provider is any entity providing a product or service not owned, fully or in part, by an Affiliate.
- 14) **Tools:** A proprietary Software as a Service ("SaaS") RMS Platform which includes:
 - a) **Cloud Desktop:** Tools data center hosting and cloud management access and Integration which enables individual users to access their Tools account and data
 - b) **Data Integration:** Accounting systems integration which integrates financial data into various accounting platforms
 - c) **Financial Functions** include Flash PNL, Sales Projections, Daily Sales Reporting
 - d) **Food and Beverage Inventory Functions** include Food Cost Ideal v. Actual, Recipe Database, Raw

- Materials Database, Invoicing
- e) Labor Functions include Employee Maintenance, Scheduling
- f) Production Functions include Order Guides, Prep Sheets

Services

Fresh Support agrees to provide the services listed in the Covered Products and Services in Exhibit A of this Agreement ("Services") to Company at its Locations listed in Exhibit B of this Agreement and any new locations opened during the term of this Agreement (as such Exhibit B may be amended or modified from time to time as set forth herein, "Locations") in exchange for the fees listed in Exhibit A, Section D of this Agreement. Fresh Support will use commercially reasonable efforts to maintain, enhance, and improve any technology and Services provided under this Agreement so as to remain competitive with market levels of functionality, integration and ease of use of technology, and technology support services, for fast casual restaurants. Fresh Support will use commercially reasonable efforts to provide the Services in accordance with the service level agreements ("SLAs") set forth in Exhibit C of this Agreement.

This Agreement and the Services provided hereunder do not include the Non-Covered Items listed in Exhibit A, Section C of this Agreement or any services not listed as Covered Products and Services in Exhibit A of this Agreement.

B) Fees

Company shall pay to Fresh Support the fees set forth in Exhibit A, Section B of this Agreement.

C) Term and Termination Without Cause

This Agreement shall commence on the Effective Date, and unless terminated earlier in accordance with the terms set forth below under the heading "Termination for Cause", shall continue in full force and effect with respect to each Location(s) listed on Exhibit B for as long as such Location operates as a Taziki's, Inc. franchise.

In the event Fresh Support is subject to a change in control in which the new controlling owner is not an Affiliate of Fresh Support, the term of this Agreement shall automatically convert to a three (3) year initial term from the date of such change in control (the "Initial Term").

After the Initial Term, the Agreement will renew for successive periods of one (1) year (each a "Renewal Term" and collectively hereinafter, the Initial Term and any Renewal Term shall be referred to as the "Term"). Effective no earlier than the end of the Initial Term, either Party may terminate this Agreement at the end of the then current Renewal Term upon at least ninety (90) days' written notice.

Upon mutual agreement, the Parties may agree to change the Term by means of an addendum to this Agreement executed by each of the Parties hereto.

D) Termination for Cause

Either Party may terminate this Agreement, effective upon written notice to the other Party, if such other Party breaches this Agreement and such breach is:

- 1) incapable of cure, or
- 2) capable of cure but remains uncured for thirty (30) days after the breaching Party receives written notice thereof from the non-breaching Party.

In addition, either Party may terminate this Agreement by written notice to the other Party if such other Party:

- 1) becomes insolvent, voluntarily dissolves, liquidates or terminates operations or applies for, or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator for such other Party or for all or of a substantial part of its assets;
- 2) Admits in writing its inability, or is generally unable, to pay its debts as the debts become due;
- 3) Makes a general assignment for the benefit of its creditors; or

- 4) Commences a voluntary case under the federal Bankruptcy Code, files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, fails to controvert in a timely and appropriate manner, or acquiesces in writing to, any petition filed against it in an involuntary case under the federal Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, or takes any corporate action for the purpose of effecting any of the foregoing.

If either Party terminates (or provides notice of non-renewal of) this Agreement in accordance with Section C or D of this Agreement, all Customer information in Fresh Support's possession and control will be promptly and securely provided to COMPANY in Excel format or such other format as is agreed by the Parties. For purposes of this Agreement, collectively, the "Customer Information" means any customer data associated with an order, including without limitation phone numbers, e-mail addresses, delivery addresses, other customer personal information and transaction data related to each order. However, with regard to Section D(2) of this Agreement, any Party asserting a breach of this Agreement shall be obligated to provide the breaching Party with notice of the alleged breach in sufficient detail so as to enable the alleged breaching Party to commence such a cure within thirty (30) days of the receipt of written notice.

E) Indemnification by Company

Company shall indemnify and hold Fresh Support, its agents, Affiliates, employees, officers, directors, suppliers and its licensors ("Fresh Support Indemnified Parties") harmless against losses, damages, costs and expenses (including reasonable attorneys' fees and related expenses) incurred in connection with any claims, demands, suits or proceedings ("Claims") made or brought against the Fresh Support Indemnified Parties arising out of or relating to:

- 1) Company's unauthorized use or use other than as is prescribed herein of the Services and Platform (to the extent Company has elected such option), including but not limited to any Claim brought against Fresh Support as a result of Company's failure to ensure the accuracy and completeness of the Company Content, including without limitation failure to promptly update, change or modify the Company Content;
- 2) Company's gross negligence or willful misconduct;
- 3) The breach of the security of any Fresh Support Confidential Information other than to the extent such breach is caused by any act or omission of the Fresh Support Indemnified Parties; and
- 4) A violation of applicable law or regulation by Company.

F) Indemnification by Fresh Support

Fresh Support shall indemnify and hold Company, its agents, Affiliates, employees, officers, directors, suppliers and its licensors ("Company Indemnified Parties") harmless against Claims made or brought against the Company Indemnified Parties arising out of or relating to:

- 1) A claim that Fresh Support's provision of the Services or any Deliverable infringes any copyright, trade secret, trademark, patent or other intellectual proprietary rights of a third Party;
- 2) Fresh Support's gross negligence or willful misconduct;
- 3) The breach of the security of any Company Confidential Information or Customer Information or claims related to any unlawful or unauthorized access to Personal Information other than to the extent such breach or unlawful access is caused by any act or omission of the Company Indemnified Parties; and
- 4) A violation of applicable law or regulation by Fresh Support.

G) Warranty and Disclaimer

Fresh Support represents and warrants to Company that: (a) Fresh Support possesses the requisite knowledge and skills necessary to perform the Services in accordance with the terms and conditions of this Agreement; (b) Fresh Support has all rights, approvals, and/or licenses necessary to provide the Services, and Fresh Support's performance of the Services pursuant to this Agreement will not violate any agreement or obligation between Fresh Support and a third Party; (c) Fresh Support's services will be performed in a workmanlike and professional manner in accordance with industry standards; and (d) neither the Services, nor any portion thereof, nor any use of the Services by Company for their permitted or intended purposes as set forth herein, shall violate, infringe

upon, or misappropriate any patent, copyright, trade secret, trade name, or other intellectual property rights, moral rights, or proprietary rights of any third Party, or breach any contract by which Fresh Support is bound. In the event of a breach of this warranty, Fresh Support shall re-perform the defective Services to bring them into compliance or if Fresh Support is unable or unwilling to do so, then a pro-rata refund of any amounts paid by Company for such Services will be promptly issued by Fresh Support. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE SERVICES, PLATFORM AND ALL INFORMATION AND MATERIALS PROVIDED BY FRESH SUPPORT ARE PROVIDED "AS IS" AND "WITH ALL FAULTS."

H) Confidential and Trade Secret Information

Each party hereto (each, a "Recipient") shall protect, treat as proprietary, and keep confidential all non-public information (whether or not marked or designated or otherwise identified as "confidential") and must not be disclosed or used outside disclosed to Recipient by the other Party (each, a "Discloser") including but not limited to trade secrets, business data, processes, plans and strategies, designs, concepts and Personal Information (information relating to an identifiable natural person) (collectively, "Confidential Information") and shall not, except as may be authorized by the Discloser in writing, use or disclose any such Confidential Information during and after the Term of this Agreement. Each Party hereto will be fully responsible and liable for the breach of any such confidentiality obligations, including any breach occurring as a result of any acts or omissions of its Affiliates, employees, and agents, as the case may be. These obligations of confidentiality shall not apply to information that: (i) was previously known to Recipient; (ii) is or becomes publicly available, through no fault or omission of Recipient; (iii) is lawfully obtained and disclosed to Recipient by a third-party having no obligation of confidentiality to the Recipient or Discloser relating to such Confidential Information; (iv) is independently developed by Recipient; or (v) is required to be disclosed as a matter of law. In the event of the alleged or actual breach of this Section, the non-breaching Party shall be entitled to injunctive relief in addition to any remedies afforded by law. Upon request, a Recipient will return or destroy all Confidential Information, data and other information furnished by a Discloser.

I) Limitation of Liability

EXCEPT FOR A PARTY'S INDEMNIFICATION OBLIGATIONS AND BREACH BY A PARTY OF ITS OBLIGATIONS OF CONFIDENTIALITY AND DATA SECURITY HEREUNDER, IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY EVEN IF SUCH PARTY IS ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. Except for a Party's indemnification obligations and breach by a Party of its obligations of confidentiality and data security hereunder, but otherwise notwithstanding any other provision in this Agreement or other related documents, the aggregate liability of each Party, including any liability of its parent company, subsidiaries, Affiliates, employees, agents and assigns, for all events under this Agreement, whether arising from breach of contract, tort, or otherwise, to the other Party or to any third Party claiming through the other Party, for all losses arising under the provisions of this Agreement, shall not exceed the consideration paid or payable by Company to Fresh Support under this Agreement during the one (1) year immediately preceding the occurrence of the event in question.

J) Governing Law; Venue

This Agreement shall be governed exclusively by the laws of the State of Tennessee, without regard to its conflicts or choice of law rules. The proper venue is in the United States District Court for the Middle District of Tennessee and Davidson County, Tennessee. Each Party to this Agreement hereby consents to any of those courts' exercise of personal jurisdiction over the Party in that type of action and expressly waives all objections the Party otherwise might have to that exercise of personal jurisdiction.

K) Disclosure and Notification of Security Breaches

Both Parties warrant that the information technology systems that are necessary for the provision of services (the "Service-Related IT Systems") to the other Party under the Agreement have not suffered any actual or reasonably suspected unauthorized access to or acquisition of any information maintained on the Service-Related IT Systems (each, a "Security Breach"). Both Parties warrant that they are not and have not been a Party to any current, pending, threatened or resolved enforcement action of any government agency, or any consent decree or settlement with any governmental agency or private person or entity regarding any Security Breach or otherwise

regarding data or information security.

If there is a Security Breach, Fresh Support shall promptly notify Company of any actual or reasonably suspected Security Breach of the Service-Related IT Systems. In any notification required under this Section of the Agreement, Fresh Support shall designate one or more individuals employed by Fresh Support who will be available to Company as a contact regarding such Security Breach. Fresh Support shall (a) use commercially reasonable efforts to address and assist the Company with its reasonable concerns regarding such Security Breach and any dispute, inquiry or claim that concerns such Security Breach; and (b) shall provide Company with assurance reasonably satisfactory to Company that reasonable steps have been taken to minimize and prevent the recurrence of similar Security Breaches. Unless prohibited by an applicable statute or court order, Fresh Support shall also notify Company of any third-Party legal process relating to any such Security Breach, including, but not limited to, any legal process initiated by any governmental entity (foreign or domestic).

L) Insurance

Fresh Support shall maintain adequate levels of commercial general liability, products liability and workers' compensation insurance. Such insurance shall remain in effect throughout the term of this Agreement.

M) Force Majeure

Either Party shall be excused from performance or delay hereunder if such Party is unable to perform its obligations hereunder as a result of any act of God, war, riots, fire, floods, epidemics, quarantine restrictions, strikes, civil commotions or governmental authorities or similar acts outside the reasonable control of the non-performing Party (a "Force Majeure"). Both Parties shall use their best efforts to terminate or cause the expiration of any Force Majeure as soon as practicable following its occurrence. Nothing in this Section U will excuse Fresh Support from executing its disaster recovery plan as described herein. Further, if any Force Majeure prevents Fresh Support from performing any material portion of the Services for a period of time in excess of 30 days, Company may upon written notice to Fresh Support terminate this Agreement immediately and without penalty.

N) Assignment and Subcontracting

Neither Party may assign its rights or delegate its obligations hereunder without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided, however, that a Party may, without the other Party's written consent, assign or transfer its rights, duties, obligations or privileges under this Agreement (i) to any Affiliate of such Party or (ii) in connection with a change of control of such Party; and provided further that the assignee, to the extent that this Agreement is assigned, agrees to adhere to the terms of this Agreement. Any purported assignment, delegation, or subcontract in violation of this provision will be null and void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the Parties, their respective successors and permitted assigns. In the event of a change in control of a Party, the Term of this Agreement shall be as set forth in Section C above.

O) Amendment

This Agreement may be amended or modified only by a written instrument executed by each of the Parties hereto; provided, that Exhibit B, Locations, may be amended from time to time by Company to (i) add a new Location or (ii) remove a Location if any Location permanently ceases operations or is no longer a Taziki's, Inc. franchise.

P) Survival

The terms and provisions, which by their nature should survive expiration or termination, shall survive expiration or termination of this Agreement.

Q) **Notices**

All notices and other communications in connection with this Agreement shall be in writing and shall be deemed to have been received by a Party when actually received in the case of hand delivery, or upon the passage of five (5) calendar days after deposit in the United States mail, by registered or certified mail, postage prepaid, or the passage of two (2) days after mailing by a nationally recognized overnight carrier, to each Party at the addresses shown above.

R) **General**

The Parties are independent contractors. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties. This Agreement is entered into for the benefit of the Parties only.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

Fresh Support, LLC

By: _____
(Authorized Signature)

By: _____
(Authorized Signature)

Printed Name

Printed Name

Title

Title

Date

Date

EXHIBIT A
Covered Products and Services

A. Overview

Below is the CPS document. All work is subject to change based on the following:

1. Limitations presented from Third-Party Providers or integrations: Should such changes be necessary to method in which Fresh Support must deliver any of the Products and Services below, , Fresh Support will provide, in writing, the proposed necessary changes. Changes will be agreed upon by both Parties and attached in writing to this Agreement.
2. As additional Locations are added to Exhibit B, additional Scope of Work ("SOW") documents may be added into this Agreement. Each SOW that references this Agreement becomes part of this Agreement.

B. CPS

Service	Description	Rate
Help Desk	Help Desk Support and Database Maintenance	\$265 per location per month
Installation	As needed for an NSO	
Staging	As needed	\$110/hr
Store Database Build	As needed for an NSO	\$1,100

C. Non-Covered Items

1. **Operational Consulting:** If Fresh Support provides Help Desk Support for the Company and at any point discovers user error on the part of the Company or its agents or incorrect data input by the Company or its agents is the cause of the problem, the Fresh Support reserves the right to bill the Company on an hourly basis at \$110/hr. with a one hour minimum for all operational consulting services rendered to resolve the issue.
2. **On-Site Support:** On-site support is not included in Services. Fresh Support reserves the right to refer Company to a local or national provider for any and all on-site service requests. Company is responsible for contacting and coordinating on-site repairs directly with Third-Party providers. If Fresh Support provides on-site services for Company, Fresh Support reserves the right to bill the Company on an hourly basis at \$110/hr. with a one hour minimum.
3. **Setup and Installation:** Services do not include the installation or support of other products on any computer or the reinstallation of Tools or other products on a new computer for an existing site. Also, setup and installation of Tools and other products is not covered for remote users under this service agreement. If Fresh Support provides Setup and Installation services for Company, Fresh Support reserves the right to bill the Company on an hourly basis at \$110/hr. with a one hour minimum.

D. Implementation Support

Fresh Support will continue to provide 'train the trainer' services to key members of Company service teams, identified to Fresh Support by Company. Fresh Support expressly acknowledges that Company's obligations hereunder are conditioned, in part, on Fresh Support's provision of requested development and training to the Company service team. The content, format and frequency of training provided by Fresh Support, at the request of Company, shall be provided in a commercially reasonable manner. Fresh Support will also appoint a single point of contact within Fresh Support for Company's service team support and communicate the name of that single point of contact (updated from time to time in writing, as necessary, by Fresh Support) to Company within one (1) day of a request by Company.

E. Service Fees

Each month during the Term, Company will pay Fresh Support via ACH a service fee in the amount of one hundred and two hundred sixty-five dollars (\$265.00) per month for each Location listed on Schedule B hereto (the "Service Fee") using the Services, regardless of whether Services are made Live by the Company. Fresh Support shall invoice Company for Service Fees in advance each month. Company shall pay such invoiced Service Fees within thirty (30) days of receipt of each invoice via ACH. Additional owned or franchised stores can be added to Exhibit B upon written agreement of Fresh Support and Company, and the Service Fee for any such added location shall be added to the invoice generated by Fresh Support for the Service Fees applicable to each store location.

Upon written notice, any Location that permanently ceases operations or is no longer a Taziki's, Inc. franchise may be removed from Exhibit B and the Service Fee going forward will be correspondingly reduced.

Fresh Support reserves the right to adjust the Service Fee once each calendar year, on not less than 30 days' prior written notice to Company, to reflect changes in the services and the market conditions for technology and labor. Fresh Support may increase the Service Fee for additional services and products included in the Services at rates competitive with comparable services from other providers. The percentage of each adjustment that is an increase in the Service Fee without any change in Services will not exceed the aggregate percentage increase in the mean hourly wage for the computer and mathematical occupational groups reported by the U.S. Bureau of Labor Statistics ("BLS") for the market where the majority of our employees are located for the time period starting with the last Service Fee increase and ending on the date of the current Service Fee adjustment. Fresh Support may substitute a different published index of labor costs in the computer services industry for the BLS information.

F. Travel Expenses

If travel is required by a Fresh Support employee(s) to fulfill the SOW, Company shall reimburse Fresh Support for all pre-approved travel costs. Both Parties will agree in writing to the travel costs (in advance of the travel) and such costs will be attached as an addendum to the SOW.

[End of Scope of Work Document]

Exhibit B
PARTICIPATING LOCATIONS

Entity/Location	Location/ Other Name	Unit Address	City, State, Zip Code
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Exhibit C
SERVICE LEVEL AGREEMENT ("SLA")

Help Desk Support SLA. During the Term of the Agreement, the Fresh Support shall provide the following support services for the CPS, subject to the terms of the Agreement:

Severity Levels	Initial Response	Interim Solution	Final Resolution
1	Zero to 20 minutes (Level 1 is considered an emergency, all or significant operation is down) MUST BE A PHONE CALL FOR AFTER HOURS HELPDESK - 205-451-1871	4 Hours	24 Hours
2	2 Hours (Level 2 is considered critical, but partial or full workarounds and some functionality intact)	8 Hours	3 calendar days
3	4 Hours (Level 3 is considered problematic, partial disabling of a feature or function)	24 Hours	5 calendar days
4	24 hours (Level 4 is considered administrative, subjective)	3 calendar days	7 calendar days

****These are target response times, many circumstances can alter actual performance****

EXAMPLE ISSUE

**SEVERITY
RATING**

POS SYSTEMS

Total system failure, production halted, cannot serve customers
Multiple failures, KDS, POS printers
Single terminal, KDS, printer, receipt, receipt failure
Grind, re-grind requests - current week
Menu changes, price, configuration
Grind, re-grind requests - previous week(s)

1
2
3
3
Scheduled
4

NETWORK

Network or WiFi down
ISP issues, internet down on Cell Backup
Phones down
Cloud, remote issues
Wiring, run issues - we will assist in finding local vendor

1
3
2
2
3

BACK OFFICE EQUIPMENT

Server down - Aloha/NorthStar
Manager Workstation down
Printer issues

1
2
3

TOOLS/APPLICATIONS

Time clock/Fresh Schedules down - both Timeclock and Website
Recipes down - All recipe tablets
Issues affecting store daily production - prep sheets, ordering, AO
Fresh Tech Dashboard (Tools) not accessible
Single recipe tablet failure
Main module issues (Reporting - Labor, F&B incl. polling)

1
1
3
2
3
3

ADMINISTRATIVE

Password resets, issues
Accounting research, balancing, forensics
Credentials, email

3
4
4

ONLINE/MOBILE

System down - Customers unable to order on ToGo or APP(if appl
3party issues (Doordash, Cuboh, DSP's)
Menu changes, price, configuration

1
3
Scheduled

[End of Service Level Agreement Document]

Fresh Managed IT, LLC and [_____]
Master Services Agreement

This Agreement ("Agreement"), entered into this September 1, 2022 ("Effective Date"), describes the relationship between Fresh Managed IT, LLC, a Tennessee limited liability company, with an address at 975 Main Street, Suite 201, Nashville, TN 37206 (hereinafter referred to as "FMIT") and _____, a _____ with an address at _____ ("COMPANY"). FMIT and COMPANY are hereinafter sometimes individually referred to as a "Party" and, collectively as the "Parties." All exhibits and addenda attached hereto are hereby incorporated into this Agreement and made a part hereof. In consideration of the promises and mutual covenants contained herein, and other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

A) Definitions

- 1) Affiliate: An "Affiliate" of a Party is an entity which directly or indirectly controls, is controlled by, or is under common control with, that Party.
- 2) Covered Products and Services or CPS: Covered Products and Services are limited exclusively to the services listed in Exhibit A of this Agreement, and any related products and databases.
- 3) FreshLink: A network health monitoring, network security and management services powered by Cisco Meraki Internet vendor support and management including failover cellular services.
- 4) Installation: Onsite hardware setup and deployment.
- 5) Locations: "Locations" means those locations, and any new locations opened during the term of this Agreement, listed in Exhibit B of this Agreement (as such Exhibit B may be amended or modified from time to time as set forth herein).
- 6) Restaurant Management System or RMS: A Restaurant Management System is a software platform used to manage food and beverage inventory, costs, recipes, labor and financial metrics for a restaurant.
- 7) Staging: A service whereby FMIT stages hardware and software necessary to perform the Services for a location.
- 8) Services: Services to be provided by FMIT to COMPANY hereunder are those listed in the CPS on Exhibit A of this Agreement.
- 9) Third-Party Provider: A Third-Party Provider is any entity providing a product or service not owned, fully or in part, by an Affiliate.
- 10) Tools: A proprietary Software as a Service ("SaaS") RMS Platform which includes:
 - a) Cloud Desktop: Tools data Center Hosting and cloud management access and Integration which enables individual users to access their Tools account and data
 - b) Data Integration: Accounting systems integration which integrates financial data into various accounting platforms
 - c) Financial Functions include Flash PNL, Sales Projections, Daily Sales Reporting
 - d) Food and Beverage Inventory Functions include Food Cost Ideal v. Actual, Recipe Database, Raw Materials Database, Invoicing
 - e) Labor Functions include Employee Maintenance, Scheduling
 - f) Production Functions include Order Guides, Prep Sheets

B) Services

FMIT agrees to provide the services listed in the Covered Products and Services in Exhibit A of this Agreement ("Services") to COMPANY at its locations listed in Exhibit B of this Agreement and any new locations opened during the term of this Agreement (as such Exhibit B may be amended or modified from time to time as set forth herein, "Locations"), in exchange for the fees listed in Exhibit A, Section D of this Agreement. FMIT will use commercially reasonable efforts to maintain, enhance, and improve any technology and Services provided under this Agreement so as to remain competitive with market levels of functionality, integration and ease of use of technology, and technology support services, for fast casual restaurants. FMIT will use commercially reasonable efforts to provide the Services in accordance with the service level agreements ("SLAs") set forth in Exhibit C of this Agreement.

This Agreement does not include the following:

- 1) **On-Site Support:** On-site support is not included in Services. FMIT reserves the right to refer COMPANY to a local or national provider for any and all on-site service requests. COMPANY is responsible for contacting and coordinating on-site repairs directly with third party providers.
- 2) **Setup and Installation:** This Agreement does not cover, and the Services do not include, the initial installation of Tools or other products on any computer, or the reinstallation of Tools or other products on a new computer for an existing site. Setup and installation of Tools and other products is not covered under this Agreement. Installation of Tools and other products will be billed at an hourly rate of \$110/hr.
- 3) **Remote users:** This Agreement does not cover any Services provided to remote users. Remote users are defined as users who use Services outside the Locations listed on Exhibit B. Services will only be provided to remote users who enter into a valid Remote User Service Agreement with FMIT.

C) Fees

COMPANY shall pay to FMIT the fees set forth in Exhibit A, Section D of this Agreement.

D) Term and Termination Without Cause

This Agreement shall commence on the Effective Date, and unless terminated earlier in accordance with the terms set forth below under the heading "Termination for Cause", shall continue in full force and effect with respect to each Location(s) listed on Exhibit B for as long as such Location operates as a Taziki's, Inc. franchise.

In the event FMIT is subject to a change in control in which the new controlling owner is not an Affiliate of FMIT, the term of this Agreement shall automatically convert to a three (3) year initial term from the date of such change in control (the "Initial Term").

After the Initial Term, the Agreement will renew for successive periods of one (1) year (each a "Renewal Term" and collectively hereinafter, the Initial Term and any Renewal Term shall be referred to as the "Term"). Effective no earlier than the end of the Initial Term, either Party may terminate this Agreement at the end of the then current Renewal Term upon at least ninety (90) days' written notice.

Upon mutual agreement, the Parties may agree to change the Term by means of an addendum to this Agreement executed by each of the Parties hereto.

E) Termination for Cause

Either Party may terminate this Agreement, effective upon written notice to the other Party, if such other Party breaches this Agreement and such breach is:

- 1) Incapable of cure, or
- 2) Capable of cure but remains uncured for thirty (30) days after the breaching Party receives written notice thereof from the non-breaching party.

In addition, either Party may terminate this Agreement by written notice to the other Party if such other Party:

- (a) Becomes insolvent, voluntarily dissolves, liquidates or terminates operations or applies for, or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator for such other Party or for all or of a substantial part of its assets;
- (b) Admits in writing its inability, or is generally unable, to pay its debts as the debts become due;
- (c) Makes a general assignment for the benefit of its creditors;
- (d) Commences a voluntary case under the federal Bankruptcy Code, files a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, fails to controvert in a timely and appropriate manner, or acquiesces in writing to, any petition filed against it in an involuntary case under the federal Bankruptcy Code or any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts, or takes any corporate action for the purpose of effecting any of the foregoing.

If either Party terminates (or provides notice of non-renewal of) this Agreement in accordance with Section D or E of this Agreement, all Customer Information in FMIT's possession and control will be promptly and securely provided to COMPANY in Excel format or such other format as is agreed by the Parties. However, with regard to

Section E(2) of this Agreement, any Party asserting a breach of this Agreement shall be obligated to provide the breaching Party with notice of the alleged breach in sufficient detail so as to enable the alleged breaching Party to commence such a cure within thirty (30) days of the receipt of written notice.

F) Confidential and Trade Secret Information

Each party hereto (each, a “Recipient”) shall protect, treat as proprietary, and keep confidential all non-public information (whether or not marked or designated or otherwise identified as “confidential”) and must not be disclosed or used outside disclosed to Recipient by the other Party (each, a “Discloser”) including but not limited to trade secrets, business data, processes, plans and strategies, designs, concepts and Personal Information (information relating to an identifiable natural person) (collectively, “Confidential Information”) and shall not, except as may be authorized by the Discloser in writing, use or disclose any such Confidential Information during and after the Term of this Agreement. Each Party hereto will be fully responsible and liable for the breach of any such confidentiality obligations, including any breach occurring as a result of any acts or omissions of its Affiliates, employees, and agents, as the case may be. These obligations of confidentiality shall not apply to information that: (i) was previously known to Recipient; (ii) is or becomes publicly available, through no fault or omission of Recipient; (iii) is lawfully obtained and disclosed to Recipient by a third-party having no obligation of confidentiality to the Recipient or Discloser relating to such Confidential Information; (iv) is independently developed by Recipient; or (v) is required to be disclosed as a matter of law. In the event of the alleged or actual breach of this Section, the non-breaching Party shall be entitled to injunctive relief in addition to any remedies afforded by law. Upon request, a Recipient will return or destroy all Confidential Information, data and other information furnished by a Discloser.

G) Indemnification by COMPANY

COMPANY shall indemnify and hold FMIT, its agents, Affiliates, employees, officers, directors, suppliers, and its licensors (“FMIT Indemnified Parties”) harmless against losses, damages, costs, and expenses (including reasonable attorneys' fees and related expenses) incurred in connection with any claims, demands, suits or proceedings (“Claims”) made or brought against the FMIT Indemnified Parties arising out of or relating to:

- 1) COMPANY’s unauthorized use or use other than as is prescribed herein of the Services and Platform (to the extent COMPANY has elected such option), including but not limited to any Claim brought against FMIT as a result of COMPANY’s failure to ensure the accuracy and completeness of the COMPANY Content, including without limitation failure to promptly update, change or modify the COMPANY Content;
- 2) COMPANY’s gross negligence or willful misconduct;
- 3) The breach of the security of any FMIT Confidential Information other than to the extent such breach is caused by any act or omission of the FMIT Indemnified Parties; and
- 4) A violation of applicable law or regulation or PCI Guidelines by COMPANY.

H) Indemnification by FMIT

FMIT shall indemnify and hold COMPANY, its agents, Affiliates, employees, officers, directors, suppliers, and its licensors (“COMPANY Indemnified Parties”) harmless against Claims made or brought against the COMPANY Indemnified Parties arising out of or relating to:

- 1) A claim that FMIT’s provision of the Services or any Deliverable infringes any copyright, trade secret, trademark, patent, or other intellectual proprietary rights of a third party;
- 2) FMIT’s gross negligence or willful misconduct;
- 3) The breach of the security of any COMPANY Confidential Information or Customer Information or claims related to any unlawful or unauthorized access to Personal Information other than to the extent such breach or unlawful access is caused by any act or omission of the COMPANY Indemnified Parties; and
- 4) Any claim that the FMIT Intellectual Property infringes or misappropriates the intellectual property rights of any third party.
- 5) A violation of applicable law or regulation or PCI Guidelines by FMIT.

I) Warranty and Disclaimer

FMIT represents and warrants to COMPANY that: (a) FMIT possesses the requisite expertise, knowledge, and skills necessary to perform the Services in accordance with the terms and conditions of this Agreement; (b) FMIT has all rights, approvals, and/or licenses necessary to provide the Services, and FMIT's performance of the Services pursuant to this Agreement will not violate any agreement or obligation between FMIT and a third party; (c) FMIT's services will be performed in a workmanlike and professional manner in accordance with industry standards; (d) The Services shall conform in all material respects to the specifications, performance standards and criteria, and other terms and conditions set forth herein; and (e) neither the Services, nor any portion thereof, nor any use of the Services by COMPANY for their permitted or intended purposes as set forth herein, shall violate, infringe upon, or misappropriate any patent, copyright, trade secret, trade name, or other intellectual property rights, moral rights, or proprietary rights of any third party, or breach any contract by which FMIT is bound. In the event of a breach of this warranty, FMIT shall re-perform the defective Services to bring them into compliance or if FMIT is unable or unwilling to do so, then a pro-rata refund of any amounts paid by COMPANY for such Services will be promptly issued by FMIT. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THE SERVICES, PLATFORM AND ALL INFORMATION AND MATERIALS PROVIDED BY FMIT (INCLUDING WITHOUT LIMITATION, THE APP) ARE PROVIDED "AS IS" AND "WITH ALL FAULTS."

J) Limitation of Liability

EXCEPT FOR A PARTY'S INDEMNIFICATION OBLIGATIONS AND BREACH BY A PARTY OF ITS OBLIGATIONS OF CONFIDENTIALITY AND DATA SECURITY HEREUNDER, IN NO EVENT SHALL EITHER PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY EVEN IF SUCH PARTY IS ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. Except for a party's indemnification obligations and breach by a party of its obligations of confidentiality and data security hereunder, but otherwise notwithstanding any other provision in this Agreement or other related documents, the aggregate liability of each party, including any liability of its parent company, subsidiaries, Affiliates, employees, agents and assigns, for all events under this Agreement, whether arising from breach of contract, tort, or otherwise, to the other party or to any third party claiming through the other party, for all losses arising under the provisions of this Agreement, shall not exceed the consideration paid or payable by COMPANY to FMIT under this Agreement during the one (1) year immediately preceding the occurrence of the event in question.

K) Governing Law; Venue

This Agreement shall be governed exclusively by the laws of the State of Tennessee, without regard to its conflicts or choice of law rules. The proper venue is in the United States District Court for the Middle District of Tennessee and Davidson County, Tennessee. Each party to this Agreement hereby consents to any of those courts' exercise of personal jurisdiction over the party in that type of action and expressly waives all objections the party otherwise might have to that exercise of personal jurisdiction.

L) General Security Requirements

FMIT will, at all times, implement and maintain industry standard administrative, physical and technical security controls and best practices, which will be followed in all relevant aspects while performing any work under this Agreement and which will include, at a minimum, safeguards to: (1) ensure the security and confidentiality of COMPANY Content and Personal Information, hereby defined as any and all individually identifiable information or data relating to a natural person that (a) directly or indirectly identifies or can be used to directly or indirectly identify, contact or locate an individual or household, (b) that relates to an individual or household, whose identity can be either directly or indirectly inferred, including any information that is linked or linkable to that individual or household, or (c) that may be considered personally identifiable information or personal information under any applicable data protection laws, which includes any and all statutes, laws, ordinances, rules, regulations, codes, orders, official guidance, or other requirements of any federal, state, local, or foreign government or political subdivision thereof, or any arbitrator, court, or tribunal of any competent jurisdiction, relating to the protection, use, or security of personally identifiable information and personal information, including, but not limited to, the California Consumer Privacy Act and the EU General Data Protection Regulation (collectively referred to herein as "Data Protection Laws"); (2) protect against any anticipated threats or hazards to the security or integrity of such confidential and/or Personal Information; (3) protect against unauthorized access to or use of such confidential and/or Personal Information; and (4) dispose of such confidential and/or

Personal Information in a secure manner. Such controls, practices and safeguards shall in no event be less stringent than those used to safeguard FMIT's own property, or than those used by other companies providing similar services

M) Consumer Privacy

FMIT and COMPANY shall comply with all applicable Data Protection Laws. If FMIT is a data processor, data controller or receives and utilizes Personal Information under this Agreement in accordance with applicable Data Protection Laws, FMIT agrees that it will in the performance of Services under this Agreement: (1) only manage and process Personal Information in compliance with, this Agreement and will not use, sell, disclose or process the Personal Information for any purpose other than those permitted by COMPANY and anticipated by this Agreement; (2) take appropriate measures to assist COMPANY in responding to requests from individuals to exercise their data privacy rights under applicable Data Protection Laws; (3) provide to COMPANY, upon request, a list of current sub-processors which may handle Personal Information at FMIT's direction; and (4) take appropriate measures to ensure that persons employed by it and other persons engaged by it are aware of and comply with applicable Data Protection Laws. In the event FMIT receives a request from a consumer to access, amend, transfer, block, or delete Personal Information, FMIT shall direct the consumer to submit any such request directly to COMPANY as set forth on COMPANY's website. FMIT agrees to use commercially reasonable efforts, and no later than within five (5) business days from receipt of the consumer's request, to advise COMPANY of such request.

N) Personnel Resources Due Diligence - FMIT

With respect to access to COMPANY systems, FMIT will perform commercially reasonable due diligence to ensure the integrity of personnel resources assigned to perform the Services set forth in this Agreement and to use commercially reasonable efforts to prevent malicious activities by FMIT personnel resources who are performing Services under this Agreement. FMIT will comply with the following personnel security policy requirements as part of this Agreement: (a) FMIT will disable orphan computer accounts within twenty-four (24) hours; and (b) FMIT will, in a commercially reasonable manner, proactively monitor the activities of FMIT employees performing Services under this Agreement to reasonably protect COMPANY's customers' assets and reasonably identify fraudulent, suspicious, or irregular activity. FMIT and its subcontractors approved by COMPANY will be required to adhere to any COMPANY global information security ("GIS") policies related to the Services if such GIS Policies are provided to FMIT in writing. Failure to adhere and cure within fourteen (14) days of written notice by COMPANY to COMPANY's GIS policies or any COMPANY information security standard required by COMPANY (and provided to FMIT in writing) for FMIT to perform the Services may result in termination of access. If required and provided by COMPANY, FMIT must complete a security assessment which must be reviewed and approved by COMPANY's information security compliance designee prior to any connection to COMPANY's systems.

O) Personnel Resources Due Diligence – COMPANY

With respect to access to FMIT systems, COMPANY will perform commercially reasonable due diligence to ensure the integrity of personnel resources assigned to perform COMPANY's obligations under this Agreement and to use commercially reasonable efforts to prevent malicious activities of COMPANY personnel resources who are assigned to perform COMPANY's obligations under this Agreement and remain employees of COMPANY. COMPANY will comply with the following personnel security policy requirements as part of this Agreement: (a) COMPANY will disable orphan computer accounts within twenty-four (24) hours; and (b) COMPANY will, in a commercially reasonable manner, proactively monitor the activities of COMPANY employees performing COMPANY's obligations under this Agreement to reasonably protect FMIT's and its customers' assets and reasonably identify fraudulent, suspicious, or irregular activity. COMPANY will be required to adhere to FMIT's GIS policies related to the Platform, if such FMIT GIS policies are provided to COMPANY in writing. Failure to adhere and cure within fourteen (14) days of written notice by FMIT to FMIT's Global Information Security policies or any FMIT information security standard necessary for FMIT to perform the Services for COMPANY may result in termination of access.

P) Disclosure and Notification of Security Breaches

Both Parties warrant that the information technology systems that are necessary for the provision of services (the "Service-Related IT Systems") to the other Party under the Agreement have not suffered any actual or reasonably suspected unauthorized access to or acquisition of any information maintained on the Service-Related IT Systems (each, a "Security Breach"). Both Parties warrant that they are not and have not been a party to any current,

pending, threatened, or resolved enforcement action of any government agency, or any consent decree or settlement with any governmental agency or private person or entity regarding any Security Breach or otherwise regarding data or information security.

If there is a Security Breach, FMIT shall promptly notify COMPANY of any actual or reasonably suspected Security Breach of the Service-Related IT Systems. In any notification required under this Section of the Agreement, FMIT shall designate one or more individuals employed by FMIT who will be available to COMPANY as a contact regarding such Security Breach. FMIT shall (a) use commercially reasonable efforts to address and assist the COMPANY with its reasonable concerns regarding such Security Breach and any dispute, inquiry or claim that concerns such Security Breach; and (b) shall provide COMPANY with assurance reasonably satisfactory to COMPANY that reasonable steps have been taken to minimize and prevent the recurrence of similar Security Breaches. Unless prohibited by an applicable statute or court order, FMIT shall also notify COMPANY of any third-party legal process relating to any such Security Breach, including, but not limited to, any legal process initiated by any governmental entity (foreign or domestic).

Q) Payment Card Industry Compliance

Each Party acknowledges and agrees that it is responsible for the security of cardholder data in its possession, and it shall adhere to Payment Card Industry Data Security Requirements ("PCI Guidelines") with regard to access and use of cardholder data to the extent applicable to such Party. In the event of termination or expiration of this Agreement, each Party shall continue to treat cardholder data as confidential. FTI agrees to have a disaster recovery plan in place that shall provide for business continuity in the event of a major disruption, disaster, or failure of business function. FTI further agrees to the right to audit in the event of a cardholder data compromise of such Party's information by a PCI approved third party authorized on the other Party's behalf. Each Party shall only use the cardholder data for the services contracted for hereunder or as otherwise specifically required by law and shall at all times perform such services in compliance with all applicable laws, rules, and regulations. On an annual basis during the term of this Agreement, FTI shall provide COMPANY with a current AOC (Attestation of Compliance) for PCI in accordance with the PCI Data Security Requirements.

R) Insurance

FMIT shall maintain adequate levels of commercial general liability, products liability and workers' compensation insurance. Such insurance shall remain in effect throughout the term of this Agreement.

S) Force Majeure

Either Party shall be excused from performance or delay hereunder if such Party is unable to perform its obligations hereunder as a result of any act of God, war, riots, fire, floods, epidemics, quarantine restrictions, strikes, civil commotions or governmental authorities or similar acts outside the reasonable control of the non-performing Party (a "Force Majeure"). Both Parties shall use their best efforts to terminate or cause the expiration of any Force Majeure as soon as practicable following its occurrence. Nothing in this Section U will excuse FMIT from executing its disaster recovery plan as described above. Further, if any Force Majeure prevents FMIT from performing any material portion of the Services for a period of time in excess of 30 days, COMPANY may upon written notice to FMIT terminate this Agreement immediately and without penalty.

T) Assignment and Subcontracting

Neither Party may assign its rights or delegate its obligations hereunder without the prior written consent of the other Party, which consent will not be unreasonably withheld; provided, however, that a Party may, without the other Party's written consent, assign or transfer its rights, duties, obligations or privileges under this Agreement (i) to any Affiliate of such Party or (ii) in connection with a change of control of such Party, and provided further that the assignee, to the extent that this Agreement is assigned, agrees to adhere to the terms of this Agreement. Any purported assignment, delegation, or subcontract in violation of this provision will be null and void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the Parties, their respective successors and permitted assigns. In the event of a change in control of a Party, the Term of this Agreement shall be a set forth in Section D above.

U) Amendment

This Agreement may be amended or modified only by a written instrument executed by each of the Parties hereto; provided, that Exhibit B, Locations, may be amended from time to time by COMPANY to (i) add a new Location or (ii) remove a Location if any Location permanently ceases operations or is no longer operating as a Taziki's, Inc. franchise.

V) Survival

The terms and provisions, which by their nature should survive expiration or termination, shall survive expiration or termination of this Agreement.

W) Notices

All notices and other communications in connection with this Agreement shall be in writing and shall be deemed to have been received by a Party when actually received in the case of hand delivery, or upon the passage of five (5) calendar days after deposit in the United States mail, by registered or certified mail, postage prepaid, or the passage of two (2) days after mailing by a nationally recognized overnight carrier, to each Party at the addresses shown above.

X) General

The Parties are independent contractors. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary or employment relationship between the Parties. This Agreement is entered into for the benefit of the Parties only.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

FMIT, LLC

By: _____
(Authorized Signature)

By: _____
(Authorized Signature)

Printed Name

Printed Name

Title

Title

Date

Date

EXHIBIT A
Covered Products and Services

A. Overview

Below is the CPS document. All work is subject to change based on the following:

1. Limitations presented from Third-Party Providers or integrations: Should such changes be necessary to method in which FMIT must deliver any of the Products and Services below, FMIT will provide, in writing, the proposed necessary changes. Changes will be agreed upon by both Parties and attached in writing to this Agreement.
2. As additional Locations are added to Exhibit B, additional Scope of Work ("SOW") documents may be added into this Agreement. Each SOW that references this Agreement becomes part of this Agreement.

B. CPS

Service	Description	Rate
FreshLink PCI Secure Store network	FreshLink PCI Secure Store network	\$50/location/month
Meraki Network License	Meraki Network License	\$44/location/network license/month
Cellular Wireless backup	Cellular Wireless backup	\$35/location/month
Cloud Desktop	Hosting and Customer access to Fresh Technology, Inc's Tools RMS system.	\$50/user/month
Hosted Phones	Voice over IP Phone Serves	\$42/phone/month

C. Implementation Support

FMIT will continue to provide 'train the trainer' services to key members of COMPANY service teams, identified to FMIT by COMPANY. FMIT expressly acknowledges that COMPANY's obligations hereunder are conditioned, in part, on FMIT's provision of requested development and training to the COMPANY service team. The content, format and frequency of training provided by FMIT, at the request of COMPANY, shall be provided in a commercially reasonable manner. FMIT will also appoint a single point of contact within FMIT for COMPANY's service team support and communicate the name of that single point of contact (updated from time to time in writing, as necessary, by FMIT) to COMPANY within one (1) day of a request by COMPANY.

D. Service Fees

Each month during the Term, COMPANY or its Affiliates, as directed by COMPANY, will pay FMIT via ACH a minimum service fee in the amount of two hundred and twenty-one dollars (\$221.00) per month for each Location listed on Schedule B hereto from time to time (as such amount may be increased based upon the number of phones and Meraki licenses in use at each Location, the "Service Fee") using the Services, regardless of whether Services are made Live by the COMPANY. FMIT shall invoice COMPANY for Service Fees in advance each month. COMPANY shall pay such invoiced Service Fees within thirty (30) days of receipt of each invoice via ACH. Additional Locations can be added to Exhibit B upon written agreement of FMIT and COMPANY, and the Service Fee for any such added location shall be added to the invoice generated by FMIT for the Service Fees applicable to each Location. Upon written notice, any Location that permanently ceases operations or is no longer a Taziki's, Inc. franchise may be removed from Exhibit B and the Service Fee going forward will be correspondingly reduced. FMIT reserves the right to adjust the Service Fee once each calendar year, on not less than 30 days' prior written notice to COMPANY, to reflect changes in the services and the market conditions for technology and labor. FMIT may increase the Service Fee for additional services and products included in the Services at rates competitive with comparable services from other providers. The percentage of each adjustment that is an increase in the Service Fee without any change in Services will not exceed the aggregate percentage increase in the mean hourly wage for the computer and mathematical

occupational groups reported by the U.S. Bureau of Labor Statistics (“BLS”) for the market where the majority of our employees are located for the time period starting with the last Service Fee increase and ending on the date of the current Service Fee adjustment. FMIT may substitute a different published index of labor costs in the computer services industry for the BLS information.

E. Travel Expenses

If travel is required by a FMIT employee(s) to fulfill the SOW, COMPANY shall reimburse FMIT for all pre-approved travel costs. Both Parties will agree in writing to the travel costs (in advance of the travel) and such costs will be attached as an addendum to the SOW.

[End of Scope of Work Document]

Exhibit B
PARTICIPATING LOCATIONS

Entity/Location	Location/ Other Name	Unit Address	City, State, Zip Code
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Exhibit C
SERVICE LEVEL AGREEMENT ("SLA")

The following detailed service parameters are the responsibility of the Service Provider in the ongoing support of this Agreement.

A. Service Agreement

1. Service Scope

The following Services are covered by this Agreement;

- a. Manned telephone support
- b. Monitored email support
- c. Remote assistance using Remote Management Software and a virtual private network where available.
- d. Planned or Emergency Onsite assistance

2. Periodic Review

This Agreement is valid from the Effective Date outlined herein and is valid until further notice. This Agreement should be reviewed at a minimum once per fiscal year; however, in lieu of a review during any period specified, the current Agreement will remain in effect.

3. Customer Requirements

Customer responsibilities and/or requirements in support of this Agreement include:

- a. Payment for all support costs at the agreed interval.
- b. Reasonable availability of customer representative(s) when resolving a service-related incident or request.

4. Service Provider Requirement

Service Provider responsibilities and/or requirements in support of this Agreement include:

- a. Meeting response times associated with service-related incidents.
- b. Appropriate notification to Customer for all scheduled maintenance.

5. Service Assumptions

Assumptions related to in-scope services and/or components include changes to services will be communicated and documented to all stakeholders.

B. Service Management

1. Effective support of in-scope services is a result of maintaining consistent service levels. The following sections provide relevant details on service availability, monitoring of in-scope services and related components.

2. Service Availability

Coverage parameters specific to the service(s) covered in this Agreement are as follows:

- a. Telephone support: 24/7
- b. Email support: Monitored 24/7
- c. Onsite assistance guaranteed within 48 hours during the business week

3. Service Requests

In support of services outlined in this Agreement, the Service Provider will respond to service-related incidents and/or requests submitted by the Customer within the following time frames:

Critical – Service not available (all users and functions down)	within 1 hour
High – Significant degradation of service (large number of users affected)	within 4 hours

Medium – Limited degradation of service (limited number of users affected)	within 8 hours
Low – Small service degradation (business process can continue, one user affected)	within 16 hours

Remote assistance will be provided in-line with the above timescales dependent on the priority of the support request.

[End of SLA Document]

Attachment I
SBA Addendum

ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM (“Addendum”) is made and entered into on ____, 20____, by and between Taziki’s Franchising, LLC (“Franchisor”), located at 3009 Pump House Road, Birmingham, Alabama 35243, and _____ (“Franchisee”), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20____ (such Agreement, together with any amendments, the “Franchise Agreement”). Franchisee is applying for a loan (“Loan”) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (“SBA”). SBA requires the execution of this Addendum as a condition for obtaining the SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement:

1. Change of Ownership. If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor’s consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

2. Forced Sale of Assets. If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional renewals) for fair market value.

3. Covenants. If the Franchisee owns the real estate where the franchise location is operating, Franchisor may not record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions.

4. Employment. Franchisor will not directly control (hire, fire or schedule) Franchisee’s employees.

This Addendum automatically terminates on the earlier to occur of the following: (i) the Loan is paid in full; or (ii) SBA no longer has any interest in the Loan.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

FRANCHISOR:
TAZIKI'S FRANCHISING, LLC

FRANCHISEE:

By: _____

By: _____

Print Name: _____

Print Name: _____

Attachment J
Optional Digital Services Participation Agreement



DIGITAL MANAGEMENT PROGRAM 2023

Quarterly Marketing Strategy Calls & Campaigns

Each quarter, the marketing team will set up a 1 hour strategy call with you and your team to identify opportunities in your market and curate a full marketing campaign around your goals for that quarter that are tailored to your specific guests' profiles.

Each campaign can include any combination of the below resources based on the target audience and campaign objectives.

This is different from your local store marketing calls in that the marketing team will create actionable items and execute them on your behalf.

- 1 custom eblast
- 2 custom social graphics
- Online ordering promo code*
- 1 custom text campaign*
- 3rd party delivery promotions*
- Digital ad creation & placement*

Additional Services

Guest Engagement Management *ongoing*

Includes the following:

- Responding to reviews on Google, Facebook, and Yelp within 48 hours
- Taking appropriate action to all social media engagements within 48 hours (Facebook & local Instagram ads)
 - Liking tagged posts & mentions
 - Commenting on UG content
 - Responding to comments
 - Replying to direct messages

Monthly Digital Ad Execution *monthly*

Includes the following:

- Digital ad creation
- Digital ad placement up to 200 per month**
- Monthly reporting

Reporting *monthly*

Includes the following:

- Facebook metrics
- Reputation metrics
 - Average rating overall
 - Average rating across 3 categories: food quality, service, and store cleanliness
- Quarterly campaign update
- ROI for promotions if applicable

** The marketing team will produce content needed, facilitate ordering/setup, execute all deliverables, and make recommendations on budget. You will be responsible for all associated cost with the delivery.*

*** The marketing team will place ads on your behalf up to \$200 per month at your expense. For Facebook & Instagram, this will be directly billed to the card linked to your Facebook ad account.*

I agree to the above & to pay the associated cost of \$50 per store, per month.

Signature

Date

Exhibit B
Area Development Agreement

AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this “Agreement”) is made and entered into as of the Effective Date, by and between Taziki's Franchising, LLC, an Alabama limited liability company (“we,” “us” or “our”), as franchisor, and _____, a _____ (you” or “your”), as developer. The parties mutually agree, for good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, as follows:

1. Definitions. Words and phrases used in initially-capitalized form in this Agreement have the meanings set forth in Section 31 of this Agreement and Section 54 of the form of Franchise Agreement attached as Attachment B unless the context indicates otherwise.

2. Exclusive Development Territory. During the Development Term, you will have the exclusive right to develop Taziki's Mediterranean Café Restaurants in the Development Territory (“Development Units”). We may, without any restriction or obligation to you, develop, operate, franchise and license other Persons to develop and operate Taziki's Mediterranean Café Restaurants at any location outside the Development Territory. We may, without any restriction or obligation to you, develop operate, franchise and license Nontraditional Concept Restaurants within or outside the Development Territory. After the Development Term, each Franchise Agreement will govern any territorial rights by means of the Protected Area of each Development Unit.

3. Performance Schedule. You must develop and the Opening Date must occur for at least three (3) Development Units within the Development Territory in accordance with the following schedule and the desired market area:

<u>Development Unit Number</u>	<u>Franchise Agreement and Location Approval Deadline</u>	<u>Opening Date Deadline</u>	<u>Desired Market Area</u>
1	30 days after Effective Date	9 months after Effective Date	
2	90 Days after Unit 1 Opening Date	9 months after Unit 1 Opening Date	
3	90 Days after Unit 2 Opening Date	9 months after Unit 2 Opening Date	

You may develop and open any number of additional Development Units within the Development Territory during the Development Term, so long as you follow our standard application and approval process for each Development Unit. A Development Unit not located in a Desired Market Area will satisfy the Performance Schedule only with our consent, if issued in writing by us at the time you submit and we approve a franchise application for such Development Unit. Approval of the application is not presumed to be consent to count the approved Development Unit toward meeting the Performance Schedule.

4. Development Term. The “Development Term” of this Agreement commences on the Effective Date and the rights granted to you under this Agreement will expire on the earlier of _____, 20____, [or the Opening Date of the last Taziki's Mediterranean Café Restaurant to open to the Performance Schedule], unless terminated earlier in accordance with this Agreement.

5. Development & Initial Fees. When you sign this Agreement, you will pay us a non-refundable development fee consisting of (i) a First Unit Fee of \$35,000 for the first Development Unit, and (ii) an Additional Unit Fee of \$5,000 for each additional Development Unit, for a minimum of \$35,000. A reduced initial franchise fee of \$30,000 will be due when you sign the Franchise Agreement for each additional Development Unit, provided that you sign the Franchise Agreement and obtain our approval of the location on or before the deadline specified in Section 3. If you do not meet that deadline, the initial franchise fee for the additional Development Unit will be \$35,000. The First Unit fee will be credited to payment of the initial franchise fee of \$35,000 of the first Development Unit. Each Additional Unit Fee will be credited to the initial franchise fee of each additional Development Unit when you pay the balance of the initial franchise fee. If you do not complete the Performance Schedule by the relevant Opening Deadline, we will retain any portion of the Development Fee that has not been applied to initial franchise fees. The Development Fee is not refundable.

6. Site Submission. You must submit the information we may then require using our form of Franchised Restaurant site evaluation request to evaluate a proposed site for a Development Unit. We will review the submitted information and conduct any evaluation of the proposed site we deem appropriate. We may request any supplemental information we deem appropriate to evaluate the proposed site at any time and you will promptly provide such supplemental information.

7. Site Acceptance or Rejection. We retain the right to accept or reject each site selected by you, in our sole discretion. Within 30 days after your submission of all initial and supplemental information we request regarding a proposed site, we will give you notice of our acceptance or rejection of the site. If we accept the site, the notice will set forth any remaining conditions to that acceptance. If we reject the site, the notice will set forth the reasons for the rejection. If we do not give you notice of our acceptance of the site within 30 days after your submission of all initial and supplemental information we request regarding the site, you may deem us to have rejected the site. You acknowledge that we have not authorized and will not empower or authorize any officer, employee or agent of ours to accept or reject any proposed site except in accordance with this Section 7. You agree not to rely upon any representations, written or oral, to the contrary.

8. Responsibility for Site Selection. You will have sole responsibility for selecting the Location of your Development Unit and all aspects of the site acquisition, negotiation and development process, including (without limitation) compliance with all applicable zoning, licensing, building codes, leasing and other requirements. Neither we nor our Affiliates will have any responsibility, obligation or liability to you in connection with our efforts, assistance and/or advice in the selection and securing of a Location for your use, nor will we have any liability for any consequences of your selection of a site or any aspect of the site acquisition, negotiation and development process. You acknowledge that our acceptance of a site does not

constitute any representation, warranty or guaranty by us that the site will constitute a successful location for a Taziki's Mediterranean Café Restaurant and you waive and release us and our Affiliates from any claims and causes of action in that regard. You confirm that, except as provided in Section 10 below, we will not become involved in any way in the site acquisition, negotiation or development process.

9. Issuance of Franchise Agreement. When we accept your proposed site, we will forward to you the completed Franchise Agreement for the Development Unit using as a template the form of Franchise Agreement attached as Attachment B. You must sign and return to us the completed Franchise Agreement in accordance with our instructions, along with any remaining portion of the required initial franchise fee calculated as provided in Section 5, within 15 days after we tender the Franchise Agreement to you. If you fail to return the executed franchise agreement and the balance of the initial franchise fee to us within that 15-day period, we may revoke our acceptance of the proposed site. You will not begin construction or remodeling work at the accepted site until you have executed the Franchise Agreement, paid the balance of the initial franchise fee to us, and obtained our approval of the lease and your plans and specifications as provided in the Franchise Agreement.

10. Our Services. During the Development Term, we will provide you with the following services:

(a) Site Selection Services. We will provide you with our experience in the selection of sites for Taziki's Mediterranean Café Restaurants through the use of the forms, criteria and materials that we make available to developers, as well as the benefit of our review and evaluation of any proposed sites you select.

(b) Advice. We will provide you with periodic individual or group advice, consultation and assistance by personal visit, by telephone, or by newsletters or bulletins that we then make available to developers.

(c) Other Services. We will provide you with other resources and assistance that we may develop and then make available to new developers. We have no obligation to make any such other resources and assistance available.

11. Nature of Agreement. This Agreement only grants you the exclusive right to select sites for the construction of Development Units in the Development Territory and to submit those sites to us for our acceptance in accordance with this Agreement. This Agreement does not grant a license to use the name "Taziki's Mediterranean Café" or any other trade name, service mark, or trademark of ours. This Agreement does not grant you the right to open or operate any Taziki's Mediterranean Café restaurant. You will obtain those rights only under a Franchise Agreement with us, if and when fully executed and delivered by you and us.

12. Additional Covenants. During the Development Term you and your Owners covenant with us that you will not engage, either directly or indirectly through any financial or beneficial interest in any other Person, in any Competing Business, other than a Taziki's Mediterranean Café Restaurant licensed by us. For a period of two years after the termination or expiration of this Agreement for any reason, you may not engage in any Competing Business,

other than a Taziki's Mediterranean Café Restaurant licensed by us, within your Development Area and within the Applicable Radius from any existing Taziki's Mediterranean Café Restaurant, as then listed on our website or any directory we provide to you. We may reduce the duration and/or geographic scope of this provision by written notice to you for applicable law. You will not employ or seek to employ any individual who, at the time, currently works or worked during the preceding three months for any of our other licensees or franchisees or for us, except with the consent of the affected licensee or franchisee or with our consent (as applicable). We will not employ or seek to employ any individual who, at the time, currently works or worked during the past three months for you, except with your consent. The terms "Competing Business" and "Applicable Radius" are defined in the form of Franchise Agreement attached as Attachment B.

13. Default. A default by you will occur under this Agreement if (a) you default in the performance of any of your obligations under this Agreement or any other agreement with us or our Affiliates, including (without limitation) the failure to meet the Performance Schedule or to make any payments as and when due to us or our Affiliates; (b) you request the appointment of a receiver or have a receiver appointed for any of your business or assets, make a general assignment for the benefit of your creditors, or commence a case for relief or have an order for relief entered against you under the United States Bankruptcy Code; or (c) we discover a material inaccuracy in any of your representations in this Agreement or in your application for this Agreement.

14. Remedies. Upon the occurrence of a default by you, we will have the right to terminate this Agreement upon not less than 30 days' notice to you, or such longer period as may be required by applicable law. If you do not cure the default within that notice period, we may terminate this Agreement. If you cannot cure the default within the notice period because of the nature of the default or if you notify us orally or in writing that you do not intend to cure the default, we may terminate this Agreement immediately upon notice to you. Upon the termination of this Agreement, you immediately will cease to select and acquire sites for Development Units or hold yourself out as a Taziki's Mediterranean Café Restaurant developer. The termination of this Agreement will not affect your right to complete development of and operate Taziki's Mediterranean Café Restaurants in accordance with any executory Franchise Agreement with us.

15. Termination by Us for Commercial Impracticability. The parties agree that the commercial purpose of this Agreement is for Franchisor to license the System specified by Franchisor to Franchisee for use in operating the Franchised Restaurant strictly in accordance with the Operations Manual, in exchange for payment of the fees and under the conditions set forth in this Agreement. This Agreement intends for Franchisee to control the terms and conditions of employment for the employees of the Franchised Restaurant, and to supervise such employees as their employer, as set forth in Franchise Agreement Section 38, without constituting Franchisor as a joint employer of Franchisee or Franchisee's employees. Franchisee acknowledges that Franchisor is not in the business of owning and operating any Franchised Restaurant, and Franchisee has independently decided to enter into this Agreement to obtain the right to use the System so as to enter into the trade and business contemplated by the System. Franchisor may terminate this Agreement by written notice to Franchisee without penalty and without payment of any refunds or damages to Franchisee, and Franchisee will follow its post-termination obligations under Franchise Agreement Section 33 at its expense, if Franchisor

determines in its sole discretion that either (i) a law or regulation is enacted, promulgated, repealed, modified or amended, (ii) a judicial or administrative tribunal or administrative agency has issued, published or released a decision, ruling or opinion in a matter not involving the parties directly or indirectly that Franchisor reasonably expects will affect applicable law or its interpretation, or (iii) an administrative agency, arbitrator or judge has issued an interim or final decision in a matter in which the parties are involved directly or indirectly, which (A) frustrates or adversely affects or could reasonably be expected to affect adversely the purposes of this Agreement, (B) makes performance of this Agreement commercially impracticable, (C) effectively modifies the allocation of risk, benefits and burdens agreed by the parties, (D) deprives any Party of its benefits of the bargain struck by the parties, as originally set forth in this Agreement, or (E) determines that an employment or a joint employment relationship exists between Franchisor and Franchisee.

16. CERTAIN WAIVERS.

(a) **YOU AND WE WAIVE THE RIGHT TO PURSUE AND RECEIVE ANY EXEMPLARY AND PUNITIVE DAMAGES AGAINST THE OTHER PARTY IN ANY DISPUTE ARISING UNDER THIS AGREEMENT OR RELATING TO THE FRANCHISE RELATIONSHIP, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON CONSTITUTIONAL, STATUTORY OR COMMON LAW.**

(b) **THE PARTIES WAIVE THE RIGHT TO A JURY TRIAL IN ANY ACTION RELATED TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN THE FRANCHISOR, THE FRANCHISEE, ANY GUARANTOR, AND THEIR RESPECTIVE SUCCESSORS AND ASSIGNS.**

17. Assignment.

(a) We may transfer, assign or pledge this agreement, in whole or in part, to any Person.

(b) The rights granted under this Agreement, and decision to enter into this Agreement with you, are personal to you and your Owners, based on their individual qualifications, resources, finances, experience, background, commitment and business acumen. You will not have any right to transfer, assign or pledge this Agreement or any of its rights under this Agreement, in whole or in part, to any Person without our express written consent, which we may withhold in our sole discretion.

(c) You may raise additional equity by the sale of your equity interests in exchange for cash or property (but not services) so long as you comply with the following procedures:

(1) The proposed transferee must satisfy all of the requirements and conditions then being used to qualify as a new franchisee of ours, including submission of a completed franchise application at least 30 days before the investment transaction;

(2) You must satisfy all of your monetary obligations then due and owing to us and our Affiliates;

(3) You must cure all existing defaults under this Agreement;

(4) You and your Owners must execute and deliver a general release of all claims and causes of action against us and our Affiliates; and

(5) You must pay us an administrative fee equal to \$1,000.00 when we approve the new Owner.

(d) If you are an individual, then in the event of your death, permanent disability or appointment of a guardian for you, this Agreement will terminate 90 days after your death, permanent disability or appointment of a guardian unless we give our consent within that 90-day period to the assignment of this Agreement to a successor in compliance with this paragraph.

(e) You may designate a Person that is a business entity that your Owners Control as the franchisee party to a Franchise Agreement at the time you submit your site information for the Development Unit. You will use our then current form of franchise application to provide information on all Persons who are to be Owners of the franchisee of that Development Unit. We may disapprove of any Person you propose to be an Owner and provide notice of our disapproval when we provide you with the Franchise Agreement. We may delay tender of the Franchise Agreement to complete our evaluation of the proposed Owners of the franchisee.

18. Indemnification. You will indemnify and hold us and our Affiliates harmless from any and all costs and damages, including (without limitation) attorneys' fees and expenses, arising from your performance under this Agreement, your activities as developer of Development Units, including (without limitation) the identification, investigation, acquisition and financing of any site and the construction, remodeling and operation of any Development Unit, and including any claims or causes of action alleging our negligence or that you are acting as our agent in any way. You must provide and pay the costs of defense and resolution for us and our Affiliates, using legal counsel acceptable to us and our Affiliates. We and our Affiliates will have the right (but not the obligation) to participate in that defense. This Section shall survive termination or expiration of this Agreement.

19. Relationship of Parties. Neither this Agreement nor the performance of the obligations set forth in this Agreement will operate to make you our partner or agent. Neither party will have the authority to act or contract on behalf of the other. Neither party will have any responsibility for the obligations of the other party. You will indicate clearly the independent ownership of your business in all public records and in all of your dealings with third parties.

20. Entire Agreement. This Agreement will constitute the entire agreement of the parties with regard to the subject matter of this Agreement and will replace and supersede all other written and oral agreements and statements of the parties relating to the subject matter of this Agreement. Neither party is relying on any writing to enter into this Agreement other than as set forth in this Agreement and the Franchise Disclosure Document delivered to you.

21. Waiver. The failure of a party to insist in any one or more instances on the performance of any term or condition of this Agreement will not operate as a waiver of any future performance of that term or condition.

22. Notices. Except as otherwise provided in this Agreement, when this Agreement requires notice, the sending party must deliver or address the notice to the other party by certified mail, or delivery service with receipted delivery, or by electronic mail followed by transmittal of the original by first class United States Mail, to the following address:

Us:

Taziki's Franchising, LLC
3009 Pumphouse Road, Suite 200
Birmingham, Alabama 35243s
Attention: Franchising Department
Email: franchise@tazikis.com

You:

Email: _____

All notices will be deemed delivered and received if transmitted to the proper address on the earlier of (a) the date that the other party receives or refuses delivery of the notice or (b) three business days after the party places the notice in the United States mail, first class postage prepaid. Each party may change the party's address by giving notice to the other party.

23. Governing Law. This Agreement shall be governed by the laws of Alabama (without regard to any conflicts of law principles).

24. Venue. Subject to Section 18, the proper, sole and exclusive venue and forum for any action arising out of or in any way related to this Agreement shall be the federal and state courts where our principal place of business is located at the time of filing. As of the Effective Date, venue shall be in the United States District Court for the Northern District of Alabama or Jefferson County, Alabama. Each party to this Agreement hereby consents to any of those courts' exercise of personal jurisdiction over the party in that type of action and expressly waives all objections the party otherwise might have to that exercise of personal jurisdiction.

25. Legal Fees. In the event either party succeeds in any legal action to enforce the provisions of this Agreement, the losing party will reimburse the prevailing party for its attorneys' fees and costs related to the action, in addition to any other relief obtained by the prevailing party. The award will include an amount for that portion of the prevailing party's administrative overhead reasonably allocable to the time devoted by the prevailing party's in-house legal staff.

26. Construction. The parties acknowledge that each party and/or its legal counsel have reviewed and made revisions to this Agreement. The rule of construction requiring the

resolution of any ambiguities in this Agreement against the drafting party will not apply to the construction of this Agreement or any attachments to this Agreement.

27. Authority. Each individual executing this Agreement in a representative capacity represents and warrants that he or she has the authority to execute this Agreement in the capacity indicated.

28. Severability. If a court of competent jurisdiction holds any provision of this Agreement invalid or ineffective with respect to any Person or circumstance, the holding will not affect the remainder of this Agreement or the application of this Agreement to any other Person or circumstance. If a court of competent jurisdiction holds any provision of this Agreement too broad to allow enforcement to its full extent, the court will have the power and authority to enforce the provision to the maximum extent permitted by law and may modify the scope of the provision accordingly pursuant to an order of the court.

29. Amendment. No amendment to this Agreement will become effective or binding on the parties, unless agreed to by all of the parties.

30. Counterparts. The parties may execute this Agreement in counterparts, each of which will constitute an original and all of which, when taken together, will constitute one and the same instrument.

31. Definitions. Unless the context of their use in this Agreement requires otherwise, the following words and phrases will have the following meanings when used in initially-capitalized form in this Agreement:

(a) Development Territory means the cities, counties and other political subdivisions listed below, in accordance with their boundaries as of the date of this Agreement, as shown on Attachment A to this Agreement, less and except any protected radius previously granted by us currently in effect under any existing franchise agreement and as increased or reduced in the future through the renewal of any existing franchise agreement.

(b) Effective Date means the date we enter immediately below our signature block on this Agreement as the date on which you and we are legally bound under this Agreement, provided that if no such date is entered, then the Effective Date shall be the date on which we execute and deliver this Agreement.

(c) Opening Date means the date the Franchised Restaurant opens for business under the Franchised System as defined in its Franchise Agreement.

(d) Performance Schedule means the schedule set forth in Section 3 of this Agreement.

32. Your Representations. You represent to us as follows:

(a) Variances to Other Developers and Franchisee. You understand that other developers and franchisees may operate under different forms of agreements and, consequently,

that our rights and obligations with regard to our various developers and franchisees may differ materially in certain circumstances.

(b) This Transaction. You and the persons signing this Agreement for you have full power and authority and have been duly authorized, to enter into and perform or cause performance of your obligations under this Agreement. You have obtained all necessary approvals of your Owners, Board of Directors and lenders. No executory franchise, license or affiliation agreement for the Development Territory exists other than this Agreement. Attachment A accurately states the names, addresses and ownership percentages of your Owners. Your execution, delivery and performance of this Agreement will not violate, create a default under or breach of any charter, bylaws, agreement or other contract, license, permit, indebtedness, certificate, order, decree or security instrument to which you or any of your Owners is a party or is subject or to which the Location is subject. Neither you nor the Location is the subject of any current or pending merger, sale, dissolution, receivership, bankruptcy, foreclosure, reorganization, insolvency, or similar action or proceeding on the date you execute this Agreement and was not within the three years preceding such date, except as disclosed in your franchise application. To the best of your knowledge, neither you, your Owners, your officers, directors, contractors, or employees or anyone else affiliated or associated with you, whether by common ownership, by contract, or otherwise, has been designated as, or are, a terrorist, a “Specially Designated National” or a “Blocked Person” under U.S. Executive Order 13224, in lists published by the U.S. Department of Treasury’s Office of Foreign Assets Control, or otherwise.

(c) No Misrepresentations or Implied Covenants. All written information you submit to us about the Location, you, your Owners, any guarantor, or the finances of any such person or entity, was or will be at the time delivered and when you sign this Agreement, true, accurate and complete, and such information contains no misrepresentation of a material fact, and does not omit any material fact necessary to make the information disclosed not misleading under the circumstances. There are no express or implied covenants or warranties, oral or written, between we and you except as expressly stated in this Agreement.

In witness whereof, the parties have executed and delivered this Agreement, intending to be legally bound, as of the Effective Date.

FRANCHISOR:

Taziki's Franchising, LLC

By: _____

Its: _____

Effective Date: _____

DEVELOPER:

By: _____

Its: _____

Date: _____

Exhibit C
Addenda Required by Certain States

**ADDENDUM TO THE DISCLOSURE DOCUMENT
FOR THE STATE OF FLORIDA**

Total Investment

We do not know the amount of the total required investment in a Franchised Restaurant over the term of the franchise. We do not request, obtain or receive this information from franchisees. We refer you to Item 7 for the known initial investment. Additional capital investments in the Franchised Restaurant will be necessary over the term of the franchise to maintain the Franchised Restaurant according to the System.

**ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO THE
FLORIDA FRANCHISE ACT**

This "Addendum" is made and entered into by and between TAZIKI'S FRANCHISING LLC , an Alabama limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

This Agreement contains covenants not to compete. Both you and we acknowledge and understand that (a) these provisions may or may not be enforceable under applicable Florida law, and (b) if any such provision is determined by a court or agency having valid jurisdiction to be unenforceable under applicable Florida law, then there shall automatically be added to this Agreement a provision as similar in terms to such unenforceable provision as may be possible and legal, valid and enforceable.

The undersigned have executed and delivered this Addendum effective concurrently with the execution and delivery of the Franchise Agreement.

Signed on _____, 20__.

TAZIKI'S FRANCHISING LLC

By: _____
Title: _____

Attest: _____

YOU, AS FRANCHISEE:

By: _____
Title: _____

Attest: _____

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO
THE INDIANA FRANCHISE DISCLOSURE LAW
AND THE INDIANA DECEPTIVE FRANCHISE PRACTICES ACT**

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of this Disclosure Document, the Franchise Agreement, the other agreements or Alabama law if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede the provisions of Sections 29, 30, and 31 of the Franchise Agreement in the State of Indiana to the extent that may be inconsistent with such prohibition.
3. Notwithstanding the Franchise Agreement, you recognize that in the event of any use of the Franchised System not in accord with that Agreement, we shall be entitled to seek injunctive and other relief.
4. No release language set forth in the Disclosure Document or Franchise Agreement, including but limited to Item 17, shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 46 of the Franchise Agreement is amended to provide that each such agreement (as applicable) will be construed in accordance with the laws of the State of Indiana.
6. Any provision in the Disclosure Document or Franchise Agreement which designates jurisdiction or venue, or requires franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, may not be enforceable.
7. Section 32(b) (Jury Trial Waiver) of the Franchise Agreement is deleted from all Agreements entered into in Indiana.

**ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO
THE INDIANA FRANCHISE DISCLOSURE LAW
AND THE INDIANA DECEPTIVE FRANCHISE PRACTICES ACT**

This Addendum to the Franchise Agreement by and between TAZIKI'S FRANCHISING LLC ("we", "our" or "us") and _____ ("you") is dated _____, 20__.

1. The laws of the State of Indiana supersede any provisions of this Franchise Agreement, the other agreements or Alabama law if such provisions are in conflict with Indiana law.
2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the franchise without good cause or in bad faith, good cause being defined therein as a material breach of the Franchise Agreement, shall supersede the provisions of Sections 29, 30, and 31 of the Franchise Agreement in the State of Indiana to the extent that may be inconsistent with such prohibition.
3. Notwithstanding the Franchise Agreement, you recognize that in the event of any use of the Franchised System not in accord with that Agreement, we shall be entitled to seek injunctive and other relief.
4. No release language set forth in the Franchise Agreement shall relieve us or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Indiana.
5. Section 46 of the Franchise Agreement is amended to provide that each such agreement (as applicable) will be construed in accordance with the laws of the State of Indiana.
6. Any provision in the Franchise Agreement which designates jurisdiction or venue, or requires franchisee to agree to jurisdiction or venue, in a forum outside of Indiana, may not be enforceable.
7. Section 32(b) (Jury Trial Waiver) of the Franchise Agreement is deleted from all Agreements entered into in Indiana.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

TAZIKI'S FRANCHISING LLC

By: _____
Title: _____

Attest: _____

YOU, AS FRANCHISEE:

By: _____
Title: _____

Attest: _____

**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT
FOR THE STATE OF INDIANA**

This "Addendum" is made and entered into by and between TAZIKI'S FRANCHISING, LLC, an Alabama limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as franchisee, to amend and supplement that certain Area Development Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Area Development Agreement:

1. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Area Development Agreement without good cause or in bad faith, good cause being defined therein as a material breach of the Area Development Agreement, shall supersede the provisions of Sections 14 and 15 of the Area Development Agreement in the State of Indiana to the extent they may be inconsistent with such prohibition.

2. Section 23 is deleted in its entirety and replaced with the following:

"This Area Development Agreement and any claims arising under it or in relation to it or to the relationships between the parties shall be governed, construed, interpreted and enforced by and under the laws of the State of Indiana."

3. Section 24 amended by adding the following:

"With respect to any claims, controversies or disputes which are not finally resolved through mediation or as otherwise provided above, You, us, and your owners hereby irrevocably submit themselves to the jurisdiction of the state and federal courts located in Indiana having subject matter jurisdiction of the claim, and hereby waive all objections to 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 Area Development Agreement or the relationship created by this Area Development Agreement by any means allowed by the laws and applicable rules of procedure of the United States, the State of Indiana, the state of residence of the Franchisee or any owner, or the state in which the Franchised Business is located."

4. No release language set forth in the Area Development Agreement shall require a party to release any claim arising under Indiana franchise law.

All other rights, obligations, and provisions of the Area Development Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Area Development Agreement for the State of Indiana.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Area Development Agreement.

TAZIKI'S FRANCHISING LLC

By: _____
Title: _____

Attest: _____

YOU, AS DEVELOPER:

By: _____
Title: _____

Attest: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT PURSUANT TO
THE MICHIGAN FRANCHISE INVESTMENT LAW**

This “Addendum” is made and entered into by and between TAZIKI'S FRANCHISING, LLC, an Alabama limited liability company (“we”, “our” or “us”), as franchisor and _____, a _____ (“you”), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

- (A) **THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THE FRANCHISE AGREEMENT, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.**
- (B) A prohibition on the right of a franchisee to join an association of franchisees.
- (C) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives 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.
- (D) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (E) 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 franchised business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor’s intent not to renew the franchise.
- (F) 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.
- (G) 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.
- (H) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor’s then current reasonable qualifications or standards.

- (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (I) 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 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.
- (J) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

TAZIKI'S FRANCHISING LLC

By: _____
Title: _____

Attest: _____

YOU, AS FRANCHISEE:

By: _____
Title: _____

Attest: _____

**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT PURSUANT TO
THE MICHIGAN FRANCHISE INVESTMENT LAW**

This “Addendum” is made and entered into by and between TAZIKI'S FRANCHISING, LLC, an Alabama limited liability company (“we”, “our” or “us”), as franchisor and _____, a _____ (“you”), as franchisee, to amend and supplement that certain Area Development Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Area Development Agreement:

- (A) THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THE FRANCHISE AGREEMENT, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.
- (B) A prohibition on the right of a franchisee to join an association of franchisees.
- (C) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives franchisee of rights and protection provided in this Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (D) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (E) 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 franchised business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor’s intent not to renew the franchise.
- (F) 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.
- (G) 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.
- (H) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor’s then current reasonable qualifications or standards.

- (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (I) 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 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.
- (J) 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 service.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Area Development Agreement.

TAZIKI'S FRANCHISING LLC

By: _____
Title: _____

Attest: _____

YOU, AS DEVELOPER:

By: _____
Title: _____

Attest: _____

**ADDENDUM TO THE DISCLOSURE DOCUMENT PURSUANT TO
THE VIRGINIA RETAIL FRANCHISING ACT**

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Virginia:

1. The following is added to Item 5:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement. The initial franchise fee for a single restaurant and the Area Development Deposit (the Development Fee), representing the initial franchise fee for the first restaurant you develop and deposits on each additional restaurant you commit to develop, must be paid when the restaurant opens. The balance of amounts due under the Area Development Agreement will be payable as provided in the Area Development Agreement.

2. The following is added to Item 17 h:

- a) Any provision in any of the contracts that you sign with the Franchisor which provides for termination of the franchise upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 *et. seq.*).

- b) Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the "Virginia Act"), it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement and/or the Development Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.

3. The proposed agreements described in Item 22, including all agreements that a franchisee must sign, are accurately presented in this Disclosure Document.

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

**ADDENDUM TO FRANCHISE AGREEMENT PURSUANT TO THE
VIRGINIA RETAIL FRANCHISING ACT**

This “Addendum” is made and entered into by and between TAZIKI’S FRANCHISING, LLC, an Alabama limited liability company (“we”, “our” or “us”), as franchisor and _____, a _____ (“you”), as franchisee, to amend and supplement that certain Franchise Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Franchise Agreement:

1. Section 8.1 of the Franchise Agreement is amended to state: “The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the Initial Franchise Fee and other initial payments owed by Franchisee to the Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement. Notwithstanding Section 5(a) of the Franchise Agreement, the Initial Franchise Fee will be due and payable on the Opening Date.”
2. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the “Virginia Act”), it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.
3. You acknowledge that your failure to pay the Initial Franchise Fee when due is a material default under the Franchise Agreement, and we can suspend providing services to you and cause approved suppliers to suspend providing goods and services to you, until we receive the Initial Franchise Fee.
4. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
5. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. Only the Sections specifically added to or amended by this Addendum shall be affected. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Virginia.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

TAZIKI’S FRANCHISING LLC

By: _____
Title: _____

Attest: _____

YOU, AS FRANCHISEE:

By: _____
Title: _____

Attest: _____

**ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT PURSUANT TO THE
VIRGINIA RETAIL FRANCHISING ACT**

This "Addendum" is made and entered into by and between TAZIKI'S FRANCHISING, LLC, an Alabama limited liability company ("we", "our" or "us"), as franchisor and _____, a _____ ("you"), as developer, to amend and supplement that certain Area Development Agreement that we and you have executed, and is dated as of the same date. The following provisions supersede and control any conflicting provisions of the Area Development Agreement:

1. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement. Notwithstanding Section 5 of the Area Development Agreement, payment of the Development Fee, consisting of the First Unit Fee and the Additional Unit Fees, due at signing of the Area Development Agreement shall be deferred and shall be due on the Opening Date of the First Development Unit.
2. Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act (the "Virginia Act"), it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute reasonable cause, as that term may be defined in the Virginia Act or the laws of Virginia, that provision may not be enforceable.
3. You acknowledge that your failure to pay the Initial Franchise Fee when due for a Franchised Restaurant developed under an Area Development Agreement is a material default under its Franchise Agreement and the Area Development Agreement, and then we can suspend providing services to you, and cause approved suppliers to suspend providing goods and services to you, until we receive the Initial Franchise Fee. In addition, you will have no right to proceed with developing other Franchised Restaurants, and our obligation to provide services and approvals to under the Area Development Agreement, shall be suspended until we receive the Initial Franchise Fee then due. No such failure to pay the Initial Franchise Fee when due and the resulting suspension of our performance shall extend any deadline for your performance under the Area Development Agreement.
4. All other rights, obligations, and provisions of the Area Development Agreement shall remain in full force and effect. Only the Sections specifically added to or amended by this Addendum shall be affected. This Addendum is incorporated in and made a part of the Area Development Agreement for the State of Virginia.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth above.

TAZIKI'S FRANCHISING LLC

By: _____
Title: _____

Attest: _____

YOU, AS DEVELOPER:

By: _____
Title: _____

Attest: _____

Exhibit D
Financial Statements

Taziki's Franchising, LLC
Balance Sheet
Sunday, April 16, 2023

ASSETS

Cash in Bank - Franchising	2,398,541
Total Cash	<u>2,398,541</u>
A/R Employees	283
Accounts Receivable	582,079
Total Accounts Receivable	<u>582,362</u>
Prepaid General Insurance	7,896
Total Prepaid Expenses	<u>7,896</u>
Total Current Assets	<u>2,988,799</u>
Net Fixed Assets	12,572
TOTAL ASSETS	<u><u>3,001,371</u></u>

LIABILITIES AND EQUITY

A/P-Computer Entries	5,292
A/P-Credit Card Payable	23,153
Total Accounts Payable	<u>28,445</u>
Accrued Expenses	161,150
Due To Related Parties	47,973
Total Accrued Expenses	<u>209,123</u>
Total Current Liabilities	<u>237,568</u>
Deferred Revenue	462,629
Total Deferred Revenue	<u>462,629</u>
Total Liabilities	<u>700,197</u>
Member's Equity	2,301,174
TOTAL LIABILITIES AND EQUITY	<u><u>3,001,371</u></u>

Taziki's Franchising, LLC
P&L YTD
For the Four Periods Ending Sunday,
April 16, 2023

	<u>YTD P4</u>
Royalty Revenue	1,948,958
Franchise Fee Revenue	18,259
Marketing Fees	371,974
Other Income	33,923
Total Revenue	<u>2,373,114</u>
Accounting Expense	31,052
Air Travel	12,169
Auto Rental	11,114
Auto/Mileage Expense	9,706
Bank Charges	405
Car Allowance	923
Charitable Contributions	280
Computer Services	7,440
Computer Supplies	687
Contract Labor	5,585
Digital Advertising	4,230
Disability & Life Insurance	3,976
Employee Meals	6,779
Franchise Gifts	186
Gas & Oil	1,950
Group Insurance	16,748
Insurance-General	(7,811)
Legal Fees	9,840
Licenses & Permits	106
Lodging	29,779
Manager Development	9,365
Marketing Expenses	371,974
Meals & Entertainment	14,412
Mobile Phone Service	4,292
Moving Expense	1,581
Office Supplies	1,163
Other Employee Benefits	5,626
Other Professional Fees	26,862
Other Promotions	673
Parking Service	306
Payroll Tax Expense	28,993
Printing Service	436
Research & Development	4,191
Salaries Administrative	359,181
Seminar/Meeting Expense	24,012
Shipping Charges	428
Shopper Program	4,538
Software Subscriptions	69,500
Supplies-Other	311
Supplies-Paper	96
Taxi / Ride Share	271
Uniforms	1478
Worker's Comp Insurance	3609
Worker's Comp Insurance	3,609
Total Expenses	<u>1,082,051</u>
Net Income	<u><u>1,291,063</u></u>

TAZIKI'S FRANCHISING, LLC
FINANCIAL STATEMENTS
DECEMBER 25, 2022 AND DECEMBER 26, 2021

TAZIKI'S FRANCHISING, LLC
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Member
Taziki's Franchising, LLC

Opinion

We have audited the accompanying financial statements of Taziki's Franchising, LLC (an Alabama limited liability corporation), which comprise the balance sheets as of December 25, 2022 and December 26, 2021, and the related statements of income, members' equity (deficit) and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Taziki's Franchising, LLC as of December 25, 2022 and December 26, 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Taziki's Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Taziki's Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Taziki's Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Taziki's Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

Warren Averett, LLC

Birmingham, Alabama
April 5, 2023

TAZIKI'S FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 25, 2022 AND DECEMBER 26, 2021

ASSETS		
	2022	2021
CURRENT ASSETS		
Cash	1,537,596	\$ 891,194
Accounts receivable, net	264,890	268,104
Other receivables	4,320	15,032
Due from related parties	256,129	188,073
Other current assets	15,791	48,683
Total current assets	2,078,726	1,411,086
EQUIPMENT, NET	12,544	6,276
TOTAL ASSETS	\$ 2,091,270	\$ 1,417,362
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	83,544	\$ 102,667
Due to related party	264,247	146,491
Current portion of deferred revenue	70,373	81,000
Advertising cooperative liabilities	30,106	121,782
Total current liabilities	448,270	451,940
DEFERRED REVENUE	462,629	500,173
MEMBER'S EQUITY	1,180,371	465,249
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ 2,091,270	\$ 1,417,362

See accompanying notes to the financial statements.

TAZIKI'S FRANCHISING, LLC
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 25, 2022 AND DECEMBER 26, 2021

	<u>2022</u>	<u>2021</u>
REVENUES		
Royalties	6,019,874	\$ 5,288,603
Franchise fees	220,814	78,672
Marketing fees	<u>1,150,019</u>	<u>1,009,263</u>
Total revenues	7,390,707	6,376,538
OPERATING EXPENSES		
General and administrative expenses	917,840	667,726
Payroll expense	1,132,685	920,360
Depreciation	5,610	7,990
Provision for doubtful accounts	92,073	72,903
Marketing expense	1,150,019	1,022,378
Corporate overhead	<u>507,000</u>	<u>481,000</u>
Total operating expenses	<u>3,805,227</u>	<u>3,172,357</u>
NET INCOME	<u><u>\$ 3,585,480</u></u>	<u><u>\$ 3,204,181</u></u>

See accompanying notes to the financial statements.

TAZIKI'S FRANCHISING, LLC
STATEMENTS OF MEMBER'S EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 25, 2022 AND DECEMBER 26, 2021

MEMBER'S DEFICIT AS OF DECEMBER 27, 2020	\$ (78,203)
Distributions to member	(2,660,729)
Net income	<u>3,204,181</u>
MEMBER'S EQUITY AS OF DECEMBER 26, 2021	465,249
Distributions to member	(2,870,358)
Net income	<u>3,585,480</u>
MEMBER'S EQUITY AS OF DECEMBER 25, 2022	<u><u>\$ 1,180,371</u></u>

See accompanying notes to the financial statements.

TAZIKI'S FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 25, 2022 AND DECEMBER 26, 2021

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Net income	\$ 3,585,480	\$ 3,204,181
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	5,610	7,989
Provision for doubtful accounts	92,073	72,903
Changes in operating assets and liabilities:		
Receivables	(78,147)	(101,709)
Due from related parties	(68,056)	(146,553)
Other current assets	32,892	(18,652)
Accounts payable	(19,123)	1,893
Due to related party	117,756	(133,194)
Advertising cooperative liabilities	(91,676)	(46,835)
Deferred revenue	<u>(48,171)</u>	<u>(63,672)</u>
Net cash provided by operating activities	<u>3,528,638</u>	<u>2,776,351</u>
INVESTING ACTIVITIES		
Purchases of equipment	<u>(11,878)</u>	<u>(3,281)</u>
FINANCING ACTIVITIES		
Distributions to member	<u>(2,870,358)</u>	<u>(2,660,729)</u>
NET INCREASE IN CASH	646,402	112,341
CASH AS OF BEGINNING OF YEAR	<u>891,194</u>	<u>778,853</u>
CASH AS OF END OF YEAR	<u><u>\$ 1,537,596</u></u>	<u><u>\$ 891,194</u></u>

See accompanying notes to the financial statements.

TAZIKI'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 25, 2022 AND DECEMBER 26, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Taziki's Franchising, LLC (the Company) establishes franchisees of Taziki's Mediterranean Café restaurants. The Company's franchise system consists of 86 and 91 units as of December 25, 2022 and December 26, 2021, respectively. The term "franchise" or "franchisee" within these financial statements describes both third parties and related parties that operate units under franchise agreements.

Franchise Operations

The Company executes store-level franchise agreements, which set out the terms of the arrangement with the franchisees for units operated by third parties. The Company's franchise agreements typically require the franchisee to pay an initial, nonrefundable fee upon an individual store opening and continuing fees based on a percentage of sales. Subject to Company approval and franchisee payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

Fiscal Year

The Company operates on a fiscal year ending on the last Sunday in December. The years ended December 25, 2022 and December 26, 2021, each comprised 52 weeks.

Basis of Accounting

The financial statements of the Company are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Accounting Estimates

Preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions include, but are not limited to, the useful life and recoverability of long-lived assets and the collectability of accounts receivable. Actual results could differ materially from those estimates.

Cash

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Accounts Receivable

The Company extends credit to its franchisees in the ordinary course of business. The Company's receivables are stated net of expected credit losses. Expected credit losses for uncollectible franchisee receivable balances consider both current conditions and reasonable and supportable forecasts of future conditions. Current conditions the Company considers include predefined aging criteria and specified events that prevent the collection of the balance due. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available data regarding default probability. While the Company uses the best information available in determining the ultimate recovery of recorded receivables depends on future economic events and other conditions beyond the Company's control.

TAZIKI'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 25, 2022 AND DECEMBER 26, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Receivables ultimately considered uncollectible and for which collection efforts have been exhausted, are written off against the allowance for doubtful accounts. As of December 25, 2022 and December 26, 2021, the allowance for doubtful accounts totaled \$164,976 and \$72,903, respectively.

Equipment

Equipment is recorded at cost less accumulated depreciation and includes expenditures that substantially increase the useful lives of existing equipment. Maintenance, repairs and minor renovations are charged to income as incurred. When equipment is retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the respective accounts, and any gain or loss on the disposition is credited or charged to income. The Company provides for equipment depreciation using the straight-line method designed to amortize costs over estimated useful lives of five years.

Advertising Cooperative Liabilities

The Company maintains a marketing fund for advertising and promotional programs designed to increase sales and enhance the reputation of the Company and its franchise owners. Contributions to the fund are required for all franchisees and are principally based on a percentage of franchise sales.

The Company records the receipts from franchisees as a liability against which it charges specified marketing costs. Regarding these contributions and costs, the Company acts, in substance, as a principal, consolidating the marketing fund's revenue, expenses and cash flows into the Company's income and cash flow statements.

Revenue Recognition

Revenue is generated through royalties, initial franchise fees and marketing fees.

Under franchise agreements, the Company provides franchisees with (1) a franchise license, which includes a license to use the Company's intellectual property and, in those markets where the Company manages a marketing fund, advertising and promotion management, (2) pre-opening services, such as site selection, training and inspections, and (3) ongoing services, such as development of training materials and menu items and restaurant monitoring and inspections. The Company determined that services the Company provides under franchise agreements are highly interrelated and dependent upon the franchise license and the services are not distinct performance obligations. Consequently, the Company bundles the franchise license performance obligation and promises to provide services into a single performance obligation, which is satisfied by providing a right to use the Company's intellectual property over the term of each franchise agreement. The Company calculates royalties, including franchisee contributions to the marketing fund managed by the Company, as a percentage of franchise restaurant sales over the franchise agreement term. Under the franchise agreement, the Company must spend marketing fund contributions paid by franchisees on advertising, product development, marketing and related activities. The franchisee pays initial and renewal franchise fees upon a new restaurant opening or renewal of an existing franchise agreement.

TAZIKI'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 25, 2022 AND DECEMBER 26, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

The franchise agreement royalties, including marketing fund contributions, represent sales-based royalties related entirely to the performance obligation under the franchise agreement and are recognized as franchise sales occur. Initial and renewal franchise fees are recognized as revenue ratably over the term of the respective agreement. The Company's performance obligation under development agreements principally consists of an obligation to grant exclusive development rights over a stated term. These development rights are not distinct from franchise agreements; therefore, upfront fees paid by franchisees for exclusive development rights are deferred and apportioned to each franchise restaurant opened by the franchisee. The pro rata amount apportioned to each restaurant is accounted for as an initial franchise fee.

Deferred Revenue

Deferred revenue primarily consists of initial franchise fees and additional unit fees received as a result of the sale of an area development agreement (ADA) and the sale of individual franchise locations to third parties. The initial franchise fee is typically \$35,000 per location to be developed under the ADA. All area development agreements require payment of a nonrefundable development fee consisting of (1) a First Unit Fee of \$35,000 for the first Development Unit, and (2) an Additional Unit Fee of \$5,000 for each additional Development Unit included in the agreement. The remainder of the initial franchise fee is paid when an individual franchise agreement is signed and is recognized over the period of the franchise agreement.

Advertising

Except for costs associated with the advertising cooperative liabilities, advertising costs are expensed as incurred. Advertising costs totaled \$1,797 and \$319 for the years ended December 25, 2022 and December 26, 2021, respectively.

Contingencies

Estimated loss contingencies are only accrued if the loss is probable and the amount of the loss can be reasonably estimated. With respect to a loss contingency, it may be probable that a loss has occurred, but the estimate of the loss is a wide range. While the Company believes that none of these claims, disputes, administrative and legal matters will have a material adverse effect on the Company's financial position, these matters are uncertain and the Company cannot at this time determine whether the financial impact, if any, of these matters will be material to the Company's results of operations in the period in which such matters are resolved or a better estimate becomes available.

Income Taxes

The Company is structured as a limited liability company and has elected to be taxed under Section 701 of the Internal Revenue Code, which allows its income or loss to be passed through directly to the member. Accordingly, no income tax provision is required.

The Company assesses its uncertain tax positions for the likelihood that they would be overturned upon examination by the Internal Revenue Service (IRS) or state taxing authorities. The Company has assessed its uncertain tax positions and determined that it has no positions as of December 25, 2022 and December 26, 2021, that it would be unable to substantiate. The Company has filed tax returns through 2021.

TAZIKI'S FRANCHISING, LLC

FINANCIAL STATEMENTS

DECEMBER 26, 2021 AND DECEMBER 27, 2020

TAZIKI'S FRANCHISING, LLC
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Member
Taziki's Franchising, LLC

Opinion

We have audited the accompanying financial statements of Taziki's Franchising, LLC (an Alabama limited liability corporation), which comprise the balance sheets as of December 26, 2021 and December 27, 2020 and the related statements of income, members' equity (deficit) and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Taziki's Franchising, LLC as of December 26, 2021 and December 27, 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Taziki's Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Taziki's Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Taziki's Franchising, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Taziki's Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

Warren Averett, LLC
Birmingham, Alabama
April 27, 2022

TAZIKI'S FRANCHISING, LLC
BALANCE SHEETS
DECEMBER 26, 2021 AND DECEMBER 27, 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 891,194	\$ 778,853
Accounts receivable, net	268,104	252,798
Other receivables	15,032	1,532
Due from related parties	188,073	41,520
Other current assets	<u>48,683</u>	<u>30,031</u>
Total current assets	1,411,086	1,104,734
EQUIPMENT, NET	<u>6,276</u>	<u>10,984</u>
TOTAL ASSETS	<u><u>\$ 1,417,362</u></u>	<u><u>\$ 1,115,718</u></u>
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)		
CURRENT LIABILITIES		
Accounts payable	\$ 102,667	\$ 100,774
Due to related party	146,491	279,685
Deferred revenue	81,000	81,029
Advertising cooperative liabilities	<u>121,782</u>	<u>168,617</u>
Total current liabilities	451,940	630,105
DEFERRED REVENUE	500,173	563,816
MEMBER'S EQUITY (DEFICIT)	<u>465,249</u>	<u>(78,203)</u>
TOTAL LIABILITIES AND MEMBER'S EQUITY (DEFICIT)	<u><u>\$ 1,417,362</u></u>	<u><u>\$ 1,115,718</u></u>

See accompanying notes to the financial statements.

TAZIKI'S FRANCHISING, LLC
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 26, 2021 AND DECEMBER 27, 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Royalties	\$ 5,288,603	\$ 3,758,315
Franchise fees	78,672	125,506
Marketing fees	<u>1,009,263</u>	<u>768,260</u>
Total revenues	6,376,538	4,652,081
OPERATING EXPENSES		
General and administrative expenses	667,726	417,386
Payroll expense	920,360	863,088
Depreciation	7,990	11,265
Provision for doubtful accounts	72,903	116,254
Marketing expense	1,022,378	751,680
Corporate overhead	<u>481,000</u>	<u>416,000</u>
Total operating expenses	<u>3,172,357</u>	<u>2,575,673</u>
NET INCOME	<u><u>\$ 3,204,181</u></u>	<u><u>\$ 2,076,408</u></u>

See accompanying notes to the financial statements.

TAZIKI'S FRANCHISING, LLC
STATEMENTS OF MEMBER'S EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 26, 2021 AND DECEMBER 27, 2020

MEMBER'S DEFICIT AT DECEMBER 29, 2019	\$ (58,778)
Distributions to member	(2,095,833)
Net income	<u>2,076,408</u>
MEMBER'S DEFICIT AT DECEMBER 27, 2020	(78,203)
Distributions to member	(2,660,729)
Net income	<u>3,204,181</u>
MEMBER'S EQUITY AT DECEMBER 26, 2021	<u><u>\$ 465,249</u></u>

See accompanying notes to the financial statements.

TAZIKI'S FRANCHISING, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 26, 2021 AND DECEMBER 27, 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Net income	\$ 3,204,181	\$ 2,076,408
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,989	11,265
Provision for doubtful accounts	72,903	-
Changes in operating assets and liabilities:		
Receivables	(101,709)	8,419
Due from related parties	(146,553)	112,463
Other current assets	(18,652)	(14,849)
Accounts payable	1,893	76,945
Due to related party	(133,194)	261,521
Advertising cooperative liabilities	(46,835)	(218,908)
Deferred revenue	(63,672)	(107,659)
Net cash provided by operating activities	<u>2,776,351</u>	<u>2,205,605</u>
INVESTING ACTIVITIES		
Purchase of equipment	<u>(3,281)</u>	<u>-</u>
Net cash used in investing activities	<u>(3,281)</u>	<u>-</u>
FINANCING ACTIVITIES		
Distributions to member	<u>(2,660,729)</u>	<u>(2,095,833)</u>
Net cash used in financing activities	<u>(2,660,729)</u>	<u>(2,095,833)</u>
NET INCREASE IN CASH	112,341	109,772
CASH AT BEGINNING OF YEAR	<u>778,853</u>	<u>669,081</u>
CASH AT END OF YEAR	<u><u>\$ 891,194</u></u>	<u><u>\$ 778,853</u></u>

See accompanying notes to the financial statements.

TAZIKI'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 26, 2021 AND DECEMBER 27, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Taziki's Franchising, LLC (the Company) is an Alabama limited liability company formed for the purpose of establishing franchisees of Taziki's Mediterranean Café restaurants. The Company's franchise system consists of 91 units as of December 26, 2021 and December 27, 2020. The term "franchise" or "franchisee" within these financial statements describes both third parties and related parties that operate units under franchise agreements.

Franchise Operations

The Company executes store-level franchise agreements, which set out the terms of the arrangement with the franchisees for units operated by third parties. The Company's franchise agreements typically require the franchisee to pay an initial, non-refundable fee upon an individual store opening and continuing fees based upon a percentage of sales. Subject to Company approval and franchisee payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

Fiscal Year

The Company operates on a fiscal year ending on the last Sunday in December. The years ended December 26, 2021 and December 27, 2020, each consisted of 52 weeks.

Basis of Accounting

The financial statements of the Company are prepared under the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Accounting Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

TAZIKI'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 26, 2021 AND DECEMBER 27, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounts Receivable

The Company extends credit to its franchisees in the ordinary course of business. The Company's receivables are stated net of expected credit losses. Expected credit losses for uncollectible franchisee receivable balances consider both current conditions and reasonable and supportable forecasts of future conditions. Current conditions the Company considers include pre-defined aging criteria as well as specified events that prevent collection of the balance due. Reasonable and supportable forecasts used in determining the probability of future collection consider publicly available data regarding default probability. While the Company uses the best information available in making a determination, the ultimate recovery of recorded receivables is dependent upon future economic events and other conditions that may be beyond its control. Receivables that are ultimately considered to be uncollectible, and for which collection efforts have been exhausted, are written off against the allowance for doubtful accounts. As of December 26, 2021, the allowance for doubtful accounts totaled \$72,903. No amounts were considered uncollectible as of December 27, 2020.

Equipment

Equipment is recorded at cost less accumulated depreciation and includes expenditures that substantially increase the useful lives of existing equipment. Maintenance, repairs, and minor renovations are charged to income as incurred. When equipment is retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the respective accounts, and any gain or loss on the disposition is credited or charged to income. The Company provides for depreciation of equipment using the straight-line method designed to amortize costs over estimated useful lives of five years.

Advertising Cooperative Liabilities

The Company maintains a marketing fund for advertising and promotional programs designed to increase sales and enhance the reputation of the Company and its franchise owners. Contributions to the fund are required for all franchisees and are principally based on a percent of franchise sales.

The Company records the receipts from franchisees as a liability against which it charges specified marketing costs. The Company acts as a principal, in substance, with regard to these contributions and costs, and therefore, consolidates the revenue, expenses and cash flows of the marketing fund into the Company's statements of income and statements of cash flows.

TAZIKI'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 26, 2021 AND DECEMBER 27, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue Recognition

Revenue is generated through royalties, initial franchise fees and marketing fees.

Under franchise agreements, the Company provides franchisees with (1) a franchise license, which includes a license to use the Company's intellectual property and, in those markets where the Company manages a marketing fund, advertising and promotion management, (2) pre-opening services, such as site selection, training and inspections, and (3) ongoing services, such as development of training materials and menu items and restaurant monitoring and inspections. The Company determined that services the Company provides under franchise agreements are highly interrelated and dependent upon the franchise license and the services are not distinct performance obligations. Consequently, the Company bundles the franchise license performance obligation and promises to provide services into a single performance obligation, which is satisfied by providing a right to use the Company's intellectual property over the term of each franchise agreement. The Company calculates royalties, including franchisee contributions to the marketing fund managed by the Company, as a percentage of franchise restaurant sales over the term of the franchise agreement. Under the franchise agreement, the Company must spend marketing fund contributions paid by franchisees on advertising, product development, marketing and related activities. Initial and renewal franchise fees are payable by the franchisee upon a new restaurant opening or renewal of an existing franchise agreement. The franchise agreement royalties, inclusive of marketing fund contributions, represent sales-based royalties that are related entirely to the performance obligation under the franchise agreement and are recognized as franchise sales occur. Initial and renewal franchise fees are recognized as revenue ratably over the term of the respective agreement.

The Company's performance obligation under development agreements principally consists of an obligation to grant exclusive development rights over a stated term. These development rights are not distinct from franchise agreements, therefore, upfront fees paid by franchisees for exclusive development rights are deferred and apportioned to each franchise restaurant opened by the franchisee. The pro rata amount apportioned to each restaurant is accounted for as an initial franchise fee.

Deferred Revenue

Deferred revenue primarily consists of initial franchise fees and additional unit fees received as a result of the sale of an area development agreement (ADA) and the sale of individual franchise locations to third parties. The initial franchise fee is typically \$35,000 per location to be developed under the ADA. All area development agreements require payment of a non-refundable development fee consisting of (1) a First Unit Fee of \$35,000 for the first Development Unit, and (2) an Additional Unit Fee of \$5,000 for each additional Development Unit included in the agreement. The remainder of the initial franchise fee is paid at the time an individual franchise agreement is signed and is recognized over the period of the franchise agreement.

Advertising

Except for costs associated with the advertising cooperative liabilities, advertising costs are expensed as incurred. Advertising costs totaled \$319 and \$363 for the years ended December 26, 2021 and December 27, 2020, respectively.

TAZIKI'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 26, 2021 AND DECEMBER 27, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contingencies

Estimated loss contingencies are accrued only if the loss is probable, and the amount of the loss can be reasonably estimated. With respect to a loss contingency, it may be probable that a loss has occurred, but the estimate of the loss is a wide range. While the Company believes that none of these claims, disputes, administrative and legal matters will have a material adverse effect on the Company's financial position, these matters are uncertain and the Company cannot at this time determine whether the financial impact, if any, of these matters will be material to the Company's results of operations in the period in which such matters are resolved or a better estimate becomes available.

Income Taxes

The Company is a limited liability company and has elected, under Section 701 of the Internal Revenue Code, to have its income or loss taxed directly to the member. Accordingly, no income tax provision is required.

The Company assesses its uncertain tax positions for the likelihood that they would be overturned upon Internal Revenue Service (IRS) examination or upon examination by state taxing authorities. The Company has assessed its uncertain tax positions and determined that it does not have any positions as of December 26, 2021 and December 27, 2020, that it would be unable to substantiate. The Company has filed tax returns through 2020.

Subsequent Events

Management has evaluated subsequent events through April 27, 2022, which is the date the financial statements were available to be issued.

2. EQUIPMENT

Equipment consists of the following:

	2021	2020
Equipment	\$ 66,666	\$ 63,385
Less accumulated depreciation	<u>60,390</u>	<u>52,401</u>
	<u>\$ 6,276</u>	<u>\$ 10,984</u>

TAZIKI'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 26, 2021 AND DECEMBER 27, 2020

3. DEFERRED REVENUE

The following table reflects the change in deferred revenue for the years ended December 26, 2021 and December 27, 2020:

	2021	2020
Deferred franchise fees at beginning of year	\$ 644,845	\$ 752,504
Revenue recognized during the period	(78,672)	(125,506)
Revenue recognized due to transfer of ownership	-	17,847
New deferral due to cash received and other	15,000	-
	<u>\$ 581,173</u>	<u>\$ 644,845</u>
Deferred franchise fees at end of year	<u>\$ 581,173</u>	<u>\$ 644,845</u>

The following table illustrates estimated revenues the Company expects to recognize in the future related to performance obligations that are unsatisfied or partially unsatisfied as of December 26, 2021:

2022	\$ 81,000
2023	81,000
2024	73,033
2025	66,275
2026	52,438
Thereafter	<u>227,427</u>
Total	<u>\$ 581,173</u>

The following table illustrates deferred revenues, summarized by open stores and stores that will open subsequent to December 26, 2021:

	2021	2020
Open stores	\$ 566,173	\$ 644,845
Stores not yet opened	15,000	-
	<u>\$ 581,173</u>	<u>\$ 644,845</u>

4. FRANCHISE AGREEMENTS

The Company did not have any new franchise or area development agreements as of December 26, 2021. All area development agreements require payment of a non-refundable development fee consisting of (1) a first unit fee of \$35,000 for the first development unit, and (2) an additional unit fee of \$5,000 for each additional development unit included in the agreement.

TAZIKI'S FRANCHISING, LLC
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 26, 2021 AND DECEMBER 27, 2020

5. RELATED PARTY TRANSACTIONS

The Company receives royalty and marketing fees from stores operated by Taziki's Restaurants, LLC, which is an entity under common ownership. For the year ended December 26, 2021, royalties from these stores amounted to \$1,602,000, which comprised 30% of total royalties. For the year ended December 27, 2020, royalties from these stores amounted to \$1,126,000, which comprised 30% of total royalties. During 2021 and 2020, these stores contributed \$303,000 and \$228,000 to the marketing fund, respectively.

The Company reimburses Taziki's Restaurants, LLC for services performed and the use of its employees, office space and equipment. During 2021 and 2020, the Company reimbursed Taziki's Restaurants, LLC \$1,431,000 and \$1,320,000, respectively, which the Company allocated across various expenses in the accompanying statements of income.

For the years ended December 26, 2021 and December 27, 2020, Taziki's Restaurants, LLC contributed, and was reimbursed for, \$337,000 and \$388,000, respectively, for services provided for the marketing fund. As of December 26, 2021 and December 27, 2020, amounts due to this related party totaled \$146,491 and \$279,685, respectively.

The Company also receives royalty and marketing fees from stores owned by other related parties such as the member, board members and officers. For the years ended December 26, 2021 and December 27, 2020, royalties from these stores totaled \$1,046,000 and \$734,000, respectively, which comprised 20% of total royalties. These stores contributed \$198,000 and \$149,000 to the marketing fund during 2021 and 2020, respectively. As of December 26, 2021 and December 27, 2020, receivables from these related parties totaled \$188,073 and \$41,520, respectively.

Exhibit E

State Administrators and Agents for Service of Process

We intend to register this Disclosure Document as a “license” or “franchise” in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in that state:

California

Department of Business Oversight
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500 or
(866) 275-2677 (Toll Free)

Michigan

Michigan Department of
Commerce
Corporations and Securities Bureau
670 Law Building
Lansing, Michigan
(517) 373-7117

South Dakota

Department of Labor and Regulation
Division of Securities
124 S. Euclid, Suite 104
Pierre SD 57501
(605) 773-3563

Hawaii

Business Registration Division
Securities Compliance
Department of Commerce and
Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Minnesota

Minnesota Department of
Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55155
(651)296-6328

Virginia

State Corporation Commission,
Division of Securities and Retail
Franchising
1300 E. Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

Illinois

Franchise Division
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

New York

New York State Department of
Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8211

Washington

Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501
(P.O. Box 9033, Olympia, WA
98507)
(360) 902-8760

Indiana

Franchise Section
Indiana Securities Division
Secretary of State, Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

North Dakota

Office of Securities Commissioner
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

Wisconsin

Division of Securities Department of
Financial Institutions
P. O. Box 1768
Madison, Wisconsin 53701
(608) 266-8559

Maryland

Office of Attorney General Division of
Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Rhode Island

Division of Securities
233 Richmond Street, Suite 232
Providence, Rhode Island 02903-
4232
(401) 222-3048

Agents for Service of Process:

Alabama:	John Michael Bodnar, 3009 Pump House Road, Suite 200, Birmingham, Alabama 35243
California:	Commissioner of Business Oversight, 1515 K St., Sacramento, California 95814
Delaware:	Capitol Services, Inc., 615 South DuPont Highway, Dover, Delaware 19901
Hawaii:	Commissioner of Securities, PO Box 40, Honolulu, Hawaii 96810
Illinois:	Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706
Indiana:	Indiana Secretary of State, 302 W. Washington Street, Indianapolis, Indiana 46204
Maryland:	Maryland Securities Commissioner, 200 St. Paul Place, Baltimore, Maryland 21202
Minnesota:	Commissioner of Commerce, 85 7th Place East, Suite 500, St. Paul, Minnesota 55155
New York:	New York Secretary of State, 99 Washington Avenue, Albany, New York 12231
North Dakota:	Securities Commissioner, 600 East Boulevard, Fifth Floor, Bismarck, North Dakota 58505
Rhode Island:	Director of the Rhode Island Department of Business Regulation, 233 Richmond Street, Providence, Rhode Island 02903
South Dakota:	Director, Division of Securities, Department of Labor and Regulation, 124 S. Euclid, Suite 104, Pierre SD 57501
Virginia:	Clerk of the State Corporation Commission, 1300 East Main Street, First Floor, Richmond, Virginia 23219
Washington:	Director of Financial Institutions, 150 Israel Road SW, Tumwater, Washington 98501 (P. O. Box 9033, Olympia, Washington 98507)
Wisconsin:	Administrator, Division of Securities, 345 West Washington Avenue, P.O. Box 1768, Madison, Wisconsin 53701-1768

Exhibit F
Table of Contents of Operations Manual



Confidential Operations Manual Receipt Page

This confidential Operations Manual is the property of Taziki's Franchising, LLC. It is loaned to the franchisee to provide the information needed to operate a Taziki's franchise. This manual contains trade secrets of Taziki's. The contents are confidential and proprietary and may not be reproduced by any means or disclosed to third parties in any manner whatsoever without the prior written permission of Taziki's Franchising, LLC. Certain sections and/or pages of this manual may be disseminated to franchisee's personnel to facilitate the performance of their job responsibilities.

Online access to this manual will be terminated immediately upon termination or transfer of the Franchise Agreement or upon demand. Printed sections of this manual must be destroyed or returned immediately to Taziki's Franchising, LLC upon termination or transfer of the Franchise Agreement or upon demand.

Version Date and Number: 03.29.2023

Franchise Entity: _____

Franchisee's Name (printed) _____

Franchisee's Signature _____

Date Received_____

Taziki's Franchising, LLC

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Exhibit G
Names and Addresses of Franchisees as of December 25, 2022

<u>Franchisee</u>	<u>Address</u>	<u>City</u>	<u>State</u>	<u>ZIP Code</u>	<u>Phone</u>
JTJ Restaurants, LLC	8200 Cantrell Road	Little Rock	AR	72227	501-227-8291
Huntsville Tazikis I, LLC	4855 Whitesburg Drive	Huntsville	AL	35802	256-881-9155
Tazikis Tuscaloosa, LLC	1800 McFarland Blvd.	Tuscaloosa	AL	35404	205-344-6444
TOC, LLC	432 Market Street	Chattanooga	TN	37402	423-779-3100
JTJ Restaurants, LLC	12800 Chenal Parkway	Little Rock	AR	72221	501-225-1829
JJACE, LLC	1090 Suncrest Towne Centre	Morgantown	WV	26505	304-777-4455
Taz19, LLC	2560 Berryhill Road, Suite A	Montgomery	AL	36117	334-409-3085
JTJ Restaurants, LLC	724 Oak Street	Conway	AR	72032	501-327-1829
Tazikis Columbia, LLC	702 Cross Hill Road	Columbia	SC	29205	803-386-0302
North Carolina Fast Casual, LLC	302 Colonades Way, Suite 201	Cary	NC	27518	919-415-0447
Tazikis Memphis, LLC	540 S. Mendenhall Road	Memphis	TN	38117	901-290-1091
Tazikis Denver, LLC	6345 East Hampden Ave	Denver	CO	80222	720-310-1970
JTJ Restaurants, LLC	95 East Joyce Blvd.	Fayetteville	AR	72703	479-521-8291
TOC2, LLC	2020 Gunbarrel Road Ste 120	Chattanooga	TN	37421	423-443-4479
JTJ Restaurants, LLC	1000 SE Walton Blvd.	Bentonville	AR	72712	479-715-0647
Taz Auburn, LLC	339 South College Street	Auburn	AL	36830	334-246-5198
TMC of Athens, LLC	227 Prince Avenue	Athens	GA	30601	706-247-7619
F&F Group Southlake, LLC	2750 East Southlake Blvd.	Southlake	TX	76092	205-837-2553
DMO, LLC	5205 Old Hickory Blvd.	Hermitage	TN	37076	615-454-9684
Tazikis Denver, LLC	100 East 120th Avenue	Northglenn	CO	80233	720-259-8056
JTJ Restaurants, LLC	3929 McCain Blvd., Suite G07B	North Little Rock	AR	72116	501-218-8822
North Carolina Fresh Casual, LLC	7161 O'Kelly Chapel Road	Cary	NC	27519	919-371-2693
Café Freska, LLC	2647 Ulmerton Road	Clearwater	FL	33762	727-498-3350
Tazikis Huntsville, LLC	105 Brookridge Drive	Madison	AL	35758	256-724-6564
Taziki's Pelham Road, LLC	3604 Pelham Road, Suite A	Greenville	SC	29615	864-501-0450
PC Eats Ltd. Co	14803 Landmark Drive	Louisville	KY	40245	502-244-6222
KP Restaurants, LLC	4929 East 71st Street	Tulsa	OK	74136	918-986-8921
Taz Opelika, LLC	2119 Interstate Drive	Opelika	AL	36801	334-759-6225
Tazikis Memphis, LLC	7850 Poplar Avenue, Suite 26	Germantown	TN	38138	901-612-2713
The Zenith Company 2, LLC	117 Southland Drive	Lexington	KY	40503	859-286-3082
TFI-1, LLC	5821 Line Avenue, Suite A	Shreveport	LA	71106	318-300-4890
Taz Panama City, Inc.	103 West 23rd Street	Panama City	FL	32405	850-640-1380
Taz Daphne, Inc.	1539 U.S. Highway 98	Daphne	AL	36526	251-273-3337
Café Freska, LLC	216 South Magnolia Drive	Tallahassee	FL	32301	850-329-6056
F&F Group Plano, LLC	8305 Preston Road	Plano	TX	75024	972-370-3660
KP Restaurants OK2, LLC	1553 East 15th Street	Tulsa	OK	74120	918-699-9579
Stokely Healthy Foods, LLC	6100 Kingston Pike Road	Knoxville	TN	37919	865-444-0661

JTJ Restaurants, LLC	10800 Bass Pro Parkway, Suite A	Little Rock	AR	72210	501-455-6228
Café Freska, LLC	14035 Beach Blvd. Suite 8	Jacksonville	FL	32250	904-503-1950
Taz Fresh Mason, LLC	9640 Mason Montgomery Road, Suite B.	Mason	OH	45040	513-234-9099
Taz Mobile, Inc.	9 Du Rhu Drive	Mobile	AL	36608	251-378-2678
Taz Waverly, LLC	7107 Waverly Walk Avenue	Charlotte	NC	28227	704-665-5057
Café Freska, LLC	2905 SW 42nd Street	Gainesville	FL	32608	352-372-1301
Taz Panama City Beach, Inc.	15463 Panama City Beach Parkway	Panama City Beach	FL	32407	850-257-5695
Taz Florence, LLC	247 Cox Creek Parkway	Florence	AL	35630	256-367-2391
DV Eats Ltd. Co	106 Fairfax Avenue	Louisville	KY	40207	502-212-5373
Café Freska, LLC	11700 San Jose Blvd. Suite 25	Jacksonville	FL	32223	904-503-2461
Taz Fresh Mason, LLC	7841 Tylersville Road	West Chester	OH	45069	513-898-2144
iNC, LLC	7901 Falls of Neuse Road, Suite 101	Raleigh	NC	27615	984-255-0202
Taz Oviedo, LLC	45 West Mitchell Hammock Road, Suite 1311	Oviedo	FL	32765	407-542-4157
Tazikis Memphis, LLC	7974 US-64	Memphis	TN	38133	901-203-0083
TOC3, LLC	4440 Frontage Road North West, Unit 200	Cleveland	TN	37312	423-641-5712
TMG01, LLC	4025 East 82nd Street	Indianapolis	IN	46250	317-315-1125
Taz Fresh Kenwood, LLC	7331 Kenwood Road	Cincinnati	OH	45236	513-964-4005
Stokely Healthy Foods, LLC	6634 Clinton Highway	Knoxville	TN	37912	865-512-7019
JTJ Restaurants, LLC	15000 Cantrell Road	Little Rock	AR	72223	501-448-2331
Taz Fresh West Chester, LLC	445 Ohio Pike, Suite	Cincinnati	OH	45255	513-657-0834
S2D, LLC	1580 Veterans Parkway	Jeffersonville	IN	47130	812-404-1191

LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

The following is a list of our franchisees in the United States who have ceased to do business under the franchise agreement or had an outlet terminated, canceled, not renewed, or transferred during our last fiscal year, or who have not communicated with the franchisor within 10 weeks of the issuance date:

<u>City</u>	<u>State</u>	<u>Phone</u>	<u>Franchisee</u>
Boise	ID	208-908-6050	Imagine Eateries-Boise Downtown, LLC
Eagle	ID	208-213-9105	Imagine Eateries-Eagle, LLC
Dothan	AL	334-350-3266	Taz Dothan, LLC
Hattiesburg	MS	601-909-9432	Taz Hattiesburg, LLC
Morgantown	WV	304-293-6738	Tazikis WV, LLC
Charleston	SC	843-611-6342	Tazikis Coleman, LLC
Charlotte	NC	980-256-3197	Taz Charlotte, LLC
Edmond	OK	405-285-9005	KP Restaurants OK3, LLC

Exhibit H
Closing Acknowledgement

TAZIKI'S FRANCHISING, LLC
FRANCHISE CLOSING ACKNOWLEDGMENT

As you know, you (or the entity you represent) and we are entering into a Franchise Agreement to operate a Franchised Business or an Area Development Agreement to develop Franchised Businesses in the Development Territory assigned to you. The purpose of this Closing Acknowledgment is to determine whether any statements or promises were made to you on which you have relied that we have not authorized or that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest, accurate and complete responses to each question.

Are you seeking to enter into the Franchise Agreement along with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes ____ No ____

I had my first face-to-face meeting with a Franchisor representative on _____ [date].

Acknowledgments and Representations*.

1. Did you receive a copy of our Franchise Disclosure Document ("FDD") (and all exhibits and attachments) at least 14 calendar days (or at the first personal meeting or least 10 business days if you are in New York and Rhode Island), before you signed the Franchise Agreement and Area Development Agreement? **Check one:** ☐ **Yes** ☐ **No**. If no, please tell us if and when you received the FDD and when you signed the Franchise Agreement. Please explain why you signed the Franchise Agreement or Area Development Agreement before the 14 days expired:

2. Did you understand all the information in the FDD and your rights and obligations under the Franchise Agreement and Area Development Agreement? **Check one:** ☐ **Yes** ☐ **No**. If no, please comment:

3. Did you receive a copy of the Franchise Agreement and Area Development Agreement at least 7 days before you signed the Agreement? **Check one:** ☐ **Yes** ☐ **No**. If no, tell us when you received the Franchise Agreement and Area Development Agreement and when you signed each of them. Please explain why you signed the Agreement(s) when you did:

*Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law, if either or both such laws apply to this transaction.

4. Have you studied and reviewed carefully the FDD you received from us, and the Area Development Agreement and the Franchise Agreement you received and were asked to sign? **Check one:** ☐ Yes ☐ No. If no, please comment:

5. Was any oral, written or visual claim, statement, presentation or representation made to you on which you relied in making your decision to sign the Franchise Agreement and Area Development Agreement that contradicted the disclosures in the FDD? **Check one:** ☐ Yes ☐ No. If yes, please explain in detail the oral, written or visual statement, presentation, claim or representation:

6. Except for any financial performance representation included as Item 19 in our FDD, did any employee or other person speaking on our behalf make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Franchised Business franchise, or the likelihood of success at your franchised business on which you relied in making your decision to sign the Franchise Agreement or Area Development Agreement? **Check one:** ☐ Yes ☐ No. If yes, please explain in detail who made and what you understand is the oral, written or visual claim, statement, promise or representation:

7. Except for any financial performance representation included as Item 19 in our FDD did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD on which you relied in making your decision to sign the Franchise Agreement or Area Development Agreement? **Check one:** ☐ Yes ☐ No. If yes, please identify who made the statement or promise and what you understand are the details of the statement or promise.

8. Do you understand that the franchise granted (a) allows you to operate a Franchised Business only at the authorized Location, (b) prevents us from operating or franchising another Franchised Business only in the Territory described in the Franchise Agreement, (c) allows us to operate or franchise a Franchised Business anywhere outside the Territory, and (4) allows us to open and operate or authorize any other party to open and operate a Nontraditional Concept Restaurant in your Territory? **Check one:** ☐ Yes ☐ No. If no, please comment:

9. Do you understand that the Franchise Agreement or Area Development Agreement contains the entire agreement between you and us concerning the franchise for the Franchised Business, or the

Area Development rights, meaning that any prior oral or written statements or agreements not set out in the Franchise Agreement, the Area Development Agreement or the FDD will not be binding? **Check one:** ☐ Yes ☐ No. If no, please comment:

10. Do you understand that the success or failure of your franchise or area development program will depend in large part upon your skills and experience, your business acumen, the hours you work, the location(s) and markets you select for your restaurants, your management of your Franchised Business or area development business, the prices you set, the local market for a Franchised Business, interest rates, the economy, inflation, the number and competence of employees or contractors you hire and their compensation, competition, financing terms and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you buy or open your franchise may change? **Check one:** ☐ Yes ☐ No. If no, please comment:

You understand that your answers are important to us and that we will rely on them. By signing this acknowledgment, you are representing that you have considered each question carefully and responded truthfully to the above questions. If more space is needed for any answer, please continue on a separate sheet, attach it, date it and initial the sheet.

NOTE: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS GUARANTORS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

ACCEPTED ON BEHALF OF:
TAZIKI'S FRANCHISING, LLC

By: Taziki's, Inc.
Its: Sole Member

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

TAZIKI'S FRANCHISING, LLC
FRANCHISE CLOSING ACKNOWLEDGMENT

For use in Virginia

As you know, you (or the entity you represent) and we are entering into a Franchise Agreement to operate a Franchised Business or an Area Development Agreement to develop Franchised Businesses in the Development Territory assigned to you. The purpose of this Closing Acknowledgment is to determine whether any statements or promises were made to you on which you have relied that we have not authorized or that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest, accurate and complete responses to each question.

Are you seeking to enter into the Franchise Agreement along with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes ___ No ___

I had my first face-to-face meeting with a Franchisor representative on _____ [date].

Acknowledgments and Representations*.

Did you receive a copy of our Franchise Disclosure Document ("FDD") (and all exhibits and attachments) at least 14 calendar days (or at the first personal meeting in Iowa or New York, or least 10 business days if you are in Connecticut, Michigan or New York), before you signed the Franchise Agreement and any Area Development Agreement? **Check one:** () Yes () No. If no, please tell us if and when you received the FDD and when you signed the Franchise Agreement. Please explain why you signed the Franchise Agreement or Area Development Agreement before the 14 days expired:

Did you receive a copy of the Franchise Agreement or Area Development Agreement at least 7 days before you signed the Agreement? **Check one:** () Yes () No. If no, tell us when you received the Franchise Agreement and when you signed it. Please explain why you signed the Franchise Agreement or Area Development Agreement when you did:

Was any oral, written or visual claim, statement, presentation or representation made to you on which you relied in making your decision to sign the Franchise Agreement or Area Development Agreement that contradicted the disclosures in the FDD? **Check one:** () Yes () No. If yes, please explain in detail the oral, written or visual statement, presentation, claim or representation:

*Such representations are not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law, if either or both such laws apply to this transaction.

Except for any financial performance representation included as Item 19 in our FDD, did any employee or other person speaking on our behalf make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Franchised Business franchise, or the likelihood of success at your Franchised Business on which you relied in making your decision to sign the Franchise Agreement? **Check one:** ☐ Yes ☐ No. If yes, please explain in detail who made and what you understand is the oral, written or visual claim, statement, promise or representation:

Except for any financial performance representation included as Item 19 in our FDD did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD on which you relied in making your decision to sign the Franchise Agreement or Area Development Agreement? **Check one:** ☐ Yes ☐ No. If yes, please identify who made the statement or promise and what you understand are the details of the statement or promise.

Do you understand that the franchise granted in the Franchise Agreement (a) allows you to operate a Franchised Business only at the Franchised Location, (b) prevents us from operating or franchising another Franchised Business only in the Protected Area described in the Franchise Agreement, (c) allows us to operate or franchise a Franchised Business anywhere outside the Protected Area, and (d) allows us to open and operate or authorize any other party to open and operate a Nontraditional Concept Retailer in your Protected Area? **Check one:** ☐ Yes ☐ No. If no, please comment:

Do you understand that the Franchise Agreement or Area Development Agreement contains the entire agreement between you and us concerning the franchise for the Franchised Business or the development rights we grant to you, meaning that any prior oral or written agreements not set out in the Franchise Agreement, the Area Development Agreement or the FDD will not be binding? **Check one:** ☐ Yes ☐ No. If no, please comment:

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

(Signature page follows)

NOTE: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, EACH OF ITS GUARANTORS MUST EXECUTE THIS ACKNOWLEDGMENT.

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

ACCEPTED ON BEHALF OF:
TAZIKI'S FRANCHISING, LLC

By: Taziki's, Inc.

Its: Sole Member

Signed: _____

Print Name: _____

Date: _____

Signed: _____

Print Name: _____

Date: _____

Exhibit I

General Release

Extension and General Release

GENERAL RELEASE FOR TRANSFER OR RENEWAL

This General Release (the "Release") is made as of the ____ day of _____, 20__ by and between _____ (the "Franchisee") and Taziki's Franchising, LLC, an Alabama limited liability company ("Franchisor").

WHEREAS, Franchisee is a party to a certain Franchise Agreement [Area Development Agreement] dated _____, 20__ (the "Franchise Agreement") by and between Franchisee and Franchisor; and

WHEREAS, Franchisee desires to sell and assign the Franchise Agreement or transfer the Franchised Business (as defined in the Franchise Agreement) at the Approved Location (as defined in the Franchise Agreement) to a third party in accordance with the transfer provisions of the Franchise Agreement, and Franchisor has approved the application of the transferee to succeed to and become the franchisee of the Franchised Business at the Approved Location; and

WHEREAS, the Franchise Agreement requires that, as a condition to any transfer (as defined in the Franchise Agreement) under the Franchise Agreement, Franchisee and the transferee must first execute a general release of all claims in favor of Franchisor.

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements contained herein, the parties covenant and agree as follows:

1. Release of Franchisor. Franchisee hereby releases and forever discharges Franchisor, any subsidiary or affiliate of Franchisor, their respective officers, directors, members, employees, agents, contractors and their respective successors, assigns, heirs and personal representatives from any and all claims, demands, rights and causes of action of any kind that Franchisee now has or hereafter may have on account of or in any way arising out of or related to the offer, sale, administration, performance, default, assignment and termination of the Franchise Agreement. Franchisor and Franchisee mutually intend that this Release shall include, without limitation, claims, demands and causes of action arising out of alleged misrepresentations of any kind or nature whatsoever, alleged breaches of contract (based upon implied, express, estoppel, waiver, or alternative theories of contractual obligation), or breach of any alleged special, trust, agency or fiduciary relationship, whether asserted or proposed to be asserted by way of claim, setoff, affirmative defense, counterclaim, cross-claim or third party claim.

2. No Release of Franchisee. Franchisee is not released from any duty or obligation imposed upon Franchisee by the Franchise Agreement, provided that upon assignment and assumption of the Franchise Agreement by the authorized transferee and delivery of all of the documents and fees required by Franchisor as a condition to the assignment or transfer of the Franchised Business, Franchisee shall have no liability or obligation with respect to any breach of the Franchise Agreement by the transferee arising after the date of transfer or assignment.

3. Survival of Obligations. Franchisee and Guarantor(s) each acknowledge that its obligations under the Franchise Agreement with respect to indemnification, audits (as to accounting periods prior to the Termination Date) and confidentiality of materials disclosed while the Franchise Agreement was in effect, and any other provision that specifies it survives termination of the Franchise Agreement all remain in full force and effect. Franchisee and Guarantor(s) shall contact Franchisor regarding any questions on such surviving obligations. For purposes of this Release, "Confidential Materials" means all materials in all forms, including electronically stored information, that was disclosed to Franchisee and Guarantor(s) in confidence, contains confidential information as described in the Franchise Agreement, including without

limitation all customer information subject to any privacy requirements, or by the facts and circumstances attending disclosure, should be considered confidential and proprietary.

4. Non-Competition Covenants. Notwithstanding the foregoing, the post-termination termination covenants against competition set forth in Section 11 of the Franchise Agreement shall be in full force and effect from the Effective Date until their stated expiration date.

5. No Violation of Applicable Law. Notwithstanding the foregoing, this Release does not apply to any claim or cause of action arising under laws governing the offer and sale of franchises to Franchisee or the relationship between Franchisee and Franchisor if the release would violate or is prohibited by such applicable law.

6. Representations and Warranties. Franchisee and Guarantor(s) each represent and warrant to Franchisor that: (a) Franchisee has reported the gross sales of the Franchised Restaurant accurately and correctly calculated the fees due during the Term of the Franchise Agreement; (b) Franchisee, Guarantor(s) and Franchisee's employees, contractors and agents have not used, disclosed or made unauthorized copies of any Confidential Materials, or shared any access codes to electronic information and secure web sites of Franchisor in violation of the Franchise Agreement; (c) no consent of any third party is required for Franchisee to enter into or perform this Release; (d) Franchisee or Guarantor(s) have not filed a lawsuit or arbitration demand against Franchisor, its parent companies or affiliates and have not filed a proceeding, complaint or notice regarding this franchise or franchisor with any federal, state or local regulatory or law enforcement agency, including without limitation the Federal Trade Commission regarding the Franchise Agreement; (f) Franchisee or Guarantor(s) are not the subject of any pending bankruptcy, receivership, composition, assignment or similar proceeding; (g) Franchisee has obtained the necessary equity owner and governance board authorization to execute and perform this Release; and (h) the persons negotiating and executing this Release on Franchisee's behalf have been duly authorized by its owners and its governance board.

7. Confidentiality. Each party hereto and their respective counsel, representatives and agents agrees that they will not disclose any of the terms of this Release. The parties and their respective counsel, representatives and agents are not, however, precluded from disclosing the terms of the Release to their attorneys, accountants, tax preparers, paid financial advisors or any governmental, regulatory or judicial authority which might compel the disclosure of this Release. Notwithstanding the foregoing, if any of the parties is served with a subpoena or other governmental or judicial process seeking to compel the disclosure of this Release, it shall be the responsibility of the party that receives the subpoena or other governmental or judicial process to notify all other parties to this Release within 72 hours of receipt, thus affording the other parties to this Release an opportunity to move to quash the subpoena or oppose the entry of any order seeking to compel the disclosure of this Release. Additionally, in the event it becomes necessary to file this Release with a court in any future enforcement action between the parties, the parties hereby agree to apply jointly for leave to file this Release under seal.

8. Future Conduct. Franchisee, on behalf of itself and its owners, agents, contractors, officers, managers, and directors, and the Guarantors (collectively, "Franchisee's Representatives") expressly covenant and agree that each of them shall not, at any time, either orally or in writing or through any other medium (including without limitation through any social media outlet, posting, blog or comment), or any other form of communication, (i) disparage, defame, impugn, assail or criticize the reputation, integrity, professionalism or conduct of the Franchisor or its officers, directors, managers, owners, agents, contractors and employees (collectively, "Franchisor's Representatives") the franchisees of Franchisor, or any of their representatives, (ii) pursue or promote any action to encourage any of Franchisor's Franchisees to (1) abandon or terminate their franchise, (2) not pay amounts due to Franchisor, (3) not perform under any franchise agreement, or (4) not support the Franchisor or any of its

programs in any way; or (iii) voluntarily testify or appear as a witness, consultant or expert, or participate as an adverse party to Franchisor, in any civil litigation, arbitration or dispute resolution proceeding against Franchisor or any of Franchisor's Representatives related to the Franchise, the business of Franchisor or the System, Franchisee's Representatives may answer truthfully to any inquiry received from a governmental authority or in response to any lawful discovery or subpoena issued in any civil or criminal proceeding. The Franchisee's Representatives and the Franchisor's Representatives will treat each other with mutual respect. Franchisor and the Franchisor's Representatives covenant and agree not to disparage, defame, impugn, assail or criticize the reputation, integrity, professionalism or conduct of Franchisee and the Guarantors in connection with this Franchise. The parties acknowledge that monetary damages may not be sufficient to provide redress to an aggrieved party if the other party breaches this Section, so the parties consent to the entry of injunctive relief to prevent any breach or continuing breach of this Section.

9. Consultation with Counsel. Franchisee and Guarantor(s) acknowledge that each of them have consulted with, or had the opportunity to consult with, legal counsel of their own selection about this Release. Franchisee and Guarantor(s) each understand how this Release will affect your legal rights and voluntarily enter into this Release with such knowledge and understanding.

10. Governing Law; Consent to Jurisdiction. This Release will be governed by and interpreted under Alabama law. The parties hereby consent and waive all objections to the non-exclusive personal jurisdiction of, and venue in, the United States District Court for the Northern District of Alabama and Alabama state courts situated in Jefferson County, Alabama for the purposes of all cases and controversies involving this Release and its enforcement, and the Franchise Agreement.

11. Attorneys' Fees. The parties agree that the non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party to enforce this Release or collect amounts owed under this Release.

12. Capitalized Terms. Capitalized terms not otherwise defined in this Release shall have the meaning assigned to that term in the Franchise Agreement, including its addenda and amendments.

13. Execution in Counterparts. To facilitate execution of this Release by geographically separated parties, this Release and all other agreements and documents to be executed in connection herewith may be executed in as many counterparts as may be required; and it shall not be necessary that the signatures on behalf of each party appear on each counterpart; but it shall be sufficient that the signature on behalf of each party appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Release to produce or account for more than a number of counterparts containing the respective signatures on behalf of all the parties hereto. All facsimile executions shall be treated as originals for all purposes.

14. Entire Agreement. This Release constitutes the entire understanding and agreement between the parties with respect to the Franchised Restaurant and the termination of the Franchise Agreement. This Release may not be changed or modified, except by a writing signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Release as of the date and year first above written.

FRANCHISEE:

By: _____

Printed Name: _____

Title: _____

FRANCHISOR:

TAZIKI'S FRANCHISING, LLC

By: _____

Printed Name: _____

Title: _____

GUARANTORS:

Printed Name:

Printed Name:

Printed Name:

EXTENSION AND GENERAL RELEASE AGREEMENT

This Extension and General Release Agreement (the "Extension") is made as of the ____ day of _____, 20__ ("Effective Date") by and among _____, a _____ (the "Franchisee"), its guarantors signing this Extension below (the "Guarantors") and Taziki's Franchising, LLC, an Alabama limited liability company ("Franchisor"). Franchisee and Franchisor are parties to a certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement"). Terms defined in the Franchise Agreement shall have the same meaning in this Agreement unless the context indicates otherwise.

Recitals. The Initial Term specified in Section 4 of the Franchise Agreement is expiring. Franchisee desires to renew and extend the Franchise Agreement and continue to operate the Franchised Business at the Approved Location in accordance with the renewal provisions of the Franchise Agreement. Franchisor has determined that Franchisee is eligible to renew the Term of the Franchise Agreement in accordance with this Agreement.

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements contained herein, the parties covenant and agree as follows:

1. Renewal Notice and Conditions. Franchisee has given Franchisor the required notice of Franchisee's intent to renew. Franchisee will pay to Franchisor the renewal fee specified in the Franchise Agreement upon signing this Agreement. Franchisor has determined that it will accept renewal and waive any disqualifications for the Franchised Restaurant from the conditions specified in the Franchise Agreement. Franchisee and the Guarantors covenant and agree to perform the renewal conditions specified on Exhibit A of this Agreement by the deadlines specified therein. If all of the renewal conditions having a deadline prior to the expiration of the Initial Term are timely performed, then the Term shall renew for the first Renewal Term effectively immediately on the expiration of the Initial Term for the period of time specified in the Franchise Agreement. The Initial Term expires on _____, 20__.

2. Ownership. Franchisee's Owner-Operator and Owners named in the Franchise Agreement remain in such positions and the information on Attachment A remains accurate and complete in all respects except as noted on Exhibit B to this Agreement. Franchisee and the Guarantors represent and warrant to Franchisor that no transaction has occurred, or is under contract to occur, and no transaction is contemplated by the Owners of Franchisee, that would require the consent or approval of Franchisor under Section 22 of the Franchise Agreement.

3. Lease. The lease for the Franchised Restaurant previously approved by Franchisor remains in full force and effect and has not been amended, changed or modified by Franchisee except as Franchisor has approved. The Franchised Restaurant remains in its Location and has not relocated, expanded or contracted in size or seating except as approved by Franchisor in writing.

4. Accurate Reporting. Franchisee represents and warrants to Franchisor that Franchisee has accurately and timely recorded and reported to Franchisor the Net Cash Sales of

the Franchised Restaurant and paid the proper amounts due to Franchisor under Section 5 of the Franchise Agreement.

5. Performance of Franchisor Obligations. Franchisee represents and warrants to Franchisor that as of the Effective Date, Franchisor has performed all of its obligations to Franchisee in a manner and time acceptable to Franchisee, and no event or condition has occurred that with the giving of notice, the passage of time or both, would constitute an event of default or breach of the Franchise Agreement that would give Franchisee the right to terminate the Franchise Agreement under Section 28.

6. Franchisee Representations. Franchisee affirms and acknowledges to Franchisor that as of the Effective Date, the representations and warranties of Franchisee under Section 55 of the Franchise Agreement remain true and correct, and apply to the execution and delivery of this Agreement.

7. Release of Franchisor. Franchisee hereby releases and forever discharges Franchisor, any subsidiary or affiliate of Franchisor, their respective officers, directors, members, employees, agents, contractors and their respective successors, assigns, heirs and personal representatives from any and all claims, demands, rights and causes of action of any kind that Franchisee now has or hereafter may have on account of or in any way arising out of or related to the offer, sale, administration and performance of the Franchise Agreement through the Effective Date. Franchisor and Franchisee mutually intend that this Agreement shall include, without limitation, claims, demands and causes of action arising out of alleged misrepresentations of any kind or nature whatsoever, alleged breaches of contract (based upon implied, express, estoppel, waiver, or alternative theories of contractual obligation), or breach of any alleged special, trust, agency or fiduciary relationship, whether asserted or proposed to be asserted by way of claim, setoff, affirmative defense, counterclaim, cross-claim or third party claim. Franchisor remains obligated to perform its obligations under the Franchise Agreement through and following the Effective Date.

8. No Release of Franchisee. Franchisee is not released from any duty or obligation imposed upon Franchisee by the Franchise Agreement, provided that upon assignment and assumption of the Franchise Agreement by the authorized transferee and delivery of all of the documents and fees required by Franchisor as a condition to the assignment or transfer of the Franchised Business, Franchisee shall have no liability or obligation with respect to any breach of the Franchise Agreement by the transferee arising after the date of transfer or assignment.

9. Survival of Obligations. Franchisee and Guarantor(s) each acknowledge that its obligations under the Franchise Agreement with respect to indemnification, audits (as to accounting periods prior to the Effective Date) and confidentiality of materials disclosed while the Franchise Agreement is in effect, and any other provision that specifies it survives termination of the Franchise Agreement all remain in full force and effect. Franchisee and Guarantor(s) shall contact Franchisor regarding any questions on such surviving obligations. For purposes of this Agreement, "Confidential Materials" means all materials in all forms, including electronically stored information, that was disclosed to Franchisee and Guarantor(s) in confidence, contains confidential information as described in the Franchise Agreement, including without limitation all

customer information subject to any privacy requirements, or by the facts and circumstances attending disclosure, should be considered confidential and proprietary.

10. Non-Competition Covenants. Notwithstanding the foregoing, the covenants against competition set forth in Section 11 of the Franchise Agreement shall remain and be in full force and effect from the Effective Date until their stated expiration dates.

11. No Violation of Applicable Law. Notwithstanding the foregoing, this Agreement does not apply to any claim or cause of action arising under laws governing the offer and sale of franchises to Franchisee or the relationship between Franchisee and Franchisor if the release would violate or is prohibited by such applicable law.

12. Representations and Warranties. Franchisee and Guarantor(s) each represent and warrant to Franchisor that: (a) Franchisee has accurately and correctly calculated the fees due during the Term of the Franchise Agreement and paid such fees when due; (b) Franchisee, Guarantor(s) and Franchisee's employees, contractors and agents have not used, disclosed or made unauthorized copies of any Confidential Materials, or shared any access codes to electronic information and secure web sites of Franchisor in violation of the Franchise Agreement; (c) no consent of any third party is required for Franchisee to enter into or perform this Agreement or extend the term of the lease for the Renewal Term; (d) Franchisee or Guarantor(s) have not filed a lawsuit or arbitration demand against Franchisor, its parent companies or affiliates and have not filed a proceeding, complaint or notice regarding this franchise or franchisor with any federal, state or local regulatory or law enforcement agency, including without limitation the Federal Trade Commission regarding the Franchise Agreement; (f) Franchisee or Guarantor(s) are not the subject of any pending bankruptcy, receivership, composition, assignment or similar proceeding; (g) Franchisee has obtained the necessary equity owner and governance board authorization to execute and perform this Agreement; and (h) the persons negotiating and executing this Agreement on Franchisee's behalf have been duly authorized by its owners and its governance board.

13. Confidentiality. Each party hereto and their respective counsel, representatives and agents agrees that they will not disclose any of the terms of this Agreement. The parties and their respective counsel, representatives and agents are not, however, precluded from disclosing the terms of the Release to their attorneys, accountants, tax preparers, paid financial advisors or any governmental, regulatory or judicial authority which might compel the disclosure of this Agreement. Notwithstanding the foregoing, if any of the parties is served with a subpoena or other governmental or judicial process seeking to compel the disclosure of this Agreement, it shall be the responsibility of the party that receives the subpoena or other governmental or judicial process to notify all other parties to this Agreement within 72 hours of receipt, thus affording the other parties to this Agreement an opportunity to move to quash the subpoena or oppose the entry of any order seeking to compel the disclosure of this Agreement. Additionally, in the event it becomes necessary to file this Agreement with a court in any future enforcement action between the parties, the parties hereby agree to apply jointly for leave to file this Agreement under seal.

14. Consultation with Counsel. Franchisee and Guarantor(s) acknowledge that each of them have consulted with, or had the opportunity to consult with, legal counsel of their own

selection about this Agreement. Franchisee and Guarantor(s) each understand how this Agreement will affect your legal rights and voluntarily enter into this Agreement with such knowledge and understanding.

15. Governing Law; Consent to Jurisdiction. This Agreement will be governed by and interpreted under Alabama law. The parties hereby consent and waive all objections to the non-exclusive personal jurisdiction of, and venue in, the United States District Court for the Northern District of Alabama and Alabama state courts situated in Jefferson County, Alabama for the purposes of all cases and controversies involving this Agreement and its enforcement, and the Franchise Agreement.

16. Attorneys' Fees. The parties agree that the non-prevailing party will pay all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party to enforce this Agreement or collect amounts owed under this Agreement.

17. Capitalized Terms. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned to that term in the Franchise Agreement, including its addenda and amendments.

18. Execution in Counterparts. To facilitate execution of this Agreement by geographically separated parties, this Agreement and all other agreements and documents to be executed in connection herewith may be executed in as many counterparts as may be required; and it shall not be necessary that the signatures on behalf of each party appear on each counterpart; but it shall be sufficient that the signature on behalf of each party appear on one or more of the counterparts. All counterparts shall collectively constitute a single agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a number of counterparts containing the respective signatures on behalf of all the parties hereto. All facsimile executions shall be treated as originals for all purposes.

19. Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties with respect to the Franchised Restaurant and the termination of the Franchise Agreement. This Agreement may not be changed or modified, except by a writing signed by the parties hereto.

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

FRANCHISEE:

FRANCHISOR:

TAZIKI'S FRANCHISING, LLC

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

GUARANTORS:

Printed Name:

Printed Name:

Printed Name:

EXHIBIT A

RENEWAL CONDITIONS AND PERFORMANCE

Renewal of the Franchise Term is expressly conditioned on Franchisee's timely performance of the following:

1. Upgrades, Remodeling, Repairs & Renovations.

Completion Deadline:

2. Retraining.

Completion Deadline:

3. Kitchen and Technology Equipment Replacements and Updates.

Completion Deadline:

EXHIBIT B
INFORMATION CHANGES

1. Your Owners:

Name	Address	Telephone	Email	Percentage Ownership

* Person designated as Owner-Operator

2. Persons with signed Management Confidentiality and Non-Competition Agreements:

STATE EFFECTIVE DATES

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

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

State	Registration Date
Indiana	Pending
Michigan	Pending
Virginia	Pending

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

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

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

If Taziki's Franchising, LLC (Taziki's) offers you a franchise, we 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 requires 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. Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 days before you sign a binding contract or pay any consideration. 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 Taziki's 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 you should report it to the Federal Trade Commission, Washington, D.C. 20580, and the applicable state agency listed on Exhibit E to this Franchise Disclosure Document.

Taziki's is located at 3009 Pump House Road, Suite 200, Birmingham, Alabama 35243. Its telephone number is 205.451.1860. The franchise sellers for this offering are Alexander Garmez, William Magruder and Dan Simpson at 3009 Pump House Road, Suite 200, Birmingham, Alabama 35243, 205.451.1860.

Issuance date: May 31, 2023

Taziki's has authorized the persons listed on Exhibit E to this Disclosure Document to receive service of process for us in Alabama and states where our franchise is registered.

I have received Taziki's Disclosure Document, dated May 31, 2023 (or the later date set forth for each applicable state on Exhibit E to this Franchise Disclosure Document), which includes the following exhibits:

A	Franchise Agreement including forms of Automated Clearing House Payment Authorization; Guaranty and Restriction Agreement; Management Confidentiality and Non-Competition Agreement; Lease Rider; Nontraditional Concept; Franchise Agreement Addenda Required by Certain States; Receipt of Operations Manual and Confidentiality Agreement; Fresh Technology Tools and Help Desk Agreements; SBA	B	Addendum; Optional Digital Advertising Services Participation Agreement
		C	Area Development Agreement
		D	Disclosure Document and Addenda Required by Certain States
		E	Financial Statements
		F	State Administrators and Agents for Service of Process
		G	Table of Contents of Operations Manual
		H	Names and Addresses of Franchisees
		I	Closing Acknowledgement
			General Release

Date of Signature
(Do not leave blank)

Signature of Prospective Franchisee (for the prospective franchisee and any corporation, partnership or other business entity having or proposed to have an interest in the franchise or any proposed franchised location)

Printed Name:

You may return the signed receipt either by signing, dating, and mailing it to Taziki's Franchising, LLC at 3009 Pump House Road, Suite 200, Birmingham, Alabama 35243 or by scanning and emailing a copy of the signed and dated receipt to Taziki's at franchising@tazikis.com.

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

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

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| | | C | Disclosure Document and Addenda Required by Certain States |
| | | D | Financial Statements |
| | | E | State Administrators and Agents for Service of Process |
| | | F | Table of Contents of Operations Manual |
| | | G | Names and Addresses of Franchisees |
| | | H | Closing Acknowledgement |
| | | I | General Release |

Date of Signature
(Do not leave blank)

Signature of Prospective Franchisee (for the prospective franchisee and any corporation, partnership or other business entity having or proposed to have an interest in the franchise or any proposed franchised location)

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