FRANCHISE DISCLOSURE DOCUMENT

TikkaShack, LLC,
a Texas limited liability company
8404 Preston Road, Suite 230
Plano, Texas 75024
214-561-6177
franchise@tikkashack.com
www.tikkashack.com

You will operate a fast-casual, dine-in restaurant featuring modern and fusion inspired Indian cuisine under the name TIKKA SHACK, or you will operate a fast-casual restaurant featuring Indian, Indo-Chinese, and Chinese cuisine under the name MASALA WOK. Each restaurant offers a wide variety of menu items featuring moderately-priced meals.

The total investment necessary to begin operation of either a TIKKA SHACK or MASALA WOK franchise ranges from $498,500 to $721,500. This includes $45,000 to $50,000 that must be paid to the franchisor or affiliate.

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 Pramod Prodduturi at 8404 Preston Road, Suite 230, Plano, Texas 75024 or 214-619-1665.

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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Date of Issuance: May 6, 2024

How To Use This Franchise Disclosure Document

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 C and Exhibit D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Resto Medic 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 Resto Medic franchisee?	Item 20 or Exhibit C and Exhibit D list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What you Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be riskier investment than a franchise in a system with a longer operating history.

TIKKASHACK, LLC
FRANCHISE DISCLOSURE DOCUMENT

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

To simplify the language in this disclosure document, the terms "we", "us", and "our" means TikkaShack, LLC, the franchisor. The term "you" means the person buying the franchise, the franchisee. If the franchisee is a general partnership, the term "you" refers to all partners. If the franchisee is a corporation, limited liability company or other business entity, the term "you" refers to the franchisee and the term "Owners" refers to any individual or entity with a beneficial ownership in the franchisee (including shareholders of a corporation, members of a limited liability company, general and limited partners of a limited partnership, etc.).

The Franchisor and any Parents, Predecessors, and Affiliates

We are a Texas limited liability company, formed on June 11, 2015, and our principal business address is 8404 Preston Road, Suite 230, Plano, Texas 75024. We do business under our corporate name and under the trade names "TIKKA SHACK" and "MASALA WOK". Our agents for service of process are listed in Exhibit H.

We began franchising TIKKA SHACK in June 2015 and offering MASALA WOK franchises in April, 2021. We have never operated a business of either type being franchised, and we do not engage in any other business. We have no predecessors.

Masalawok Holdings, GP, a Texas general partnership ("MHGP"), is our parent company. MHGP shares our principal business address. MHGP serves as a management company to several MASALA WOK restaurants. MHGP has never offered franchises in any line of business and has never engaged in any other business.

We have never offered franchises in any other line of business, but our affiliate, Masalawok Franchise L.P., previously franchised the operation of MASALA WOK restaurants from May 2004 to 2017. Masalawok Franchise L.P. has never engaged in any other business, and does not currently offer MASALA WOK franchise opportunities.

The Franchise

We grant franchises for the following types of restaurants (each referred to generally as "Restaurant") (a) the TIKKA SHACK Restaurant which is a fast-casual restaurant featuring Indian cuisine, or (b) a MASALA WOK Restaurant which is a fast-casual restaurant featuring Indian, Indo-Chinese, and Chinese cuisine.

You will operate the respective Restaurant using our proprietary business format and system ("System") which includes our distinctive interior design, decor, color scheme, graphics; fixtures and furnishings; special recipes and menu items; uniform standards, specifications, policies and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which we may change, improve, and develop ("Standards"). The System and Standards for TIKKA SHACK and MASALA WOK primarily differ in the System and Standards, including but not limited to, the menu items, recipes, and look and feel of the premises in which the franchised business is conducted.

Our Restaurants are identified by either the TIKKA SHACK or MASALA WOK trademarks and other proprietary trademarks, service marks, our trade dress, and other indicia of origin that we designate to identify businesses operating according to the System ("Marks"). Your Restaurant may not be dual-branded.

If we award you a franchise, you will sign a franchise agreement (see Exhibit B) and will develop and operate a MASALA WOK or TIKKA SHACK Restaurant, using the respective System and Marks, at a location that you select and that we have accepted as meeting our minimum site criteria. We call this the "Franchised Business."

Competition

The market for restaurant services is well-established and highly competitive. There is active price competition among restaurants, as well as competition for management personnel and for attractive commercial real estate sites suitable for restaurants. You will compete with other restaurants offering Asian-influenced cuisine and other competing concepts. Competitors may be locally-owned or large regional or national chains. The restaurant business is also affected by changes in consumer tastes, demographics, traffic patterns and economic conditions.

Industry-Specific Regulation

The restaurant industry is heavily regulated. Many of the laws, rules and regulations that apply to business generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws and the Occupational Safety and Health Act, also apply to restaurants. However, other laws, rules and regulations have particular applicability to restaurants.

The U.S. Food and Drug Administration, the U.S. Department of Agriculture and state and local health departments administer and enforce laws and regulations that govern food preparation and service and restaurant sanitary conditions. State and local agencies inspect restaurants to ensure that they comply with these laws and regulations.

In addition, the Menu Labeling Provisions of the Patient Protection and Affordable Health Care Act require certain restaurants and retail food establishments to post caloric information on menus and menu boards and to provide additional written nutrition information available to consumers upon request.

State alcoholic beverage regulatory authorities administer and enforce laws and regulations that govern the sale of alcoholic beverages. You must determine what laws and regulations apply to the offer and sale of beer.

The Federal Clean Air Act and various implementing state laws require certain state and local areas to meet national air quality standards limiting emissions of ozone, carbon monoxide and particulate matters, including caps on emissions from commercial food preparation. Some areas have also adopted or are considering proposals that would regulate indoor air quality.

The payment card industry ("PCI") Data Security Standard is the current standard of security requirements for all merchants or service providers that store, process, or transmit cardholder data. You are responsible for PCI Data Security Standard compliance as well as any federal, state, and local laws, regulations, and ordinances related to privacy maters, including data and personally identifiable information.

You must follow local and state laws, orders, and ordinances, especially short-term closure or lowered on-site seating capacity requirements or mask requirements to address public health concerns. Further, you may want to consider relevant guidance issued by federal agencies such as the Center for Disease Control and Occupational Safety and Health Administration for the safety of your customers and employees.

You should consider these laws and regulations when evaluating your purchase of a franchise.

ITEM 2
BUSINESS EXPERIENCE

Manager, General Partner: Pramod Prodduturi

Pramod Prodduturi has served as our manager and general partner since our inception in June 2015. He has also served as a partner of our parent, Masalawok Holdings, GP since March 2004, as manager of our affiliate, Masalawok Franchise Management, LLC, since April 2004, and as partner of our affiliate, Masalawok Franchise, LP since April 2004, all in Plano, Texas.

Manager, General Partner: Bhoopal P. Reddy

Bhoopal P. Reddy has served as our manager and general partner since our inception in June 2015. He has also has served as a partner of our parent, Masalawok Holdings, GP since March 2004, as manager of our affiliate, Masalawok Franchise Management, LLC, since April 2004, and as partner of our affiliate Masalawok Franchise, LP since April 2004, all in Plano, Texas.

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

Initial Franchise Fee

You will pay us a $40,000 initial franchise fee when you sign the franchise agreement. The initial franchise fee is not refundable and is imposed uniformly on all franchisees.

Opening Assistance Expenses

We provide pre-opening and opening assistance at no additional cost to you except the payment or reimbursement of our costs. We estimate that our opening team costs will range from $5,000 to $10,000. The opening team costs are not refundable and are imposed uniformly on all franchisees.

ITEM 6
OTHER FEES

Type of Fee[(1)]	Amount	Due Date	Remarks
Royalty Fee[2]	6% of Gross sales	On or before each Thursday for the preceding week.	You will pay the royalty fee by electronic funds transfer.
Brand Development Fee[2]	Currently, 1.5% of Gross Sales; we can increase to an amount, when combined with the Local Advertising Requirement, not to exceed 4% of Gross Sales	On or before each Thursday for the preceding week.	See Item 11 for more information about the Brand Development Fee.
Local Advertising Requirement	Currently, 0% of Gross Sales; we can increase to an amount, when combined with the Brand Development Fee, not to exceed 4% of Gross Sales	When billed.	Local advertising payments are made directly to local suppliers.

Type of Fee[1]	Amount	Due Date	Remarks
Advertising Cooperative Contribution	As determined by the cooperative	As incurred.	If we require you to participate in an established cooperative for your market area, your minimum monthly cooperative contribution will apply towards satisfaction of your local advertising requirement. Each cooperative may determine its own voting procedures; however, each company owned outlet will be entitled to one vote.
Website costs	Actual cost incurred	When billed.	If we include on our website an interior webpage related to your Restaurant, you are responsible for your costs related to preparing and maintaining the interior webpage.
Intranet/Extranet Fee	Up to $1,000 a year, if instituted	When billed.	If we institute an extranet/intranet, you will pay up to $1,000 a year to use this service.
Interest	18% per year or the maximum lawful rate.	On demand.	We may charge interest on all overdue amounts.
Additional Training	Our then current rates; currently, $500 per day per trainer, plus travel and lodging expenses.	As incurred	Our rate is subject to change.
Administrative Fee	$250 per enforcement effort (i.e., written or verbal notification and follow up), and $250 per week for each week that the issue remains unresolved	On demand.	We may assess an administrative fee to compensate us for our time.
On-site Remedial Training	Our then current rates; currently, $500 per day per trainer, plus travel and lodging expenses.	As incurred	Our rate is subject to change.
On-Site Training Cancellation Fee	Our then-current on-site training cancellation fee	Upon demand	May vary depending upon the type of scheduled training program and how far in advance you notify us in writing of the cancellation.
Transfer Fee	$5,000	With transfer application.	There is no fee if an individual or partnership transfers rights to a corporation or limited liability company controlled by the same interest holders.

Type of Fee[1]	Amount	Due Date	Remarks
Renewal Fee	$5,000	Signing of renewal franchise agreement.	You must give us at least six months' and not more than nine months' notice to renew and meet other renewal conditions.
Inspection and Testing	Our actual testing or inspection costs, plus reimbursement of our related travel, lodging, and salary costs for the individual(s) performing the evaluation; currently estimated between $500 and $2,500.	When billed.	Before approving a supplier or vendor we may require you to pay the cost of testing the supplier's products and inspecting its facilities, including reimbursement of travel and lodging accommodations and salary expense for individuals performing the evaluation.
Indemnification	An amount equal to the value of all losses and expenses that we incur.	On demand.	You must indemnify us when certain of your actions result in loss to us.
Books and Records	Actual cost we incur.	On demand.	Unless we otherwise agree, you must engage a third-party accountant to provide Restaurant related bookkeeping services and a third-party payroll service to provide payroll services for Restaurant payroll. If you do not use these required services, we have the right to perform or engage others to perform these services, and you must reimburse us the cost of these services.
Audit Fee	Cost of audit; currently estimated between $1,000 to $5,000.	When billed.	Payable if an audit shows you have understated any amount owed to us by 2% or more.
Insurance Fee	Reimbursement of insurance premium plus reasonable administrative fee; currently estimated between $1,500 to $2,500.	On demand.	If you fail to maintain the required insurance, we may (but need not) obtain it for you. If we do, we will charge you a fee, plus our expenses.
Enforcement Costs	Actual costs as incurred	As incurred.	You must pay our costs of enforcement (including attorney's fees and costs) if you do not comply with the franchise agreement.

Type of Fee[1]	Amount	Due Date	Remarks
Liquidated damages	An amount equal to Royalty fees and Marketing Fee Contributions for the lesser of (i) 24 months or (ii) the remaining weeks of the franchise term.	On demand	Payable if we terminate your franchise agreement because of your default, or if you terminate the franchise agreement without the right to do so.
Default Fee	$1,500 per event of default, plus the cost of re-inspections and the costs of enforcing compliance	Within 3 days of our demand.	Applies if you are in default under this Agreement.
Customer Rewards, and Gift Cards	Currently not implemented by us but may be implemented in future	As invoiced	Fees for access management of customer rewards, and/or gift card system and redemption.
Step-In Rights	Not to exceed 10% of Gross Sales plus travel and lodging expenses for our personnel	On demand	Payable only if we manage the Restaurant on your behalf.
Mobile App (Tikka Shack)	Greater of $10 per week or $40 per month, subject to increase each calendar year by an amount not to exceed 10% of the prior year's cap.	Monthly	Subscription based application that is $10 per week per location.
Mobile App (Masala Wok)	Greater of $10 per week or $40 per month, subject to increase each calendar year by an amount not to exceed 10% of the prior year's cap.	Monthly	Subscription based application that is $10 per week per location.
Failure to submit Required Data Fee	$500 for any month you do not submit the required data	Via invoice	Payable if you fail to submit or allow access to any required data for each month you do not provide such data or access. You will continue to incur this fee until you submit the required data.
Holdover Fee	150% of the current Royalty fees due	On demand	Payable if you continue to operate the Restaurant after expiration of the franchise agreement without renewal.

Notes:

(1) All fees and expenses described above are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us.

(2) Gross Sales is the total selling price of all services and products and all income of every other kind

and nature related to the Restaurant (including income related to catering operations and special events), whether for cash or credit and regardless of collection in the case of credit. Gross Sales includes the full value of meals provided to your employees as an incident to their employment (except you may credit the value of any discounts against Gross Sales during the week in which the meals are provided), and are not reduced by the amount of any discounts on products or services sold to employees, family members, or other businesses you own or control or by the amount paid to, collected by, or shared with third-party food ordering and delivery systems with which we allow the Restaurant to do business. Gross Sales does not include: (i) receipts from any public telephone, vending machine, or video games installed in your Restaurant, except for your share of the revenues; (ii) sales (or similar) taxes that you collect from your customers if you transmit them to the appropriate taxing authority; (iii) proceeds from isolated sales of trade fixtures that are not part of the products and services you offer and that do not have any material effect on the operation of your Restaurant; (iv) tips or gratuities paid directly by Restaurant customers to your employees or paid to you and then turned over to these employees by you in lieu of direct tips or gratuities; (v) returns to shippers or manufacturers; and (vi) usage or delivery fees paid to third-party delivery apps. Gross Sales also does not include proceeds from the sale of gift certificates or stored value cards (all proceeds from the sale of gift certificates and stored value cards belong to us), but it does include the redemption value of gift certificates and Restaurant stored value cards at the time purchases are made. You are responsible for the accurate reporting of gift certificate and stored value card sales and the corresponding impact on Gross Sales. Gross Sales also includes barter and exchange transactions for which you furnish services or products in exchange for goods or services to be provided by the vendor, supplier or customer will be valued at the full retail value bartered in exchange for the good or services provided to you. Gross Sales also includes the proceeds of any business interruption insurance paid to you. Gross Sales also includes any payments you receive from vendors. Chargebacks are not deducted from Gross Sales.

If a state or local law applicable to your Restaurant prohibits or restricts in any way your ability to pay Royalty Fees or other amounts based on Gross Sales derived from the sale of alcoholic beverages at the Restaurant, then we reserve the right to increase the percentage rate for calculating Royalty Fees and to change the definition of Gross Sales to exclude sales of alcoholic beverages, so that you will pay a Royalty Fee equal to the amounts you would have had to pay if sales from alcoholic beverages were included in Gross Sales. For example, if you generated $1,000 in Gross Sales, of which $200 is from the sale of alcoholic beverages, then your weekly Royalty Fee is $50 (5% x $1,000). If you are not permitted by law to pay Royalty Fees on the sale of alcoholic beverages, then we will recalculate your royalty percentage so that you still pay the full Royalty Fee. In our example, we must deduct $200 from the Gross Sales and raise your royalty percentage to 6.25% so that we may collect the same $50 Royalty Fee ($1,000 - $200 = $800 x 6.25% = $50).

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

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee(1)	$40,000	Lump sum	When you sign the franchise agreement	Us
Rent and Security and Utility Deposits(2)	$7,500 - $10,000	As arranged	As arranged	Lessor

Type of expenditure	Amount	Method of payment	When due	To whom payment is to be made
Leasehold Improvements(2)	$200,000 - $350,000	As arranged	As arranged	Contractor
Furniture, Fixtures, and Equipment(3)	$175,000 - $225,000	As arranged	As arranged	Suppliers
Liquor License and Other Business Licenses and Permits(4)	$2,500 - $5,000	As arranged	As arranged	Government agencies; your attorneys or other third parties
Initial Training Costs(5)	$5,000 - $10,000	As arranged	As arranged	Employees and suppliers
Opening Assistance Expenses(6)	$5,000 - $10,000	As arranged	As invoiced	Us
POS Computer Hardware and Software (7)	$2,500 - $5,000	As arranged	As arranged	Suppliers
Initial Inventory/Supplies(8)	$7,500 - $10,000	As arranged	As arranged	Suppliers
Professional Services(9)	$2,000 - $2,500	As arranged	As arranged	Accountants, lawyers, etc.
Grand Opening Promotional Expenses(10)	$10,000 - $12,000	As arranged	As arranged	Suppliers
Insurance(11)	$1,500 - $2,000	As arranged	As invoiced	Insurance broker
Additional Funds for three months(12)	$40,000	As incurred	As arranged	Varies
TOTAL	$498,500 - $721,500			

Notes:

(1) The initial franchise fee is considered fully earned and nonrefundable upon payment. See Item 5 for more information about the initial franchise fee.

(2) This is an estimate of the rent and security deposit for the start-up phase of your business. We estimate the start-up phase to be three months from the date you open for business. The Restaurant is typically located in commercially zoned shopping or entertainment areas. Due to the cost of land acquisition and new construction, the premises for the Restaurant is normally leased. These amounts assume that you will lease the premises for the Restaurant and do not include costs of land acquisition and construction of a building. The leasehold improvements estimate is based on the cost of adapting the architectural and design plans to a facility containing approximately 2,500 square feet. The leasehold improvement ranges will be affected by various factors like the location of the Restaurant, local market conditions and whether you finance the expense or pay in cash. The estimates assume that the landlord will provide connections to adequate electrical, gas, water and sewage service. Your actual costs may or may not include site preparation and finish-out costs, depending on the arrangements you negotiate with your landlord. If your landlord contributes to the cost of finish-out, total leasehold improvement costs could be reduced by up to $20 per square foot. These costs are our best estimate based on commercial leasing and remodeling/finish-

out rates that our affiliates have experienced with company-owned TIKKA SHACK and MASALA WOK Restaurants.

(3) These amounts include the cost of the furniture, fixtures, equipment, decor items, office equipment, office supplies and signage required for your Restaurant. The actual amount may vary depending on whether you finance these items or pay in cash.

(4) The costs to obtain permits and licenses varies widely based on factors like location, the availability of liquor licenses, restrictions on transfer, and the market value of liquor licenses. It is our experience that the costs reflected above are typical. However, due to the influence other factors have on the costs of permits and licenses, please investigate the local requirements thoroughly.

(5) We provide initial training to your initial Operating Principal and Restaurant Manager at no additional charge. Therefore, these amounts include only your out-of-pocket costs for the training of these people. You must pay all expenses you or your employees incur in the initial training program, such as travel, lodging, meals and wages. These costs will vary depending upon your selection of salary levels, lodging and dining facilities, mode, and distance of transportation. Wages for your Restaurant Manager, while in training, are included, but wages for the Operating Principal, while in training, are not included. (See Item 11).

(6) We provide on-site opening and opening assistance at no additional charge, except that you must reimburse us for the expenses we incur in providing the assistance, including travel, lodging, meals, and wages for our opening team. We (or our designee) will perform one on-site evaluation for the Restaurant at no additional charge, but we may require that you reimburse us (or our designees) for reasonable expenses incurred in making the on-site evaluation. For each additional on-site evaluation, we may charge you a reasonable fee for performing the evaluation, and we may charge you our (or our designee's) reasonable expenses for providing the evaluation, including travel, lodging and meals.

(7) This amount includes the cost of computer hardware and software that you must use in the operation of your Restaurant. The low estimate contemplates a lease of the equipment and the high estimate contemplates a purchase.

(8) We estimate that this range will cover the cost of certain small wares including utensils and dishes. This estimate also includes the cost of food, beverages, condiments and supplies for approximately the first two to 10 days of operations.

(9) This estimate is for the cost to establish an entity to hold the franchise and review the franchise documentation and for architectural and accounting services. The cost of professional services can vary widely.

(10) You must carry out a grand opening promotion for the Restaurant that complies with our written specifications. We must approve all advertising items, methods and media. Before the Restaurant opens we will agree on a spending requirement not less than $2,500, but not to exceed $5,000 in connection with the grand opening promotion of the Restaurant. See Item 11 for more information regarding the grand opening requirement.

(11) This amount represents an estimate of the down payment on your annual insurance premiums. You must obtain the insurance coverage described in the franchise agreement. We must be named as an additional insured on these policies. Your cost of insurance may vary depending on the insurer, the location of your Restaurant, your claims history, and other factors (See Item 8).

(12) You will need additional funds during the start-up phase of your business to pay employees, purchase supplies and pay other expenses. We estimate the start-up phase to be three months from the date you open for business. These amounts do not include any estimates for debt service. These figures are estimates, and we cannot assure you that you will not have additional expenses. We relied on the experience of our affiliates' TIKKA SHACK and MASALA WOK Restaurants to compile these estimates.

The estimates in this Item 7 are significantly the same or similar for either a TIKKA SHACK or MASALA WOK Restaurant.

We do not offer any financing for your initial franchise fee or any portion of your initial investment. Unless otherwise stated, the amounts described above are not refundable.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

Except as noted below, you generally have no obligation to purchase or lease from us, our affiliates, or other designated third party suppliers any of the products, services, supplies, fixtures, equipment (including computer hardware and software and electronic cash register systems), inventory or real estate used in establishing or operating the Restaurant. However, there are some exceptions, as follows:

Architectural Plans

You must engage our designated architectural firm for the initial design of your Restaurant's architectural plans and mechanical, electrical, and plumbing plans.

Point of Sale Systems

You must purchase the Square point of sale system ("POS System") for your Restaurant. (See Item 11).

Spice Packs and Sauce Blends

You must purchase spice packs for seasoning certain menu items and sauce blends from us or a designated supplier.

Advertising and Promotional Materials

All of your advertising and promotions must conform to our standards and requirements. We must approve all advertising and promotional plans and materials before you use them, if we have not prepared them or previously approved them during the 12 months preceding the date of their proposed use. You must submit any unapproved plans and materials to us at least 30 days before the applicable deadline for running the advertisement, and we will approve or disapprove them within 10 business days after we receive them. If we do not object to your proposed plans or materials within the 10 day period, you may use the plans or materials.

Insurance

You must obtain and maintain insurance policies protecting you and us and various related parties against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense related to or connected with the operation of the Restaurant. These policies must be written by a responsible insurance carrier or carriers rated "A" or better by the A.M. Best Company, Inc. and that are acceptable to us. At a minimum, you must carry:

(i) comprehensive general liability insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability and fire damage coverage in the amount of $1,000,000, combined single limit per occurrence, $2,000,000 general aggregate, or any greater amounts as your lessor may require;

(ii) "All Risks" coverage for the full cost of replacement of the Restaurant premises and all other property in which we may have an interest with agreed amount endorsement for the premises naming us as loss payee;

(iii) Crime policy for employee dishonesty for $25,000 and Monies & Securities of $10,000 in $10,000 out

(iv) Food Borne Illness/Trade Name Restoration for $500,000 to cover lost income from an actual or alleged contamination event within the brand.

(iv) Automobile liability coverage for owned and non-owned and hired vehicles, with coverage in the amount of $1,000,000 combined single limit;

(v) an "umbrella" policy providing excess coverage with limits of not less than $5,000,000 in excess of the liquor liability, general liability, and automobile liability coverage;

(vi) liquor liability coverage in the amount of $1,000,000;

(vii) business interruption insurance covering at least 24 months' loss of profits, necessary continuing expenses for interruptions caused by any occurrence;

(viii) worker's compensation insurance with employer liability limit of bodily injury by accident $1,000,000 each accident, by disease $1,000,000 policy limit, and by disease $1,000,000 each employee; and

(ix) any other insurance required by the state or locality in which your Restaurant is situated.

We must be named as an additional insured on these policies. All insurance policies must include a waiver of subrogation in favor of us and our affiliates, and each company's officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees, and must include a 30-day notice of cancellation directed to both you and to us or the person we designate.

We reserve the right to require you to obtain insurance policies to protect against cybersecurity threats, and accordingly, to require that Franchisor is named as additional insured on these cybersecurity insurance policies. Your landlord may require more coverage or different types of coverage. These are minimum requirements only, and we have the right to modify them at any time. You should consult with your own insurance advisor to determine whether they are appropriate and sufficient for your business and to protect your assets.

Bookkeeping

You must obtain bookkeeping services for the Restaurant from an approved suppliers.

Signage and Menu Board

You must obtain signage and a menu board for the Restaurant from approved suppliers. We currently have one approved third-party supplier for signage and one approved third-party supplier for menu boards.

Purchases According to Specifications; Approved Suppliers

You must comply with all of our standards and specifications relating to the purchase of all supplies, materials, fixtures, furnishings, equipment (including computer hardware and software) and other products used or offered for sale at the Restaurant. We formulate our standards and specifications based on a variety of factors, including our experience in operating company-owned Restaurants, and we make those standards and specifications available to you. If we have approved suppliers (including manufacturers, distributors and other sources) for any supplies, materials, fixtures, furnishings, equipment (including computer hardware and software) and other products or services used or offered for sale at the Restaurant, you must obtain these items from those suppliers. Approved suppliers are those who demonstrate the ability to meet our then-current standards and specifications, who possess adequate quality controls and the capacity to supply your needs promptly and reliably, whom we have approved in writing and whom we have not later disapproved. We may designate ourselves or our affiliates as approved suppliers of any item.

Other than our officers' ownership interests in us, none of our officers owns an interest in any privately-held suppliers, or a material interest in any publicly held suppliers, of the franchise system. From time to time, our officers may own non-material interests in publicly held companies that may be suppliers to our franchise system.

Supplier Approval Procedure

If we require that an item be purchased from an approved supplier and you wish to purchase it from a supplier we have not approved, you must submit to us a written request for approval. You must not purchase or lease the item from the supplier until and unless we have approved the supplier in writing. We have the right to inspect the supplier's facilities, and to have samples from the supplier delivered to us or to an independent laboratory we designate for testing. We may re-inspect the facilities and products of any approved supplier, and may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. You must reimburse us for the costs that we incur in the supplier approval process. Nothing requires us to approve any particular supplier and we are not required to notify you of our approval or disapproval within any specified period of time. We generally approve or disapprove a proposed supplier within 45 days of the date on which we receive all information we request about the proposed supplier. Our specifications for products and criteria for supplier approval are generally issued through written communications and are available to you and approved suppliers.

Purchasing Arrangements

During our fiscal year which ended December 31, 2023, neither we nor affiliates derived any revenue from franchisee purchases or leases.

There are currently no purchasing or distribution cooperatives for the System. However, in order to promote the overall interests of the System and our interests as the franchisor, we have entered into certain purchase arrangements (including price terms) with certain distributors for the benefit of franchisees and the System. You are not required to purchase from these designated sources. Neither we nor our affiliates receive any rebates related to these arrangements as of the date of this disclosure document.

We or our affiliates may receive rebates from approved or designated sources in the future. You will not receive any material benefits (for example, additional renewal rights or rights to acquire additional franchises) based on your purchase of particular products or services or your use of designated or approved suppliers.

We estimate that your purchases of goods and services in accordance with specifications will represent approximately 80 to 85% of your total purchases in connection with establishing your Franchised Business and approximately 75% or more of your total purchases in connection with operating your Franchised Business. The majority of these required purchases will be from third parties under our specifications.

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section(s) in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Sections 2.A., B., and C.	Items 8 and 11
b. Pre-opening purchases/leases	Sections 2.D., 2.E., 7.D., 7.E., and 7.G., and Article 12	Items 5, 6, 7, 8, and 11
c. Site development and other pre-opening requirements	Article 2	Items 1, 7, 8, and 11
d. Initial and ongoing training	Sections 5.J., 5.K., 5.L., and 6.F.	Items 6, 7, and 11
e. Opening	Sections 2.F., 5.K., and 8.G. and Attachment C	Items 7 and 11
f. Fees	Articles 4 and 8 and Sections 3.B., 5.B., 5.L., 7.D., 7.H., 10.A., 11.C., 12.G, 14.B, and 14.E.	Items 5, 6, 8, and 11

Obligation	Section(s) in Franchise Agreement	Disclosure Document Item
g. Compliance with standards and policies/Operations Manual	Articles 2, 3, 4, 7, 8, 9, 10, 11, and 12	Items 8, 11, 14, and 16
h. Trademarks and proprietary information	Articles 9 and 10 and Attachment B	Items 11, 13, and 14
i. Restrictions on products/services offered	Articles 1 and 7	Items 8 and 16
j. Warranty and customer service requirements	Section 7.K.	Item 16
k. Territorial development and sales quotas	Not applicable.	Item 12
l. Ongoing product/service purchases	Articles 7 and 8	Items 8, 11, and 16
m. Maintenance, appearance and remodeling requirements	Sections 3.B., 7.B., and 7.C.	Item 8
n. Insurance	Article 12	Items 7 and 8
o. Advertising	Article 8	Items 6, 8, and 11
p. Indemnification	Article 15	Item 6
q. Owner's participation/management/staffing	Articles 6 and 7	Items 1, 11, and 15
r. Records and reports	Articles 4, 8, and 11	Item 11
s. Inspections and audits	Sections 7.E. and 11.C.	Items 6 and 11
t. Transfer	Article 14	Items 6 and 17
u. Renewal or extension of rights	Section 3.B.	Items 6, 12, and 17
v. Post-termination obligations	Article 18 and Section 10.C.	Item 17
w. Noncompetition covenants	Article 10 and Attachment B	Item 17
x. Dispute resolution	Article 19	Item 17
y. Guaranty and Assumption Agreement	Section 6.C. Attachment A	Item 15

ITEM 10
FINANCING

Neither we nor any of our agents or affiliates offer any direct or indirect financing to you or guarantee any note, lease, or other obligation for you.

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

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

Before you open your Restaurant, we or our designee will:

1. Provide you with access to a copy of our written site selection guidelines and give you the site selection assistance we believe to be necessary. (Franchise Agreement, Section 5.A.)

2. Review your proposed site for compliance with our site selection guidelines and accept or decline the site and your proposed lease or contract of sale within 30 days after receiving your site information. (Franchise Agreement, Section 2.B and 5.B.)

3. Provide you with access to our prototypical design plans and specifications for the Restaurant. (Franchise Agreement, Section 5.C.)

4. Provide you with access to one set of our Manuals, either in electronic or paper form. We will provide you access to Sections A through C of the Manuals after you execute the franchise agreement, and we will provide you access to the remaining Sections of the Manuals immediately before you open your Restaurant. The Table of Contents of our confidential Manuals is attached to this disclosure document as Exhibit E. Currently, our Manuals contain a total of 281 pages. (Franchise Agreement, Section 5.D.)

5. Provide you a list of approved suppliers. (Franchise Agreement, Section 5.I.)

6. Conduct an initial training program. (Franchise Agreement, Sections 5.J. and 6.F.)

7. Give you on-site pre-opening and opening assistance. (Franchise Agreement, Section 5.K.)

During the operation of your Restaurant we will:

1. Conduct periodic evaluations of your operations. (Franchise Agreement, Section 5.F.)

2. Give you advice and written materials we may develop on the techniques of managing and operating the Restaurant. (Franchise Agreement, Section 5.H.)

3. Give you updated lists of approved suppliers as we deem appropriate. (Franchise Agreement, Section 5.I.)

4. Provide additional training programs and seminars at our option. (Franchise Agreement, Sections 5.J., 5.L, and 6.F.)

5. Provide you with access to any proprietary software programs as may be developed by us or on our behalf for use in the System. We reserve the right to charge a reasonable license fee should these programs be implemented. (Franchise Agreement, Section 5.E.)

6. We may assist or require you to establish the maximum and minimum prices that you offer to your customers to extent permitted by law. (Franchise Agreement 7. F.)

Advertising

Our advertising program for the products and services offered by TIKKASHACK or MASALAWOK Restaurants currently consists of electronic and print advertising in certain local and/or regional markets. Our advertising materials currently are created in-house and with the help of an outside advertising agency. We may elect to utilize various local, regional and/or national media campaigns in the future which may include television, magazine, newspaper and Internet advertising campaigns. You may develop your own advertising and marketing materials, at your own expense, subject to the requirements described below.

All advertising and promotions you place in any medium must be conducted professionally and must conform to our standards and specifications. We must approve all advertising and promotional plans and materials before you use them if we have not prepared them or previously approved them during the 12 months preceding the date of their proposed use. You must submit any unapproved plans and materials to us at least 30 days before the applicable deadline for running the advertisement, and we will approve or disapprove them within 10 business days after we receive them. If we do not object to your proposed plans or materials within the 10-day period, you may use the plans or materials.

All marketing and promotional materials, including product identification materials, point-of-purchase promotional materials, promotion memorabilia, and merchandise and prizes, will either be provided for you, or be made available to you for purchase through us.

We may create and license to you, social media accounts, e-mail marketing software accounts and other electronic accounts that use the Marks or any portion of them, used by you with any Internet directory, website, platform, or similar item in the operation of your Franchised Business. You may not create websites, social media accounts, e-mail marketing software accounts or other comparable accounts outside of those which we license to you.

You will operate your Franchised Business so that it is clearly identified and advertised as a TIKKASHACK or MASALAWOK franchise. You will use the Marks which now or hereafter may form a part of the System, on all signs, suppliers, business cards, uniforms, advertising materials, Technology platforms, signs and other articles in the identical combination and manner as we may prescribe in writing and you will supply to us samples and photographs of the same upon our request. You will comply with all trademark, trade name, service mark and copyright notice marking requirements and you will supply to us samples or photographs upon our request.

Grand Opening Advertising

Before the Restaurant opens for business, we will agree on a budget (ranging from $2,500 to $5,000) and a marketing plan for your initial advertising. You must conduct the promotional campaign during the first 60 days of operations of the Restaurant.

Brand Development Fee

We have implemented a System-wide brand development advertising and marketing fee ("Brand Development Fee"). We may vary the amount of the Brand Development Fee that you must contribute; but, when combined with the local advertising requirement, the total amount will not exceed 4% of Gross Sales.

We will administer the Brand Development Fee monies as follows:

(a) We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet or other media for advertisements and promotions. We may engage in local, regional, or national advertising. We are not required to spend any particular amount on advertising in your Protected Area.

(b) We may use your Brand Development Fee to meet or reimburse us for any cost of conducting market research, producing, maintaining, administering and directing consumer advertising (including the cost of preparing and conducting television, radio, Internet, magazine, direct mail and newspaper advertising campaigns and other public relations activities; hosting an Internet web page of similar activities; employing advertising agencies to assist therein; providing promotional brochures and other marketing materials to franchisees;).

(c) We will not use Brand Development Fee for creating or placing any advertisement that is principally a solicitation for new franchisees, but may include in all advertising prepared using Brand Development Fee (including Internet advertising) information concerning franchise opportunities, and a portion of Brand Development Fee may be used to create and maintain one or more pages on our website devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by prospective franchise candidates. We also may use Brand Development Fee monies to reimburse ourselves for our costs of personnel and other administrative and overhead costs associated with providing these services.

(d) There is no requirement that the Brand Development Fee monies be audited. We will have an accounting of the Brand Development Fee monies prepared each year and we will provide you with a copy upon your written request.

(e) We expect to use all Brand Development Fee in the fiscal year they are made. Any amounts contributed to the Brand Development Fee that are not spent in the year they are collected will remain in the Brand Development Fee for use during the next year. Although not contractually required, we anticipate that all TIKKASHACK or MASALAWOK Restaurants owned by us or an affiliate located in the United States will contribute similarly to the Brand Development Fee as required of franchisees. There is no requirement that the Brand Development Fee monies be audited. We will have an accounting of the Brand Development

Fee monies prepared each year and we will provide you with a copy upon your written request. The Brand Development Fee account is not a trust or escrow, and neither we nor our affiliates assume any fiduciary duty in administering the Brand Development Fee monies or for any other reason.

Local Advertising

We may vary the amount of the advertising assessment you are required to spend for local advertising or as a contribution to the Brand Development Fee, but in no event will your total required expenditures for advertising exceed 4% of your Restaurant's Gross Sales. We recommend that our franchisees regularly advertise their respective Restaurants in their local markets, but we do not require that they spend any particular amount. We may increase this requirement upon reasonable notice to you.

You must give us a quarterly report of your local advertising expenditures within 15 days following the end of each calendar quarter. You cannot include expenditures for any of the following to satisfy your local advertising expenditure requirement: (i) incentive programs for your employees or agents; (ii) non-media promotional costs; (iii) charitable, political or other contributions or donations; (iv) in-Restaurant fixtures or equipment; or (v) grand opening expenses.

Advertising Cooperative

We do not currently require you to participate in any local or regional advertising cooperatives. We have the exclusive right to require that advertising cooperatives be formed, changed, dissolved, or merged. If you are required to participate in an advertising cooperative, you will be required to contribute your share of the cooperative's budget as determined by the cooperative's members.

We can designate any geographic area in which two or more company-owned or franchised System Restaurants are located as a region for an advertising cooperative ("Cooperative"). If we do, the Cooperative must be organized and governed as we determine. Any Cooperatives we authorize will be for the exclusive purpose of administering advertising programs and developing promotional materials for members in local advertising. If a Cooperative is established for an area that includes your Protected Area (defined in Item 12 below), you must become a member of the Cooperative and participate in the Cooperative by contributing the amounts required by the Cooperative's governing documents. However, you will not be required to contribute more than the amount you would otherwise be required to spend on local advertising and your Cooperative contribution will be applied toward satisfaction of your local advertising requirement. You must also submit to the Cooperative and to us all statements and reports that we or the Cooperative may require. Cooperative contributions will be maintained and administered under the Cooperative's governing documents and the Cooperative will be operated solely as a conduit for the collection and expenditure of advertising contributions.

Advertising Council

Presently, we do not have an advertising council.

Computer and Electronic Point of Sale Systems

You must install and maintain a laptop or computer at the Restaurant that has a high-speed internet connection and is capable of running the software that we require. This computer must be purchased in addition to any computer(s) provided with or required for the point-of-sale system. You must use all proprietary software programs, system documentation manuals, and other proprietary materials that we require, and input and maintain in your computer such data and information as we prescribe in the Manual. You must purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever we adopt such new or upgraded programs, manuals, and materials system-wide. You must enter into all software license agreements, "terms of use" agreements, and software maintenance agreements, in the form and manner we prescribe, and pay all associated fees. You must acquire, install and maintain all anti-virus and anti-spyware software that we require, and must adopt and implement Internet user policies that we require to avoid, block and eliminate viruses and other conditions that interfere with operation of the computer system.

You must also install and maintain between two and four POS Systems (depending on the size of your Restaurant). Currently, we require that you use the Square POS System. You must connect the POS System to a telephone line or other communications device which is capable of accessing the internet via a third-party network. We will have the right to independently access all information and financial data recorded by the system for daily polling, audit and sales verification. There is no contractual limitation on our right to access or use this information. Updates or replacement of the POS System, both hardware and software, may be required. There is no contractual limitation on the frequency or cost of these obligations. All sales must be processed through the approved POS systems and reported as gross sales and no other supplemental or secondary POS system may be used.

If you are operating a Restaurant using TIKKA SHACK Marks you must participate in Mobile App (Tikka Shack) program and pay Mobile App Fee in the amount of $10 per week. This fee is subject to increase annually not to exceed 10% of prior year's Mobile App Fee cap.

If you are operating a Restaurant using MASALA WOK Marks you must participate in Mobile App (MASALA WOK) program and pay Mobile App Fee in the amount of $10 per week. This fee is subject to increase annually not to exceed 10% of prior year's Mobile App Fee cap. We estimate that the cost of the computer and POS System will be approximately $2,500 to $5,000 depending on the number of POS terminals you install at your Restaurant and depending on whether you purchase or lease the POS System (See Item 7). The computer system and/or POS for your Franchised Business will be dedicated for the operation of your Tikka Shack or Masala Wok restaurant and used for no other purpose.

You must install any other hardware or software for the operation of the Restaurant that we may require in the future, including any enhancements, additions, substitutions, modifications, and upgrades. Specifically, we may require that you install and maintain systems that permit us to access and retrieve electronically any information stored in your computer systems, including information concerning your Restaurant's Gross Sales, at the times and in the manner that we may specify periodically. There is no contractual limitation on the frequency or cost of these obligations. We may also require you to license from us, or others we designate, any computer software we develop or acquire for use by the Restaurant.

At our request, you must install and maintain interactive multi-media equipment, devices, and facilities that we require, including approved surveillance systems, music systems, Wi-Fi, and other wireless Internet and communications systems and interactive displays, including plasma or LCD screens. If a designated music provider has been identified, you must acquire music from that vendor. You must only play music approved by us at your Restaurant; however, upon our notice, you must cease using any music we disapprove. You must also obtain a license for music played in your approved location and must be able to supply evidence of this license at our request.

Neither we, our affiliates, nor any third parties are required to provide ongoing maintenance, repairs, upgrades, or updates to your computer system. Currently, there are no optional or required maintenance/upgrade contracts for the point-of-sale or computer system.

Information Systems/Technologies

We may designate the information system used in your Franchised Business, including the computer hardware, software other equipment and enhancements (the "Information System"). If you suspect or know of a security breach, you must immediately give notice of such security breach and promptly identify and remediate the source of any compromise of security breach at your expense. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning customers of the franchise business unless otherwise directed by us.

You are solely responsible for protecting yourself from disruptions, Internet Access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and you waive any and all claims you may have against us or our affiliates as the direct or indirect result of such disruptions, security breach and promptly identify and remediate the source of any compromise of security breach at your expense. You assume all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories and transactions concerning customers of the Franchise Business, unless otherwise directed by us.

You hereby release and agree to hold us and our affiliates and our respective officers and directors, harmless from and against any and all claims, liability, damages or causes of action of any nature arising from or in connection with the installation, maintenance or operation of the Information System and its billing and payment processing, except to the extent arising from such party's gross negligence or intentional acts.

All of the information we or our affiliates obtain from you or about your Franchised Business, and all information in your records or our concerning the members of your Franchised Business ("the Information") and all revenues we derive from the Information will be our property. However, you may at any time during the term of your franchise agreement, use in the operation of your Franchised Business (but for no other purpose), to the extent lawful and at your sole risk and responsibility, any information that you acquire from third parties in operating your Franchised Business, such as customer data. The information (except for information you provide to us or our affiliates with respect to you and your affiliates, including your respective officers, directors, shareholders, partners or equity members of your entity) will become our property which we may use for any reason as we deem necessary or appropriate in our discretion. You hereby authorize your payment processor to release the information to us at any time. Following termination or expiration of this Agreement you will no longer use any of the Information, except to comply with your post-term obligations under this Agreement and you authorize your payment processor to release the Information exclusively to us and/or our designees

Training

Before the Opening Date of your Restaurant, your Operating Principal and Restaurant Manager must have attended and satisfactorily completed our initial training program.

Currently, training is conducted in Plano, Texas. We provide instructors and training materials at no charge, but you must pay all expenses you and your personnel incur in initial training, including costs of travel, lodging, meals and wages. We may charge a reasonable training fee based on our cost for training all successor or replacement personnel.

Our training is administered and directed by Pramod Prodduturi, who has over 12 years of experience in the restaurant industry and with us. In addition, qualified members of the TikkaShack, LLC staff, including management personnel and employees may assist with the training program. We may also draw upon the experience of other training professionals.

Our initial training program is offered on an as-needed basis during the year depending on the number of new franchisees entering the System, the number of other personnel needing training, and the scheduled opening of new Restaurants. Initial training generally requires approximately two to three weeks of on-site training for either a TIKKA SHACK or MASALA WOK Restaurant. The topics covered and other information relevant to our initial training program are described below.

TRAINING PROGRAM(1)

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
History/Philosophy	1	0	Plano, Texas or any other designated location
Use of the Manual	.5	0	Plano, Texas or any other designated location

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Tour of area restaurants	0	3	Plano, Texas or any other designated location
Pre-Opening Procedures	6	0	Plano, Texas or any other designated location
Personnel Issues	6	0	Plano, Texas or any other designated location
Advertising	4	0	Plano, Texas or any other designated location
Management Procedures	4	10	Plano, Texas or any other designated location
Franchise Reporting Requirements	2	0	Plano, Texas or any other designated location
Accounting/Record Keeping	1.5	0	Plano, Texas or any other designated location
Customer Service Procedures	4	6	Plano, Texas or any other designated location
Front of House – Busser Duties	0	1	Plano, Texas or any other designated location
Front of House – Runner Duties	0	2	Plano, Texas or any other designated location
Front of House – Manager Duties	0	15	Plano, Texas or any other designated location
Back of House – Prep Procedures	0	10	Plano, Texas or any other designated location
Back of House – Cook Procedures	0	20	Plano, Texas or any other designated location
Back of House – Manager Duties	0	15	Plano, Texas or any other designated location
Inventory Management	2	3	Plano, Texas or any other designated location
POS System	3	6	Plano, Texas or any other designated location
Cleaning Procedures	0	4	Plano, Texas or any other designated location
Safety Procedures	2	4	Plano, Texas or any other designated location
Total	36	99	

Notes:

(1) The materials used in our training program include our Operations Manual. Our initial training program is subject to change without notice to reflect updates in the materials, methods and manuals and changes in personnel. The subjects taught and the time periods allocated for each subject may vary based on the experience of the trainees.

(2) Hours of classroom training may be conducted at any designated location or online portal as we may designate from time to time at our sole discretion.

(3) Hours on the job training may be conducted at any physical location we may designate including your restaurant facility.

We may require your Operating Principal, Restaurant Manager and/or employees to periodically attend additional training programs and seminars not to exceed six events per year. This additional training will vary in length, which we estimate could range from less than a day up to three days or more, and will be provided to you either in Plano, Texas, at your Restaurant, another location of our choice, or via electronic means such as video tapes, the Internet, webinars or other on-line communications. The content of such training will vary according to the subject matter, and will apply to the operations of the Restaurant or other System changes implemented during the term of the franchise. We have the right to charge a reasonable fee for these additional training programs and seminars. You must pay all expenses you or your personnel incur in any training program or seminar, including the cost of travel, lodging, meals and wages.

If our representative is scheduled to conduct on on-site training program at your Franchised Business and you subsequently cancel the scheduled training program, then you must pay us our then current on -site training cancellation fee ("On-Site Cancellation Fee"). The On-Site Training Cancellation Fee may vary depending upon the type of scheduled training program and how far in advance you notify us in writing of the cancellation.

You agree that we are not obligated to provide any training or assistance to your particular level of satisfaction, but as a function of our experience, knowledge and judgment. You also acknowledge that we are not obligated to provide any services to you that are not set forth in this agreement. If you believe we have failed to adequately provide any pre-opening services to you or to your employees, whether with respect to site selection, selection and purchase of equipment and supplies, training or any other matter affecting the establishment of your Franchised Business, you must notify in writing within 30 days following the opening of your Franchised Business or you will be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by us were sufficient and satisfactory in your judgment and complied with all representations made to you.

Site Selection

You must identify and secure an acceptable site for the Restaurant. Factors we consider in consenting to potential sites include general location and neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings, lease terms, competition and market analysis, the nature and extent of adjacent businesses and the comparative advantages of the particular market. We will use best efforts to accept or reject your proposed site, within 30 days after receiving all requested information. Our consent to a site is not an endorsement or guaranty. If you fail to obtain our approval of a proposed site or you fail to acquire a location for the Restaurant within the time period provided in the franchise agreement, we can terminate the franchise agreement.

We anticipate that your Restaurant will open for business eight to ten months after the franchise agreement is signed or you pay consideration for the franchise. Factors which may affect the length of time between signing of the franchise agreement and opening for business include the time necessary to locate a location which we will accept; to obtain any financing you need; to obtain required permits and governmental agency approvals; to fulfill local ordinance requirements; to complete construction, remodeling, alteration, and improvement of the franchised Location, including the installation of fixtures, equipment, and signs; to complete our initial training program and to complete the hiring and training of personnel. Delay in construction may be caused by inclement weather, material or labor shortages, labor actions, slow deliveries, equipment shortages and similar factors.

Opening

When the site is selected, we will mutually agree on an "Opening Date" for the Restaurant, which will be no later than 300 days after signing the franchise agreement. If you fail to open the Restaurant by the Opening Date, we can terminate the franchise agreement.

You must only operate the approved "Franchised Business" from the approved location and no other business.

ITEM 12
TERRITORY

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

The franchise agreement gives you the right to operate a Restaurant at a site we accept as meeting our site selection guidelines ("Location"). You must select the site for your Restaurant from within the non-exclusive Designated Area identified in Attachment C of the franchise agreement. If you are in compliance with the franchise agreement and any other agreement you have with us or our affiliates, we and our affiliates will not establish or authorize anyone except you to establish a restaurant of the type you have franchised in the geographic area identified in Attachment C of the franchise agreement ("Protected Area") during the term of the franchise agreement. The minimum Protected Area will generally be a radius of three miles around your Restaurant. The exact size of the Protected Area will be determined based on several factors, including population density, income level and the number of households and businesses in the area. You are not required to achieve any particular sales volume or market penetration or meet any other contingency to maintain your rights in the Protected Area.

Carved out from the Protected Area will be venues within the Protected Area that we consider "Captive Markets." These include any facility serving a captive market, including supermarkets, shopping malls (defined as enclosed or open retail centers with gross leasable area in excess of 350,000 square feet), amusement parks, airports, train stations, travel plazas, casinos, nightclubs, public facilities, college and school campuses, festivals, organized picnics, fairs, arenas, stadiums, ballparks, hospitals, office buildings, convention centers, airlines (in-flight services), military bases, and any other mass-gathering events or locations, and facilities of any kind for which food or beverage service rights are contracted to a third party or parties (including designated roadways and adjacent facilities).

You must operate the Restaurant only at the Location. You may not actively solicit or accept any business from any person or entity with its principal residence or principal place of business, as the case may be, that is outside of your Protected Area, through any channel of distribution, including the Internet, catalog sales, telemarketing, or other direct marketing. You may relocate the Restaurant, only with our prior written consent. We will consent to relocation if your lease expires or terminates through no fault of your own, or if the Restaurant is destroyed or materially damaged by fire, flood, or other natural catastrophe and you are not in default of the franchise agreement or any other agreement with us. If applicable and if approved, you must reimburse us our costs associated with review and approval of your new location for your Restaurant. You must relocate to another site in the Protected Area.

We retain all other rights, including the right to develop and establish restaurants (which may feature similar or different menu items) and other businesses under a different trademark, and to franchise or license their operation. As described in Item 1, our affiliate, Masalawok Franchise, L.P. franchises the operation of MASALA WOK restaurants featuring Indian, Indo-Chinese, and Chinese cuisine, and several of our affiliates operate MASALA WOK restaurants. Our affiliates intend to grow the MASALA WOK system through franchising. These restaurants may compete with you in your Protected Area.

There are no circumstances that permit us to modify your territorial rights under the franchise agreement. We do not grant any rights of first refusal, options or similar rights to obtain additional Restaurant locations.

You may use the Internet to advertise on our website only to the extent expressly permitted under, and in compliance with, the franchise agreement.

ITEM 13
TRADEMARKS

We own and have acquired the registration for the following TIKKA SHACK principal trademark on the Principal Register of the U.S. Patent Trademark Office. All required affidavits have been filed and we intend to file all renewals of Marks when due.

Mark	Registration Number	Registration Date	International Class
TIKKA SHACK (Standard Character)	5339424	November 21, 2017	043

MHGP owns and has acquired registration for the following MASALA WOK trademarks on the Principal Register of the U.S. Patent and Trademark Office ("USPTO") and has filed all required affidavits. MHGP intends to file all renewals of Marks when due.

Mark	Registration Number	Registration date	International Class
(Design Plus Words, Letters, and/or Numbers)	5947315	December 31, 2019	043
(Design Only)	5720190	April 9, 2019	043
MASALA WOK (Standard Character)	5743718	May 7, 2019	043

MHGP owns and has granted us the right to use the MASALA WOK Marks in connection with the franchising of MASALA WOK Restaurants and the operation of company-owned MASALA WOK Restaurants under an Intercompany License Agreement dated April 1, 2021. The initial term of our agreement with MHGP is perpetual, unless otherwise terminated by mutual agreement, or by MHGP on account of our material breach. Upon termination of the agreement, MHGP has an option to assume all MASALA WOK franchise related agreements to which we are a party. There are no other agreements currently in effect which significantly limit our rights to use or license the use of the MASALA WOK Marks in any manner material to you.

There is no presently effective determination of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Marks which are relevant to their ownership, use, or licensing.

We know of no superior prior rights or infringing use that could materially affect your use of the Marks, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

You may use only the Marks that we designate, must use them only in the manner that we authorize and permit, and must use them with the symbols, "®", "™", or "SM", as appropriate. You may use the Marks only in connection with the operation and promotion of the Franchised Business and only in the manner we prescribe. You may not contest ownership or validity of the Marks or any registration of the Marks or our right to use or to sublicense the use of the Marks. You must sign all documents that we require in order to protect the Marks and to maintain their validity and enforceability.

You may not use the Marks or any part of the Marks in your corporate name, and you may not use them to incur any obligation or indebtedness on our behalf.

You may not use the Marks or any part or derivative of the Mark on the Internet, except as expressly permitted in writing. This prohibition includes use of the Marks or any derivative of the Marks as part of any URL or domain name, as well as their registration as part of any user name on any gaming website or social networking web site (such as FACEBOOK, INSTAGRAM, or TWITTER), whether or not such social media platform is used for commercial gain, or as part of any unauthorized email address.

You must promptly notify us of any suspected unauthorized use of, or any challenge to the validity of the Marks or Copyrighted Works (defined below in Item 14), or any challenge to our ownership of, or license to use and to license others to use, or your right to use, the Marks or Copyrighted Works. We have the right to direct and control any administrative proceeding or litigation or other adjudicative proceeding involving the Marks or Copyrighted Works, including any settlement of the proceeding. We or our affiliate has the right, but is not obligated, to take action against uses by others that may constitute infringement of the Marks or Copyrighted Works. We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks or Copyrighted Works. If we determine that you have used the Marks and Copyrighted Works according to the terms of the franchise agreement, we will pay the cost of the defense, including the cost of any judgment or settlement. If we determine that you have not used the Marks and Copyrighted Works according to the terms of the franchise agreement, you must pay the cost of the defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Marks or Copyrighted Works, you must sign all documents that we require and do all things that we consider necessary to carry out the defense or prosecution, which may include becoming a nominal party to any legal action. Unless the action is the result of your use of the Marks or Copyrighted Marks in a manner inconsistent with the terms of the franchise agreement, we will reimburse you for your out-of-pocket litigation costs in doing such acts.

We have the right to designate one or more new, modified or replacement Marks for your use and to require you to use the new, modified or replacement Marks in addition to or in lieu of any previously designated Marks. You must comply with the directive, at your expense, within 60 days following your receipt of written notice of the change.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not own any patents that are material to the franchise, nor do we have any pending patent applications. We do claim copyright protection and proprietary rights in the original materials used in the System, including our recipes and procedures, menus, manuals, bulletins, correspondence and communications with our franchisees, training, advertising, and promotional materials, the content and designed of our web site, and other written materials relating to the operation of TIKKA SHACK and MASALA WOK Restaurants and the System ("Copyrighted Works"). At present, we do not own the rights to, or licenses in, any copyright that is material to the franchise system.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the franchise agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use, or licensing of the copyrights. You may not use any of our copyrighted works on the Internet without our written permission. This includes display of the copyrighted works on commercial websites, gaming websites, and social networking web sites (such as FACEBOOK, INSTAGRAM, or TWITTER).

You must promptly notify us of any suspected unauthorized use of, or any challenge to the validity of the Marks or Copyrighted Works, or any challenge to our ownership of, or license to use and to license others to use, or your right to use, the Marks or Copyrighted Works. We have the right to direct and control any administrative proceeding or litigation or other adjudicative proceeding involving the Marks or Copyrighted Works, including any settlement of the proceeding. We or our affiliate has the right, but is not obligated, to take action against uses by others that may constitute infringement of the Marks or Copyrighted Works. We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks or

Copyrighted Works. If we determine that you have used the Marks and Copyrighted Works according to the terms of the franchise agreement, we will pay the cost of the defense, including the cost of any judgment or settlement. If we determine that you have not used the Marks and Copyrighted Works according to the terms of the franchise agreement, you must pay the cost of the defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Marks or Copyrighted Works, you must sign all documents that we require and do all things that we consider necessary to carry out the defense or prosecution, which may include becoming a nominal party to any legal action. Unless the action is the result of your use of the Marks or Copyrighted Marks in a manner inconsistent with the terms of the franchise agreement, we will reimburse you for your out-of-pocket litigation costs in doing such acts.

You and your employees must maintain the confidentiality of all information contained in the Manual and other information that we consider confidential, proprietary or trade secret information. "Confidential Information" means all trade secrets, the Standards, and other elements of the System; all customer information; all information contained in the Manuals; our proprietary recipes and standards and specifications for product preparation, packaging and service; financial information; marketing data; vendor and supplier information; all other knowledge, trade secrets, or know-how concerning the methods of operation of the Franchised Business which may be communicated to you, or of which you may be apprised, by virtue of their operation under the terms of the franchise agreement, and all other information that we designate.

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

When you sign the franchise agreement, you must designate an individual to serve as your "Operating Principal." If you are an individual, you will be the Operating Principal. If you are not an individual, your Operating Principal must maintain a direct or indirect ownership interest in you of not less than 10%, unless we consent otherwise. This interest may not be pledged, mortgaged, hypothecated, or be subjected to any lien, charge, or encumbrance, voting agreement, proxy, security interest or purchase right or option, without our consent.

Unless a Restaurant Manager is appointed, as discussed below, your Operating Principal must devote his or her full time and best efforts to the supervision of your operations under the franchise agreement and may not engage in any other business. He or she must satisfy our training requirements and our other standards and must guaranty your performance under the franchise agreement. Your Operating Principal will be individually, jointly and severally bound by all of your obligations and the obligations of the Operating Principal and a Principal under the franchise agreement.

You may, at your option and subject to our written consent, designate a Restaurant Manager to supervise your operations under the franchise agreement. Even if we permit you to designate a Restaurant Manager to supervise your operations under the franchise agreement, your Operating Principal remains ultimately responsible for the Restaurant Manager's performance. The Restaurant Manager must devote his or her full time and best efforts to the supervision of your operations under the franchise agreement.

You must notify us promptly if your Operating Principal or Restaurant Manager cannot continue to serve or no longer qualifies as an Operating Principal or a Restaurant Manager. You will have 30 days from the date of the notice (or from any date that we independently determine the Operating Principal or Restaurant Manager no longer meets our standards) to take corrective action. During that 30-day period, you must provide for interim management of your operations in compliance with the franchise agreement.

At our request, you must have your Restaurant Manager and any other personnel who will have access to our training sign covenants not to compete and agree to maintain the confidentiality of information they have access to through their relationship with you. These covenants will be in substantially the form of Attachment B to the franchise agreement. Those of your Principals who are not signing the Guaranty also must sign these covenants. We have the right, in our sole discretion, to decrease the period of time or geographic scope of the noncompetition covenants or eliminate the noncompetition covenant altogether for any person who must sign an agreement described in this paragraph.

We do not impose any anti-poaching restrictions that prohibits you, or any other franchisee, from soliciting or hiring any person currently employed or previously employed within the System. However, if you hire another franchisee's employees within one year of the employee attending our training program, you are required to reimburse the other franchisee the then-current training fee and its costs associated with sending that employee to training.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

All products and services you use or sell at the Restaurant must conform to our standards and specifications set for the respective trademarks. These are described in our Manuals and other writings. You must not deviate from our standards and specifications unless we first give you our written consent. You may not offer menu items from TIKKA SHACK if you own a MASALA WOK Restaurant, and vice versa. You must also comply with all applicable laws and regulations and secure all appropriate governmental approvals for the Restaurant.

You must offer and sell all products and services we require. You must sell only the products and services that we have expressly approved in writing. You must stop selling any products or services that we disapprove in writing. You must open and operate the Restaurant during the hours we specify in the Manual or otherwise in writing. There are no limits on our ability to approve or disapprove products or services that you offer at your Restaurant.

You may not advertise, promote, post, or list information relating to the Restaurant on the Internet (through the creation of a Website or otherwise). We may, but are not obligated, to include information about your Restaurant on our Website.

We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products or services.

Standards also may regulate curb-side delivery, home and business delivery and catering services, including your obligation to deliver products to customers, to engage with third-party food ordering and delivery systems that we approve, and to ring up and account for delivery and catering charges not included in the price of products only in the manner we permit.

We do not impose any other restrictions in the franchise agreement or otherwise on the goods or services that you may offer or on sell or the customers to whom you may offer or sell.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

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

Provisions	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.A.	The earlier of: (a) 10 years after your Restaurant opens for business to the public, or (b) 11 years after the effective date of your franchise agreement.
b. Renewal or extension of the term	Section 3.B.	If you are in good standing, you can renew for three consecutive additional five-year terms.

Provisions	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Sections 3.B. and 3.C.	Give written notice; update required items; not be in default; pay all money owed; retain right to Location; sign then-current form of renewal franchise agreement, which may contain materially different fees than the form attached to this disclosure document; pay us a renewal fee; sign general release (See Exhibit F); comply with then-current qualifications and training requirements. If the franchise agreement expires and you continue to operate the Restaurant after expiration, we may, at our option declare you to be holding over. In such event, the terms of the franchise agreement will govern the parties' relationship, provided that: (1) either party may terminate the relationship at any time, for any reason or for no reason after the hold-over period begins, by delivering to the other party written notice of termination; and (2) the Royalty Fees due and payable during such holdover period will be 150% of the Royalty Fees due and payable under the franchise agreement.
d. Termination by franchisee	No provision	Not applicable
e. Termination by franchisor without cause	No provision	Not applicable
f. Termination by franchisor with cause	Article 17	We can terminate if you materially default under your franchise agreement, any other individual franchise agreement, or any other agreement between you and us or our affiliate. In the event of the death or permanent incapacity of an owner, we may terminate this Agreement if you fail to adhere to the applicable transfer requirements.
g. "Cause" defined – curable defaults	Section 17.D.	You have 30 days to cure defaults related to: (1) your failure to comply with the standards, specifications or procedures prescribed by us; or any other requirement imposed by the franchise agreement; (2) your failure to designated a qualified replacement Operating Principal or Restaurant Manger as required by the franchise agreement; or (3) your failure to obtain and maintain all required licenses and/or governmental approvals related to the operation of the Restaurant. Except for any default specified as non-curable or as otherwise stated you have: (1) five days to cure the failure to submit required reports or pay monies due us; (2) 24 hours to cure any misuse of the Marks; (3) you have seven days to cure the failure to obtain and maintain insurance coverage, and (4) you have 10 days to comply with confidentiality and non-compete covenants.

Provisions	Section in Franchise Agreement	Summary
h. “Cause” defined – non-curable defaults	Sections 17.B. and 17.C.	Insolvency; general assignment for benefit of creditors; bankruptcy; receivership; final judgment remains unsatisfied for 30 days or more; dissolution; execution of levy or sale after levy; foreclosure proceedings not dismissed within 30 days; operation of Restaurant at location that we have not accepted; failure to obtain acceptance of proposed site or acquire a Location, to construct or remodel in accordance with the approved architectural plans, to begin business within the required time period; abandonment or forfeiture of right to do business; conviction of certain crimes; threat to public health or safety; unauthorized transfer; failure to comply with certain confidentiality covenants; false records or submission of false reports; breach of any covenants or false representations; failure to comply with quality assurance program; default of any other franchise agreement; repeated defaults whether or not cured.
i. Franchisee’s obligations on termination/ nonrenewal	Article 18	Stop operating your Restaurant and using the System’s confidential methods, procedures techniques and marks; cancel any registration containing the Marks; pay amounts due and our damages and enforcement costs; comply with confidentiality and non-competition covenants; return all Manuals and other proprietary materials; at our option, sell or assign us your rights in business telephone numbers, advertising and promotional materials, furnishings equipment, and the premises.
j. Assignment of contract by franchisor	Section 14.A.	No restriction on our right to assign.
k. “Transfer” by franchisee – defined	Section 14.B.	You must not transfer any direct or indirect interest in you, the franchise agreement, or the assets of the franchised business without our consent.
l. Franchisor approval of transfer by franchisee	Section 14.B.	We must consent and you must meet conditions before transferring.
m. Conditions for franchisor approval of transfer	Section 14.B.	You must be in compliance with the franchise agreement and all other agreements. New franchisee: must qualify, complete training, sign a new franchise agreement in our then- current form (provided, that the term of the new franchise agreement will be the remaining term of the existing franchise agreement), and refurbish the Restaurant, as needed; sign a guaranty and a general release, pay the transfer fee, and if applicable our resale program fee, all monetary obligations to us must be satisfied; additional requirements apply to business entities. (see also “r” below).

Provisions	Section in Franchise Agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.D.	On 30 days written notice, we have the option to purchase an interest being transferred on the same terms and conditions offered by a third party.
o. Franchisor's option to purchase your business	Sections 18.A.(8) and (9), and 18.B.	Upon termination or expiration, we have the option to purchase the furnishings, equipment, signs, fixtures, supplies, materials, and other assets used in the operation of Restaurant, at fair market value, and, if you own the land were the Restaurant is located, we have the option to lease the land (and any building on the land used for the operation of the Restaurant), for fair market value. We have the option to have the lease for the premises of the Restaurant assigned to us.
p. Death or disability or franchisee	Section 14.E.	On death or permanent disability of you or a Principal, the person's interest must be transferred to someone we approve within six months.
q. Non-competition covenants during the term of the franchise	Section 10.C.(1)	You may not operate or have an interest in a business which is similar to the franchised business for 2 years following the termination or expiration of this Agreement..
r. Non-competition covenants after the franchise is terminated or expires	Section 10.C.(2)	For two years you may not divert any of your business or customers to a competitor or have an interest in any business that is similar to the franchised business at the Location, within a 10-mile radius of the Location, or within a 10-mile radius of the location of any Restaurant of the type you franchised then in existence or under construction. If you are a multi-Restaurant operator, this restriction does affect your right to continue to operate your remaining Restaurants for which you have a valid franchise agreement with us.
s. Modification of the agreement	Sections 10.A. and 20.B.	Except for changes we can make unilaterally, changes must be in writing and signed by all parties. You must comply with the Manuals as amended
t. Integration/merger clause	Section 20.B.	Only the terms of the franchise agreement and other related written agreements are binding (subject to state law). Any representations or promises outside the franchise agreement and disclosure document may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 19.A. and 19.B.	Claims, controversies, or disputes from or relating to the franchise agreement must be mediated, except for actions seeking injunctive relief and actions we bring which are related to or based on our Marks or Confidential Information or on your failure to pay fees. If the claims, controversies, or disputes are not resolved in mediation, they must be submitted for arbitration.

Provisions	Section in Franchise Agreement	Summary
v. Choice of forum	Sections 19.A., 19.B., and 19.H.	Mediation and arbitration at the AAA offices located in the city where our principal business office is located at the time mediation and/or arbitration occurs. Venue for any other proceeding is the courts in the county in which we maintain our principal business office (subject to applicable state law).
w. Choice of law	Section 19.C.	Subject to applicable state law, the franchise agreement is to be interpreted and construed under Texas law (without giving effect to any conflict of laws) except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between us and you will not apply unless its jurisdictional requirements are met independently.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote the 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.

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2023 Annual Gross Revenue

As of December 31, 2023, there were total 9 franchised businesses in operation for Tikka Shack ("Tikka Shack Franchised Restaurants") and 0 affiliate-owned businesses in operation (the "Tikka Shack Corporate Restaurants") and total 2 franchised businesses in operation for Masala Wok ("Masala Wok Franchised Restaurants") and 5 affiliate-owned businesses in operation (the "Masala Wok Corporate Restaurants"). As explained in more detail below, this historical financial performance representation includes certain performance information reported to us by certain of the Franchised Restaurants.

The results presented in this Item 19 are not audited and are based on information reported to us by the Tikka Shack and Masala Wok franchisees. We have not independently audited the reported results.

TIKKA SHACK SYSTEM REVENUE

	2023
System Revenue	$8,011,070

MASALA WOK SYSTEM REVENUE

	2023
System Revenue	$8,801,278

Notes:

The above chart discloses the total system-wide revenues from all TIKKA SHACK and Masala Wok restaurants for the 2023 Calendar Year.

The financial performance representation in the charts above discloses historical information regarding the Gross Revenue of 9 Tikka Shack Franchised Restaurants, 2 Masala Wok Franchised Restaurants, and 5 Masala Wok Corporate Restaurants open and operating from at least full twelve months from January 1st through December 31st for the period 2023 ("Measurement Period").

FRANCHISED BUSINESS

The following tables provide total annual average Gross Revenue achieved by six Tikka Shack Franchised Restaurants that were open and operating during the Measurement Period. Two locations were excluded from the dataset below as they did not report the data accurately and one location was omitted from the dataset below as it was not operating for the full Measurement Period.

(*Remainder of page intentionally left blank*.)

Average	2023
Average Gross Revenue	$1,144,438.57
Average Gross Top 3 Franchise Centers	$1,278,959.33
High Gross Revenue	$1,328,032
Median Gross Revenue	$1,095,702
Low Gross Revenue	$1,002,184

The following tables provide total annual average Gross Revenue achieved by two Masala Wok Franchised Restaurants that were open and operating during the Measurement Period.

Average	2023
Average Gross Revenue	$1,257,325.43
Average Gross Top 3 Franchise Centers	$1,626,788
High Gross Revenue	$1,683,150
Median Gross Revenue	$1,626,788
Low Gross Revenue	$1,570,426

<u>Additional Notes:</u>

1. "Gross Revenues" means the full the price of all goods and services sold from or relating to the Franchised Business, whether or not you have received cash or other consideration. Gross Revenues does not include sales taxes or gift card redemptions. Gross Revenues includes payments received from gift cards and certificates at the time of sale of the gift cards or certificates. Gross Revenues are calculated at the time Franchisee sells the goods or services, without regard to when the Franchisee receives or expects to receive cash or other consideration therefore. Gross Revenues also includes barter and exchange transactions for which you furnish services or products in exchange for goods or services to be provided by the vendor, supplier or customer will be valued at the full retail value of the goods and services bartered in exchange for the good or services provided to you. Gross Revenues also includes the proceeds of any business interruption insurance paid to you. Gross Revenues also includes any payments you receive from vendors. Chargebacks are not deducted from Gross Revenues.

You should conduct an independent investigation of the costs and expenses you will incur in operating your Center. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information. We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable, and consult with an attorney and other advisors prior to executing the franchise agreement.

This financial performance representation does not reflect any costs of sales, operating expenses, and other costs or expenses that you will incur in operating your franchised business, including the royalty fees and advertising expenditures that you must pay under the terms of the Franchise Agreement. Additionally, this financial performance representation does not include debt service that you may incur, nor does it include any information about federal, state, or local taxes you will be required to pay.

Neither we nor our certified public accountants have audited the numbers reported to us by our franchisees, but we have no reasonable basis to question their reliability. Written substantiation for the financial performance representation will be made available to you upon reasonable request.

Some outlets sold this amount. Your individual results may differ. There is no assurance you will sell as much.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Pramod Prodduturi at 8404 Preston Road, Suite 230, Plano, Texas 75024 or 214-561-6177, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For years 2021 to 2023

TIKKA SHACK RESTAURANTS

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	4	6	+2
	2022	6	8	+2
	2023	8	9	+1
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	4	6	+2
	2022	6	8	+2
	2023	8	9	+1

MASALA WOK RESTAURANTS

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	3	3	0
	2022	3	2	-1

	2023	2	2	0
Company-Owned	2021	5	5	0
	2022	5	5	0
	2023	5	5	0
Total Outlets	2021	8	8	0
	2022	8	7	-1
	2023	7	7	0

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023

TIKKA SHACK RESTAURANTS

State	Year	Number of Transfers
Texas	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

MASALA WOK RESTAURANTS

State	Year	Number of Transfers
Texas	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

Table No. 3

Status of Franchised Outlets
For years 2021 to 2023

TIKKA SHACK RESTAURANTS

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Arizona	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
North Carolina	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2023	1	0	0	0	0	0	1
Pennsylvania	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Texas	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Totals	2021	4	2	0	0	0	0	6
	2022	6	2	0	0	0	0	8
	2023	8	1	0	0	0	0	9

MASALA WOK RESTAURANTS

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Texas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Virginia	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2023	0	0	0	0	0	0	0
Totals	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	1	2
	2023	2	0	0	0	0	0	2

Table No. 4

Status of Company-Owned Outlets
For years 2021 to 2023

TIKKA SHACK RESTAURANTS

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Texas	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Totals	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

MASALA WOK RESTAURANTS

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Texas	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
Totals	2021	5	0	0	0	0	5
	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5

Table No. 5

Projected Openings As Of December 31, 2023

TIKKA SHACK RESTAURANTS

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Current Fiscal Year
Arizona	0	0	0
Florida	1	0	0
Pennsylvania	0	0	0
Texas	1	0	0
North Jersey	1	0	0
Total	3	0	0

MASALA WOK RESTAURANTS

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Current Fiscal Year
Florida	1	0	0
New Jersey	1		
Texas	1		
Virginia	0	0	0
Total	3	0	0

The names, addresses, and telephone numbers of our franchisees and their Restaurants as of December 31, 2023, are attached as Exhibit C.

Attached as Exhibit D is a list of the name, city and state, and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had an outlet terminated, canceled, or not renewed by us or who otherwise voluntarily or involuntarily ceased to do business under their agreements as of December 31, 2023, or who has not communicated with us within 10 weeks of the date of this disclosure document.

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

We have no current or former franchisees who have signed provisions during the last three fiscal years restricting their ability to speak openly to you about their experience with the franchise System.

As of the date of this disclosure document, no independent trademark-specific franchisee organizations have asked to be included in this disclosure document and there are no franchisee organizations sponsored or endorsed by us.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit A are our:

1. Unaudited balance sheet as of March 31, 2024 and related profit and loss statement from January 1, 2024 through March 31, 2024; and
2. audited financial statements as of December 31, 2023, 2022, and 2021, and the related statements of operations and changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Our fiscal year ends December 31.

ITEM 22
CONTRACTS

Attached to this disclosure document are the following contracts and their attachments:

1. Exhibit B - Franchise Agreement (with attachments).
2. Exhibit B – Attachment H: Franchisee Questionnaire
3. Exhibit F - General Release (Sample Form)

ITEM 23
RECEIPT

Attached as the last two pages of this disclosure document are duplicate Receipts to be signed by you (Exhibit I). Keep one for your records and return the other one to us.

EXHIBIT A
FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINON WITH REGARD TO THEIR CONTENT OR FORM.

TIKKA SHACK LLC
Balance Sheet
As of March 31, 2024

		Mar 31, 24
ASSETS		
Current Assets		
Checking/Savings		
Chase 8671		313,889.30
Chase 8663		13,688.45
Total Checking/Savings		327,577.75
Accounts Receivable		9,792.03
Other Current Assets		
Franchise Fee Receivable		10,000.00
Total Other Current Assets		10,000.00
Total Current Assets		347,369.78
Fixed Assets		
Intangible Asset, net		
Website	6,500.00	
Accumulated Amortization	-6,500.00	
Total Intangible Asset, net		0.00
Total Fixed Assets		0.00
TOTAL ASSETS		**347,369.78**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
Accrued Expenses		1,801.54
Accounts Payable		
Payable for Gift Cards	9,303.17	
Accounts Payable - Other	6,000.00	
Total Accounts Payable		15,303.17
Total Accounts Payable		17,104.71
Other Current Liabilities		
Unearrned Franchise Fee		45,000.00
Total Other Current Liabilities		45,000.00
Total Current Liabilities		62,104.71
Total Liabilities		62,104.71
Equity		
Member's Equity		208,002.95
Distribution		-25,000.00
Net Income		102,262.12
Total Equity		285,265.07
TOTAL LIABILITIES & EQUITY		**347,369.78**

TIKKA SHACK LLC
Profit & Loss
January through March 2024

	Jan - Mar 24	
Ordinary Income/Expense		
Income		
Royalty Income -Net		
Royalty Income	95,533.74	
Software Fee Franchisees	-5,494.19	
Total Royalty Income -Net		90,039.55
Franchise Fee		25,000.00
Total Income		115,039.55
Gross Profit		115,039.55
Expense		
Accounting		300.00
Bank Service Charges		194.93
Legal and Professional Expense		
Attorney Fee	4,978.50	
Total Legal and Professional Expense		4,978.50
Subscription expense		1,670.59
Travel & Lodging Expenses		58.41
Website Expense		5,575.00
Total Expense		12,777.43
Net Ordinary Income		102,262.12
Net Income		**102,262.12**

TIKKA SHACK, LLC

Financial Statements and Independent Auditors' Report

For the Year Ended December 31, 2023

Malnory, McNeal & COMPANY, PC

ACCOUNTING • ADVISORY • ASSURANCE

TABLE OF CONTENST

INDEPENDENT AUDITORS' REPORT

To the Members of Tikka Shack, LLC

Opinion

We have audited the accompanying financial statements of Tikka Shack, LLC (a Texas corporation), which comprise the balance sheet as of December 31, 2023, and the related statements of operations, changes in members' equity, and cash flows for the year 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 Tikka Shack, LLC as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tikka Shack, 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 Tikka Shack, 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 objective is 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 Tikka Shack, 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 Tikka Shack, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in the accompanying Schedule I is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Dallas, Texas
April 30, 2024

TIKKA SHACK, LLC
BALANCE SHEET
December 31, 2023

ASSETS

CURRENT ASSETS		
Cash	$	279,400
Accounts receivable		18,684
Total current assets		298,084
Total assets	$	298,084

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES		
Accounts payable	$	90,081
Total current liabilities		90,081
LONG TERM LIABILITIES		-
Total liabilities		90,081
MEMBERS' EQUITY:		
Distributions		(360,000)
Members' equity		568,003
Total members' equity		208,003
Total liabilities and members' equity	$	298,084

The accompanying notes are an integral part of these financial statements.

TIKKA SHACK, LLC
STATEMENT OF OPERATIONS
For The Year Ended December 31, 2023

Revenue:		
Royalty Income	$	385,965
Software Fee Franchisees		(20,859)
Franchise Fee		10,000
Total revenues		375,106
Gross profit		375,106
General and administrative expenses (Schedule I)		56,025
Income from operations		319,081
Net income		319,081
Members' equity at beginning of year		(111,078)
Members' equity at end of year	$	208,003

The accompanying notes are an integral part of these financial statements.

TIKKA SHACK, LLC
STATEMENT OF CASH FLOWS
For The Year Ended December 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$	319,081
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable		(18,684)
Increase (decrease) in:		
Accounts payable		33,209
Total adjustments		14,525
Net cash provided by operating activities		333,606
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions		(360,000)
Net cash (used) by financing activities		(360,000)
Net decrease in cash		(26,394)
Cash at beginning of period		305,794
Cash at end of period	$	279,400

The accompanying notes are an integral part of these financial statements.

1. Nature of Business

Tikka Shack, LLC ("Company") was organized on June 11, 2015, as a Texas limited liability company. The Company was formed to license franchise rights to the "Tikka Shack" restaurant concept and operates franchises in the states of Texas, Pennsylvania, and Arizona.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting and conform to the accounting principles generally accepted in the United States of America.

Revenue Recognition

Franchise Fee

On September 21, 2020, the FASB issued a proposed accounting standard updated ASU952-606-25-2 that would allow a franchisor that is not a public business entity ("private-company franchisor") to use a practical expedient when identifying performance obligations in its contracts with customers (i.e., franchisees) under ASC 606. Under the practical expedient, a private-company franchisor that enters into a franchise agreement would be able to account for certain preopening services provided to a franchisee as a single performance obligation. The practical expedient is intended to reduce the cost and complexity of applying ASC 606 to preopening services associated with initial franchise fees. If an entity has already adopted ASC 606, the proposed amendments would be effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The company has adopted the guidance starting in January 1, 2021 and did not have a material impact on the current year financial statements.

The franchise agreement grants the franchisee the right to a specific franchise location and assistance to be provided by the Company including the provision of store specification, personnel qualification guidelines, training, and advertising consultations.

Franchise fee is recognized as revenue when all the material services or conditions relating to a store have been substantially performed or satisfied by the Company, which is typically at a point in time when a new franchised store begins operations. Consideration for franchise fees received in advance of being earned is considered as unearned franchise fees.

Royalty Income

Royalties are based on a percentage of sales and are recognized as fees are earned and become receivable from the franchisee. Royalty based revenue is accounted for using the variable consideration guidance as required by ASC 606. Each franchisee is generally required to pay a 3.5% to 4.5% royalty fee on gross sales. Revenue is recognized at a point in time when the store makes sales and is recorded and collected on a weekly basis.

Fair Value of Financial Instruments

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The Company classifies assets and liabilities recorded at fair value under the fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. The fair value measurements are classified under the following hierarchy:

- Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets and liabilities in active markets;
- Level 2—Observable inputs, other than quoted market prices, that are either directly or indirectly observable in the marketplace for identical or similar assets and liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities; and
- Level 3—Unobservable inputs that are supported by little or no market activity that is significant to the fair value of assets or liabilities.

The estimated fair values of certain financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable approximates their carrying values because of the short-term nature of these instruments.

Cash and Cash Equivalents

For purposes of the balance sheet and statement of cash flows, Tikka Shack, LLC considers all highly liquid investments, which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable include royalty income receivable from franchisees in the ordinary course of business and are recorded at the invoiced amount. The Company establishes provisions for losses on accounts receivable if it determines that it will not collect all or part of the outstanding balance. The Company regularly reviews collectability and establishes or adjusts the allowance as necessary by using both the specific identification method and/or general allowance as a percentage of outstanding accounts receivable balances. The accounts receivable balances are current and were collected subsequently after year end. Therefore, no allowance was deemed necessary as of December 31, 2023.

Accrued Expenses

Accrued expenses represent carrying value of liabilities at the balance sheet date and include accruals for audit fees and advertising expense.

Advertising and Promotion

The Company expenses advertising costs as incurred.

Income taxes

The Company is a wholly owned subsidiary of Masala Wok Holdings, GP. The Company is a qualified S Corporation that is treated as a disregarded entity for federal income tax purposes. In general, the federal income tax that results from income generated in the Company is the liability of the partners of Masala Wok Holdings, GP.

Consequently, no federal income taxes have been provided in the accompanying financial statements. Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits or liabilities that materially impact the financial statements or related disclosures.

Estimates

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with generally accepted accounting principles 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 dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk principally consist of cash and trade receivables. The Company's franchisees operate in Texas, Pennsylvania, and Arizona. To reduce credit risk, the Company performs on-going credit evaluations of its franchisee's financial condition. In the normal course of business, the Company may have bank account balances in excess of federally insured limits.

3. Subsequent events

Subsequent events have been evaluated through April 30, 2024 which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

TIKKA SHACK, LLC
SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES
For The Year Ended December 31, 2023

Advertising and Promotion	$	31,506
Attorney Fee		8,126
Audit Fee		6,000
Auditor Other Reporting		2,000
Bank charges		191
Legal and professional fees		1,200
Subscription Expense		3,951
Travel & Lodging Expenses		1,861
Website Expense		1,190
Total	$	56,025

TIKKA SHACK, LLC

FINANCIAL STATEMENTS

As of and for the year ended December 31, 2022

INDEX TO FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the members' of Tikka Shack, LLC

Opinion

We have audited the accompanying financial statements of Tikka Shack, LLC (a Texas corporation), which comprise the balance sheet as of December 31, 2022, and the related statements of operations, changes in members' equity, and cash flows for the year 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 Tikka Shack, LLC as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tikka Shack, 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 Tikka Shack, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Tikka Shack, 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 Tikka Shack, 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.

TPS Thayer, LLC

TPS Thayer, LLC

Sugarland, Texas

August 23, 2023

TIKKA SHACK, LLC
BALANCE SHEET
As of December 31, 2022

ASSETS		**2022**
Current assets		
Cash and cash equivalents	$	294,002
Accounts receivable, net		11,792
Total assets	$	305,794
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$	11,871
Unearned franchise fee		45,000
Total current liabilities		56,871
Total liabilities		56,871
Commitments and contingencies		
Members’ equity		
Members’ equity		248,923
Total liabilities and members’ equity	$	305,794

The accompanying notes are an integral part of these financial statements

TIKKA SHACK, LLC
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2022

		2022
Revenue		
Royalty income	$	287,001
Franchise fee		25,000
Total revenue		312,001
Operating expenses		
Advertising and promotion		3,593
Legal and professional expenses		14,171
Subscription expense		1,758
Travel expense		17,262
Auto expense		1,944
Website expense		332
Total operating expenses		39,060
Net income	$	272,941

The accompanying notes are an integral part of these financial statements

TIKKA SHACK, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the Year Ended December 31, 2022

		2022
Balance January 1, 2022	$	275,982
Net income		272,941
Distribution		(300,000)
Balance December 31, 2022	$	248,923

The accompanying notes are an integral part of these financial statements

TIKKA SHACK, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2022

		2022
Cash flows from operating activities		
Net income	$	272,941
Changes in operating assets and liabilities:		
Accounts receivable		12,323
Accounts payable and accrued expenses		3,388
Unearned franchise fee		20,000
Net cash provided by operating activities		308,652
Cash flows from financing activity		
Distribution		(300,000)
Net cash used in financing activity		(300,000)
Net increase in cash and cash equivalents		8,652
Cash and cash equivalents at beginning of the year		285,350
Cash and cash equivalents at end of the year	$	294,002

The accompanying notes are an integral part of these financial statements

1. Nature of business

Tikka Shack, LLC ("Company") was organized on June 11, 2015, as a Texas limited liability company. The Company was formed to license franchise rights to the "Tikka Shack" restaurant concept and operates franchises in the states of Texas, Pennsylvania, and Arizona.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting and conform to the accounting principles generally accepted in the United States of America.

Revenue recognition

Franchise fee

On September 21, 2020, the FASB issued a proposed accounting standard updated ASU952-606-25-2 that would allow a franchisor that is not a public business entity ("private-company franchisor") to use a practical expedient when identifying performance obligations in its contracts with customers (i.e., franchisees) under ASC 606. Under the practical expedient, a private-company franchisor that enters into a franchise agreement would be able to account for certain preopening services provided to a franchisee as a single performance obligation. The practical expedient is intended to reduce the cost and complexity of applying ASC 606 to preopening services associated with initial franchise fees. If an entity has already adopted ASC 606, the proposed amendments would be effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The company has adopted the guidance starting in January 1, 2021 and did not have a material impact on the current year financial statements.

The franchise agreement grants the franchisee the right to a specific franchise location and assistance to be provided by the Company including the provision of store specification, personnel qualification guidelines, training, and advertising consultations.

Franchise fee is recognized as revenue when all the material services or conditions relating to a store have been substantially performed or satisfied by the Company, which is typically at a point in time when a new franchised store begins operations. Consideration for franchise fees received in advance of being earned is considered as unearned franchise fees. The Company entered into two new franchise agreements during the fiscal year ended December 31, 2022.

Royalty Income

Royalties are based on a percentage of sales and are recognized as fees are earned and become receivable from the franchisee. Royalty based revenue is accounted for using the variable consideration guidance as required by ASC 606. Each franchisee is generally required to pay a 3.5% to 4.5% royalty fee on gross sales. Revenue is recognized at a point in time when the store make sales and is recorded and collected on a weekly basis.

New Accounting Pronouncements:

Recently issued accounting standards:

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". This amends guidelines on reporting credit losses for assets held at amortized cost basis and available-for-sale debt securities. For assets held at amortized cost basis, Topic 326 eliminates the probable initial recognition threshold in current U.S. GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from amortized cost basis of the financial assets to present the net amount expected to be collected. For available-for-sale debt securities, credit losses should be measured in a manner similar to current U.S. GAAP, however Topic 326 will require that credit losses be presented as an allowance rather than as a write-down. ASU 2016-13 affects entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this ASU will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. In November 2019, the FASB issued ASU No. 2019-10, Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates, which amended the effective date of ASU 2016-13 . The amendments in these ASUs are effective for the Company's fiscal years, and interim periods within those fiscal years beginning April 1, 2022. Early adoption is permitted. The Company does not expect to early adopt this guidance and is in the process of evaluating the impact of adoption of this guidance on the Company's financial statements.

Fair Value of Financial Instruments

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The Company classifies assets and liabilities recorded at fair value under the fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. The fair value measurements are classified under the following hierarchy:

- Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets and liabilities in active markets;

- Level 2—Observable inputs, other than quoted market prices, that are either directly or indirectly observable in the marketplace for identical or similar assets and liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities; and

- Level 3—Unobservable inputs that are supported by little or no market activity that is significant to the fair value of assets or liabilities.

The estimated fair values of certain financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable approximates their carrying values because of the short-term nature of these instruments.

Cash and cash equivalents

For purposes of the balance sheet and statement of cash flows, Tikka Shack, LLC considers all highly liquid investments, which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents.

Accounts Receivable and Allowance for doubtful accounts

Accounts receivable includes royalty income receivable from franchisees in the ordinary course of business and are recorded at the invoiced amount. The Company establishes provisions for losses on accounts receivable if it determines that it will not collect all or part of the outstanding balance. The Company regularly reviews collectability and establishes or adjusts the allowance as necessary by using both the specific identification method and/or general allowance as a percentage of outstanding accounts receivable balances. The accounts receivable balances are current and were collected subsequently after year end. Therefore, no allowance was deemed necessary as of December 31, 2022.

Accrued expenses

Accrued expenses represents carrying value of liabilities at the balance sheet date and include accruals for audit fees and advertising expense.

Advertising and promotion

The Company expenses advertising costs as incurred.

Income taxes

The Company is a wholly owned subsidiary of Masala Wok Holdings, GP. The Company is a qualified S Corporation that is treated as a disregarded entity for federal income tax purposes. In general, the federal income tax that results from income generated in the Company is the liability of the partners of Masala Wok Holdings, GP.

Consequently, no federal income taxes have been provided in the accompanying financial statements. Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits or liabilities that materially impact the financial statements or related disclosures.

Estimates

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with generally accepted accounting principles 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 dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Concentration of credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk principally consist of cash and trade receivables. The Company’s franchisees operate in Texas, Pennsylvania, and Arizona. To reduce credit risk, the Company performs on-going credit evaluations of its franchisee's financial condition. In the normal course of business, the Company may have bank account balances in excess of federally insured limits.

3. Legal and professional expense

These are accounted for as an expense when incurred and are in the ordinary course of business.

	2022
Attorney Fee	$ 6,971
Accounting Fee	1,200
Audit Fee	6,000
Legal and Professional Expenses	$ 14,171

4. Subsequent events

Subsequent events have been evaluated through August 23, 2023 which is the date the financial statements were available to be issued.

TIKKA SHACK, LLC

FINANCIAL STATEMENTS

As of and for the year ended December 31, 2021

INDEX TO FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the members' of Tikka Shack, LLC

Opinion

We have audited the accompanying financial statements of Tikka Shack, LLC (a Texas corporation), which comprise the balance sheet as of December 31, 2021, and the related statements of operations, changes in members' equity, and cash flows for the year 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 Tikka Shack, LLC as of December 31, 2021, and the results of its operations and its cash flows for the year 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tikka Shack, 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 Tikka Shack, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Tikka Shack, 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 Tikka Shack, 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.

TPS Thayer, LLC

TPS Thayer, LLC

Sugarland, Texas

August 26, 2022

TIKKA SHACK, LLC
BALANCE SHEET
As of December 31, 2021

ASSETS		2021
Current assets		
Cash and cash equivalents	$	285,350
Accounts receivable, net		24,115
Total assets	$	309,465
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	$	8,483
Unearned franchise fee		25,000
Total current liabilities		33,483
Total liabilities		33,483
Commitments and contingencies		
Members’ equity		
Members’ equity		275,982
Total liabilities and members’ equity	$	309,465

The accompanying notes are an integral part of these financial statements

TIKKA SHACK, LLC
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2021

		2021
Revenue		
Royalty income	$	191,152
Franchise fee		25,000
Total revenue		216,152
Operating expenses		
Accounting		1,575
Advertising and promotion		2,590
Business license and permit		128
Amortization		327
Legal and professional expenses		17,785
Software expense		7,483
Travel expense		2,138
Website expense		338
Total operating expenses		32,364
Net income	$	183,788

The accompanying notes are an integral part of these financial statements

TIKKA SHACK, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the Year Ended December 31, 2021

		2021
Balance January 1, 2021	$	323,559
Net income		183,788
Distribution		(231,365)
Balance December 31, 2021	$	275,982

The accompanying notes are an integral part of these financial statements

TIKKA SHACK, LLC
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

		2021
Cash flows from operating activities		
Net income	$	183,788
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization		327
Changes in operating assets and liabilities:		
Accounts receivable		(16,620)
Accounts payable and accrued expenses		4,192
Unearned franchise fee		25,000
Net cash provided by operating activities		196,687
Net increase in cash and cash equivalents		196,687
Cash and cash equivalents at beginning of the year		88,663
Cash and cash equivalents at end of the year	$	285,350
Non-cash transaction:		
Distribution to members by adjusting against its receivable balance	$	231,365

1. Nature of business

Tikka Shack, LLC ("Company") was organized on June 11, 2015, as a Texas limited liability company. The Company was formed to license franchise rights to the "Tikka Shack" restaurant concept and operates franchises in the states of Texas, Pennsylvania, and Arizona.

2. Significant accounting policies

Basis of accounting

The financial statements have been prepared on the accrual basis of accounting and conform to the accounting principles generally accepted in the United States of America.

Revenue recognition

Franchise fee

The franchise agreement grants the franchisee the right to a specific franchise location and assistance to be provided by the Company including the provision of store specification, personnel qualification guidelines, training, and advertising consultations.

Franchise fee is recognized as revenue when all the material services or conditions relating to a store have been substantially performed or satisfied by the Company, which is typically at a point in time when a new franchised store begins operations. Consideration for franchise fees received in advance of being earned is considered as unearned franchise fees. The Company entered into four new franchise agreements during the fiscal year ended December 31, 2021.

Royalty Income

Royalties are based on a percentage of sales and are recognized as fees are earned and become receivable from the franchisee. Royalty based revenue is accounted for using the variable consideration guidance as required by ASC 606. Each franchisee is generally required to pay a 4% to 4.5% royalty fee on gross sales. Revenue is recognized at a point in time when the store make sales and is recorded and collected on a weekly basis.

New Accounting Pronouncements:

Recently adopted accounting standards:

On September 21, 2020, the FASB issued a proposed accounting standard updated ASU952-606-25-2 that would allow a franchisor that is not a public business entity ("private-company franchisor") to use a practical expedient when identifying performance obligations in its contracts with customers (i.e., franchisees) under ASC 606. Under the practical expedient, a private-company franchisor that enters into a franchise agreement would be able to account for certain preopening services provided to a franchisee as a single performance obligation. The practical expedient is intended to reduce the cost and complexity of applying ASC 606 to preopening services associated with initial franchise fees. If an entity has already adopted ASC 606, the proposed amendments would be effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The company has adopted the guidance starting in January 1, 2021 and did not have a material impact on the current year financial statements.

Recently issued accounting standards:

In 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) guidance on leases, with amendments issued in 2020. The guidance requires lessees to recognize most leases on the balance sheet but does not change the manner in which expenses are recorded in the income statement. For lessors, the guidance modifies the classification criteria and the accounting for sales-type and direct financing leases. The two permitted transition methods under the guidance are the modified retrospective transition approach, which requires application of the guidance for all comparative periods presented, and the cumulative effect adjustment approach, which requires prospective application at the adoption date. ASU No. 2016-02 is effective for private companies for annual and interim periods beginning after December 15, 2021, with early adoption permitted. The Company does not expect to early adopt this guidance and is in the process of evaluating the impact of adoption of this guidance on the Company's financial statements.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments". This amends guidelines on reporting credit losses for assets held at amortized cost basis and available-for-sale debt securities. For assets held at amortized cost basis, Topic 326 eliminates the probable initial recognition threshold in current U.S. GAAP and, instead, requires an entity to reflect its current estimate of all expected credit losses. The allowance for credit losses is a valuation account that is deducted from amortized cost basis of the financial assets to present the net amount expected to be collected. For available-for-sale debt securities, credit losses should be measured in a manner similar to current U.S. GAAP, however Topic 326 will require that credit losses be presented as an allowance rather than as a write-down. ASU 2016-13 affects entities holding financial assets and net investment in leases that are not accounted for at fair value through net income. The amendments affect loans, debt securities, trade receivables, net investments in leases, off balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments in this ASU will be effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. In November 2019, the FASB issued ASU No. 2019-10, Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates, which amended the effective date of ASU 2016-13 . The amendments in these ASUs are effective for the Company's fiscal years, and interim periods within those fiscal years beginning April 1, 2022. Early adoption is permitted. The Company does not expect to early adopt this guidance and is in the process of evaluating the impact of adoption of this guidance on the Company's financial statements.

Fair Value of Financial Instruments

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The Company classifies assets and liabilities recorded at fair value under the fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally developed market assumptions. The fair value measurements are classified under the following hierarchy:

- Level 1—Observable inputs that reflect quoted market prices (unadjusted) for identical assets and liabilities in active markets;
- Level 2—Observable inputs, other than quoted market prices, that are either directly or indirectly observable in the marketplace for identical or similar assets and liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets and liabilities; and
- Level 3—Unobservable inputs that are supported by little or no market activity that is significant to the fair value of assets or liabilities.

The estimated fair values of certain financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable approximates their carrying values because of the short-term nature of these instruments and for the use of implicit interest rates.

Cash and cash equivalents

For purposes of the balance sheet and statement of cash flows, Tikka Shack, LLC considers all highly liquid investments, which are readily convertible into known amounts of cash and have a maturity of three months or less when acquired to be cash equivalents.

Accounts Receivable and Allowance for doubtful accounts

Accounts receivable includes royalty income receivable from franchisees in the ordinary course of business and are recorded at the invoiced amount. The Company establishes provisions for losses on accounts receivable if it determines that it will not collect all or part of the outstanding balance. The Company regularly reviews collectability and establishes or adjusts the allowance as necessary by using both the specific identification method and/or general allowance as a percentage of outstanding accounts receivable balances. The accounts receivable balances are current and were collected subsequently after year end. Therefore, no allowance was deemed necessary as of December 31, 2021.

Intangible Assets

Intangible assets are initially recorded at cost and stated at cost less accumulated amortization. Expenditures for repairs and maintenance are charged against operations in the period incurred. Renewals and betterment that materially extend the life of the assets are capitalized. Intangible assets are amortized over their estimated useful lives using the straight-line method.

Accrued expenses

Accrued expenses represents carrying value of liabilities at the balance sheet date and include accruals for audit fees and advertising expense.

Advertising and promotion

The Company expenses advertising costs as incurred.

Income taxes

The Company is a wholly owned subsidiary of Masala Wok Holdings, GP. The Company is a qualified S Corporation that is treated as a disregarded entity for federal income tax purposes. In general, the federal income tax that results from income generated in the Company is the liability of the partners of Masala Wok Holdings, GP.

Consequently, no federal income taxes have been provided in the accompanying financial statements. Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits or liabilities that materially impact the financial statements or related disclosures.

Estimates

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with generally accepted accounting principles 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 dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Concentration of credit risk

Financial instruments that potentially subject the Company to a concentration of credit risk principally consist of cash and trade receivables. The Company's franchisees operate in Texas, Pennsylvania, and Arizona. To reduce credit risk, the Company performs on-going credit evaluations of its franchisee's financial condition. In the normal course of business, the Company may have bank account balances in excess of federally insured limits.

3. Intangible assets

Amortization expense was $327 for the year ended December 31, 2021. The following is a summary of intangible assets as of December 31, 2021:

	2021	Estimated Useful Life
Website	$ 6,500	5 years
Less: Accumulated Amortization	6,500	
Net Intangible Assets	$ -	

4. Legal and professional expense

These are accounted for as an expense when incurred and are in the ordinary course of business.

	2021
Attorney Fee	$ 12,785
Audit Fee	5,000
Legal and Professional Expenses	$ 17,785

5. Related party transactions

The Company had related party receivable of $231,365 from Masala Wok Holdings, GP (Member of the Company) from prior years. On December 31, 2021, it was resolved to make a distribution of $231,365 to Masala Wok Holdings, GP by adjusting the related party receivable balance. The following table set forth the changes in the related party receivable balance:

	2021
Due from related party, as of December 31, 2020	$ 231,365
Distribution	(231,365)
Due from related party, as of December 31, 2021	$ -

6. Subsequent events

Subsequent events have been evaluated through August 26, 2022 which is the date the financial statements were available to be issued.

TPS THAYER
Certified Public Accountants

August 26, 2022

To the members of Tikka Shack, LLC

We have audited the financial statements of Tikka Shack, LLC for the year ended December 31, 2021, and we will issue our report thereon dated August 26, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 8, 2022. Professional standards also require that we communicate to you the following information related to our audit.

<u>Significant Audit Matters</u>

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Tikka Shack, LLC are described in Note 2 to the financial statements. Tikka Shack, LLC adopted accounting standard updated ASU952-606-25-2 as of January 1, 2021. We noted no transactions entered into by the Company during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements was (were): None

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was (were):

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the corrected and uncorrected misstatements are attached.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 26, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Company’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

This information is intended solely for the use of management of Tikka Shack, LLC and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

TPS Thayer, LLC

TPS Thayer, LLC

A summary of uncorrected misstatement

2020 revenue recorded in 2021

Dr. – Royalty Income	$1,574	
Cr. – Retained Earnings		$1,574

2022 revenue recorded in 2021

Dr. – Royalty Income	$1,376	
Cr. – Accounts Receivable		$1,376

A summary of corrected misstatement

To move related party balance to distribution

Dr. – Distribution	$231,365	
Cr. – Accounts Rec - Related Party		$231,365

To adjust the AR & revenue entry which was posted twice in the general ledger

Dr. – Royalty Income	$4,421	
Cr. – Accounts Rec - Related Party		$4,421

To adjust unearned revenue that should have been recognized as revenue in 2021

Dr. – Unearned franchise fee	$15,000	
Dr. – Accounts Receivable	$10,000	
Cr. – Franchise Fee		$25,000

To record 2021 expense not recorded as of year end

Dr. – Software Expense	$1,221	
Cr. – Accrued Expenses		$1,221

To accrued audit fee not recorded as of year end

Dr. – Legal and Professional Expense	$1,000	
Cr. – Accrued Expenses		$1,000

TPS THAYER
Certified Public Accountants

To the members of

Tikka Shack, LLC

In planning and performing our audit of the financial statements of Tikka Shack, LLC as of and for the year ended December 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered Tikka Shack, LLC's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in Tikka Shack, LLC's internal control to be material weaknesses:

- The Company does not have sufficient resources dedicated to its accounting system. Accordingly, there is no possibility for segregation of responsibilities or of implementation of key controls required in significant accounting areas

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not consider any deficiencies in Tikka Shack, LLC internal control to be significant deficiencies.

This communication is intended solely for the information and use of management, members, and others within the Company, and is not intended to be, and should not be, used by anyone other than these specified parties.

TPS Thayer, LLC

TPS Thayer, LLC

Sugar Land, TX

August 26, 2022

EXHIBIT B
FRANCHISE AGREEMENT

TIKKASHACK, LLC

FRANCHISE AGREEMENT

TIKKASHACK, LLC
FRANCHISE AGREEMENT
SUMMARY PAGES

EFFECTIVE DATE:	____________________________________
FRANCHISEE:	____________________________________
ADDRESS FOR NOTICES:	____________________________________ ____________________________________
AUTHORIZED BRAND:	☐ TIKKA SHACK ☐ MASALA WOK
OPERATING PRINCIPAL:	____________________________________
Telephone Number:	____________________________________
Facsimile Number:	____________________________________
Email Address:	____________________________________
RESTAURANT MANAGER:	____________________________________
Telephone Number:	____________________________________
Facsimile Number:	____________________________________
Email Address:	____________________________________
PROTECTED AREA:	____________________________________
OPENING DATE:	____________________________________
INITIAL FRANCHISE FEE:	$40,000
ROYALTY FEE:	6% of Gross Sales
ADVERTISING ASSESSMENT:	An amount determined by Franchisor, from time to time, not to exceed 4% of Gross Sales; as of the Effective Date, 1.5% of Gross Sales
GRAND OPENING:	
EXPENDITURE	☐ $2,500 or ☐ $______________
RENEWAL FEE:	$5,000
TRANSFER FEE	$0 to transfer for convenience of ownership from an individual to an entity; $5,000 for all other transfers
TIKKASHACK, LLC	8404 Preston Road, Suite 230 Plano Texas 75024 Fax: 972-644-9009 Attention: Manager

____
Franchisor Initial

____
Franchisee Initial

TIKKASHACK, LLC
FRANCHISE AGREEMENT

TABLE OF CONTENTS

Page

ATTACHMENTS

TIKKASHACK, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("**Agreement**") is made and entered into as of the Effective Date reflected in the Summary Pages ("**Effective Date**") by and between TikkaShack, LLC a Texas limited liability company ("**Franchisor**") and the franchisee identified in the Summary Pages ("**Franchisee**"). Certain initially capitalized terms used frequently in this Agreement are defined in Article 22.

RECITALS:

WHEREAS, Franchisor has the right to use and license the use of a distinctive business format and system relating to the establishment and operation of a fast-casual restaurant offering Indian, Indo-Chinese, and Chinese cuisine under the authorized brand names identified on the Summary Page ("**System**");

WHEREAS, the distinguishing characteristics of the System include, without limitation, distinctive interior design, decor, color scheme, and furnishings; special recipes and menu items; uniform standards, specifications, policies and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which Franchisor may change, improve, and further develop (collectively, "**Standards**");

WHEREAS, the System is identified by certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark "TIKKA SHACK" or the mark "MASALA WOK", and such other trade names, service marks, trademarks, logos, emblems and indicia of origin as are now designated, and may hereafter be designated by Franchisor in writing, for use in connection with the System ("**Marks**"); and

WHEREAS, Franchisee desires to obtain the right to use the System for the operation of a restaurant under the System and Marks ("**Restaurant**") and Franchisor desires to grant Franchisee such rights, all pursuant to the terms and conditions of this Agreement.

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

1. GRANT

A. Grant of Rights. Subject to the provisions of this Agreement, Franchisor hereby grants Franchisee the nonexclusive right and license, and Franchisee hereby accepts the right and obligation, to establish and continuously operate a Restaurant at the franchised location identified (or to be identified) in Attachment C ("**Location**") and to use the Marks and System in operation and promotion of the Restaurant (the "**Franchised Business**"). This Agreement only grants Franchisee the right and license to operate the Restaurant, as identified by the authorized brand reflected on the Summary Page, at the Location and to conduct permitted catering activities from the Restaurant and within the Protected Area in accordance with Franchisor's Standards. Franchisee hereby undertakes the obligation and agrees to continually operate the Franchised Business during the term hereof and strictly according to the terms and conditions of this Agreement.

B. Protected Area. Upon Franchisee's acquisition of the site for the Restaurant, Franchisee's Protected Area will be described in Attachment C and the Summary Pages. Except as provided in this Agreement (including Section 1.C. hereof), and subject to Franchisee's full compliance with this Agreement and any other agreement between Franchisee or its affiliates and Franchisor or its affiliates, neither Franchisor nor any affiliate of Franchisor will establish, or authorize any person or entity other than Franchisee to establish, a Restaurant of the authorized brand type franchised under this Agreement in the Protected Area during the term of this Agreement. Excepted out from the Protected Area is any Reserved Area as defined in Article 22.

C. Reserved Rights. The rights granted to Franchisee under this Agreement are nonexclusive, and Franchisor and its affiliates have and retain all rights within and outside the Protected Area except those expressly granted to Franchisee. Accordingly, Franchisor, its affiliates, and any other authorized person or entity shall have the right, among others, (1) to develop and establish, within and outside the Protected Area, other restaurants (which may feature similar or different menu items) and other businesses under a different trademark, and to franchise or license their operation, (2) to advertise and promote the System in and outside the Protected Area, (3) to operate, and license others to operate, Restaurants at any location outside the Protected Area or in any Reserved Area, including locations that are adjacent to or surrounded by the Protected Area, and (4) except for the restriction set forth in Section 1.B. against the establishment of another Restaurant of the authorized brand type franchised under this Agreement in the Protected Area, to engage, directly or indirectly, at wholesale, retail or otherwise, in the production, distribution, license and sale of any and all food, beverages, or other services and products, under the Marks, or under other names or marks, within and outside the Protected Area, through any method of distribution, including, but not limited to, mail order catalogs, the Internet, and other permanent, temporary or seasonal food service facilities, carts or kiosks (which facilities may provide, in whole or in part, the products and services offered by the Restaurant) regardless of the proximity to, or the competitive impact on, Franchisee's authorized brand type of Restaurant.

2. SITE SELECTION, PLANS, CONSTRUCTION AND OPENING DATE

A. Site Selection. Franchisee assumes all cost, liability, expense and responsibility for selecting, obtaining and developing a site for the Restaurant within the non-exclusive Designated Area described in Attachment C. Franchisee shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to a site for the Restaurant unless the site is approved as set forth below. Franchisee acknowledges that the selection, procurement and development of a site for the Restaurant is Franchisee's responsibility; that in discharging such responsibility Franchisee may consult with real estate and other professionals of Franchisee's choosing; and that Franchisor's approval of a prospective site and the rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee by Franchisor that the Restaurant operated at that site will be profitable or otherwise successful; it means only that the proposed site meets Franchisor's minimum criteria for a Restaurant.

B. Site Approval. Prior to acquiring a site for the Restaurant by lease or purchase, Franchisee shall select a site for the Restaurant that satisfies Franchisor's site selection requirements and shall submit to Franchisor in the form specified by Franchisor a description of the site, including:

(1) evidence satisfactory to Franchisor demonstrating that the site satisfies Franchisor's site selection requirements;

(2) such other information and materials as Franchisor may reasonably require, including, but not limited to, a letter of intent or other evidence satisfactory to Franchisor which confirms Franchisee's favorable prospects for obtaining the site.

Recognizing that time is of the essence, Franchisee agrees that it will submit such site information to Franchisor no later than 60 days after the execution of this Agreement. Franchisor shall have 30 days after receipt of all information and materials to accept or reject, in its sole discretion, the proposed site as the Location for the Restaurant. No site may be used for the Location of the Restaurant unless it is first approved in writing by Franchisor. If Franchisor accepts multiple sites for a Restaurant, Franchisee shall notify Franchisor, in writing, within 10 days of the date of such acceptance of the site that Franchisee intends to acquire for the Restaurant. After Franchisor accepts the site, Franchisee must submit a copy of the proposed contract of sale or lease, as applicable. Franchisor shall not approve the lease unless an addendum to the lease containing covenants and terms we specify, in substantially the form of those in Attachment F, is attached to the lease and incorporated therein. Franchisee shall pay or reimburse Franchisor for its reasonable attorneys' fees incurred in connection with its review of the proposed contract of sale or lease. If the landlord refuses to sign the Lease Rider in the form attached to this Agreement, we may reject your proposed location. The parties acknowledge and agree that Franchisor's approval of a lease does not mean that the economic terms of the lease are favorable; it means only that the lease contains the lease terms that Franchisor requires.

C. Site Acquisition. Within 90 days after Franchisor has approved the site for the Restaurant as described above, Franchisee shall acquire the site by purchase or lease, at Franchisee's expense. Franchisee shall furnish to Franchisor a copy of the executed lease or contract of sale within 10 days after execution. Failure by Franchisee to acquire the Location for the Restaurant within the time and in the manner required herein shall constitute a material breach under this Agreement.

D. Licenses; Permits. Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by any laws, ordinances, regulations, or restrictive covenants relating to the premises of the Restaurant. Before beginning construction of the Restaurant, Franchisee shall (1) obtain all approvals, clearances, permits, licenses and certifications required for the lawful construction or remodeling and operation of the Restaurant, and (2) certify in writing to Franchisor that they have been obtained and that the insurance coverage specified in Article 12 of this Agreement is in full force and effect. Without limiting the generality of the foregoing, Franchisee shall have obtained all required licenses and/or governmental approvals to offer and sell alcoholic beverages at the Restaurant not later than one month following the Opening Date. Throughout the term of this Agreement, including any renewal term, Franchisee shall maintain all such alcoholic beverage licenses and/or governmental approvals. Failure to obtain and maintain such alcoholic beverage licenses and/or governmental approvals as required by this Section 2.D. shall constitute a material default under Section 17.D. of this Agreement. At Franchisor's request, Franchisee shall provide to Franchisor copies of all such approvals, clearances, permits, licenses and certifications.

E. Construction and Build-Out.

(1) Franchisee must follow Franchisor's procedures for Restaurant construction and build-out. Franchisee shall adapt Franchisor's prototypical architectural and design plans and specifications for the Restaurant, including MEP drawings, as necessary for the construction of the Restaurant, and shall submit such adapted plans to Franchisor for review within 15 days after it acquires the Location. Franchisor has the right to require Franchisee to engage Franchisor's designated or approved architect for this purpose, and Franchisee shall comply with all such requirements. Franchisor will notify Franchisee of any objections to the plans within 15 days of receiving such plans. If Franchisor fails to notify Franchisee of an objection to the plans within such 15 day period, Franchisee may use the plans. If Franchisor objects to the plans, it shall provide Franchisee with a reasonably detailed list of the changes needed to make the plans consistent with System standards. Franchisor shall notify Franchisee within 15 days of receiving revised plans incorporating such changes, whether the revised plans are acceptable. If Franchisor fails to notify Franchisee of any objection within such 15 day period, Franchisee may use the revised plans. Franchisee acknowledges that Franchisor's review of such plans is only for purposes of determining compliance with System standards, and that acceptance of such plans by Franchisor does not constitute a representation, warranty, or guarantee, express or implied, by Franchisor that such plans are accurate or free of error concerning their structural application. Franchisor shall not be responsible for architecture or engineering, or for code, zoning, or other requirements of the laws, ordinances or regulations of any federal, state, local, or municipal governmental body, including, without limitation, any requirement relating to accessibility by disabled persons or others, nor shall Franchisor be responsible for any errors, omissions, or discrepancies of any nature in the plans.

(2) Franchisee shall promptly commence and diligently pursue construction of the Restaurant. Commencement of construction is defined as the time at which any site work is initiated. Site work includes, without limitation, paving of parking areas, installing outdoor lighting and sidewalks, extending utilities, demising of interior walls and demolishing of any existing premises, depending on whether the Restaurant is to be located in a freestanding building or contained within a shopping mall, strip

center or other interior location. During construction, Franchisee shall provide Franchisor with such periodic progress reports as Franchisor may reasonably request. In addition, Franchisor shall make such on-site inspections as it may deem reasonably necessary to evaluate such progress. Franchisee shall notify Franchisor of the scheduled date for completion of construction no later than 45 days prior to such date. Within a reasonable time after the date construction is completed, Franchisor shall, at its option, conduct an inspection of the completed Restaurant. Franchisee shall not open the Restaurant for business without the written authorization of Franchisor, which such authorization shall be conditioned upon Franchisee's strict compliance with this Agreement.

F. Opening Date. Franchisee shall open the Restaurant and commence business within 300 days after the execution of this Agreement, unless Franchisee obtains a written extension of such time period from Franchisor. Franchisee acknowledges that time is of the essence. The Opening Date shall be memorialized in Attachment C. Before the Opening Date, Franchisee shall complete all exterior and interior preparations for the Restaurant, including installation of equipment, fixtures, furnishings, and signs, pursuant to the plans and specifications approved by Franchisor, and shall comply with all other pre-opening obligations of Franchisee, including, but not limited to, those obligations described in Article 6 of this Agreement. If Franchisee fails to comply with any of such obligations, Franchisor shall have the right to prohibit Franchisee from opening the restaurant. Franchisee's failure to open the Restaurant in compliance with these provisions shall be deemed a material event of default under this Agreement.

G. Relocation. Franchisee shall not relocate the Restaurant without Franchisor's express prior written consent. If Franchisee is unable to continue the operation of the Restaurant at the Location due to the occurrence of an event of Force Majeure (or for other reasons not constituting an event of default under this Agreement), Franchisee may request Franchisor's consent to relocate the Restaurant to another location in the Protected Area. If Franchisor grants Franchisee the right to relocate the Restaurant, then Franchisee shall comply with such reasonable site selection and construction procedures as Franchisor may require and shall reimburse Franchisor of its costs associated with the request, review, and approval of the new location for your Restaurant.

H. OPENING. BY VIRTUE OF COMMENCING OPERATIONS OF FRANCHISEE'S RESTAURANT, FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS FULFILLED ALL OF OUR OBLIGATIONS TO FRANCHISEE THAT FRANCHISOR IS REQUIRED TO FULFILL PRIOR TO THE OPENING OF THE RESTAURANT.

3. TERM AND RENEWAL

A. Term. Unless sooner terminated as provided in this Agreement, the term of this Agreement will begin on the Effective Date and will continue until the earlier of (1) 10 years from the Opening Date, or (2) 11 years from the Effective Date, regardless of the date on which the Restaurant opens to the public for business.

B. Renewal. Franchisee may renew its rights under this Agreement for three additional consecutive terms of five years each, subject to any or all of the following conditions which must, at Franchisor's option, be met prior to and at the time of each renewal:

(1) Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than six months nor more than nine months before the end of the initial term;

(2) Franchisee shall refurbish, repair or replace, at Franchisee's cost and expense, all equipment, electronic cash register systems, computer systems, signs, interior and exterior decor items, fixtures, furnishings, supplies and other products and materials required for the operation of the Restaurant as Franchisor may reasonably require and shall otherwise upgrade the Restaurant to reflect the then-current Standards and image of the System;

(3) Franchisee shall not be in default of any provision of this Agreement, any

amendment hereof or successor hereto; neither Franchisee nor its affiliates shall be in default of any other agreement with Franchisor or any of its affiliates; and Franchisee and its affiliates shall have substantially and timely complied with the terms and conditions of such agreements during the respective terms thereof;

(4) Franchisee shall have timely satisfied all monetary obligations owed to Franchisor and its affiliates under this Agreement and any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates;

(5) Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the premises of the Restaurant during the renewal term or shall obtain Franchisor's consent to a new site for the Restaurant;

(6) Franchisee shall execute Franchisor's then-current form of renewal franchise agreement, which such agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including, without limitation, a higher royalty fee and advertising contribution or expenditure requirement;

(7) Franchisee shall pay to Franchisor a renewal fee in the amount specified in the Summary Pages;

(8) Franchisee and its Principals shall execute a general release of any and all claims against Franchisor, its affiliates, and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders; and

(9) Franchisee shall comply with Franchisor's then-current qualifications and training requirements.

C. Operation after Expiration of Term. If Franchisee does not enter into an agreement for a renewal Term prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the sole option of Franchisor, this Agreement may be treated as (i) expired as of the date of expiration with Franchisee then operating without a license to do so, in violation of Franchisor's rights; or (ii) continued on a month-to-month basis ("Interim Period") until one (1) party provides the other with written notice of such party's intent to terminate the Interim Period, in which case, the Interim Period will terminate thirty (30) days after the other party's receipt of the notice to terminate the Interim Period or, if Franchisee's jurisdiction requires a termination notice period longer than thirty (30) days, the period will be the minimum notice period required by the laws of such jurisdiction. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on Franchisee upon expiration of the Agreement shall take effect upon termination of the Interim Period. In the Interim Period, the Royalty Fees due and payable shall be 150% of the Royalty Fees due and payable under the franchise agreement then in effect. The inclusion of this Section 3.C should not be construed as Franchisor's automatic permission for Franchisee to continue operations after the natural expiration of this Agreement.

4. FEES

A. Initial Franchise Fee. Upon execution of this Agreement, Franchisee shall pay Franchisor an initial franchise fee in the amount specified in the Summary Pages. The initial franchise fee is fully earned and nonrefundable upon payment, and covers Franchisor's costs associated with sale of the franchise to Franchisee (50%), training and onboarding the Franchisee (25%), and providing Franchisee pre-opening services (25%).

B. Royalty Fee. During the term of this Agreement, Franchisee shall pay to Franchisor a nonrefundable and continuing weekly royalty fee in the amount specified in the Summary Pages for the immediately-preceding week. The royalty fee shall be paid by Franchisee to Franchisor via electronic funds transfer, or any other means reasonably specified by Franchisor, and shall be due each Thursday during the term of this Agreement, provided such day is a Business Day. If the date on which a royalty payment would otherwise be due is not a Business Day, then payment shall be due on the next Business Day. For purposes of this Section 4.B., the Restaurant's first week of operation shall begin on the Opening Date and shall end on the following Sunday, and each subsequent week shall begin on Monday and conclude on the following Sunday. On or before each Tuesday during the term of this Agreement, Franchisee shall provide a Gross Sales Report to Franchisor.

C. Past Due Amounts; Acceptance and Application of Payments.

(1) Any payment not actually received by Franchisor on or before the due date shall be deemed overdue. Time is of the essence for all payments to be made by Franchisee to Franchisor. All unpaid obligations under this Agreement shall bear interest from the date due until paid at the lesser of 18% percent per annum, or the maximum rate allowed by applicable law. No provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment to reduce any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder, then such excess shall be repaid to the party making the payment.

(2) Acceptance by Franchisor of any payments due subsequent to the due date shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee or the Principals of any terms, provisions, covenants or conditions of this Agreement.

(3) Franchisor shall have the right to apply any payment it receives from Franchisee to any amounts Franchisee owes Franchisor or its affiliates under this Agreement or any other agreement between them, even if Franchisee has designated the payment for another purpose or account. Franchisor may accept any check or payment in any amount from Franchisee without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be considered as an accord or satisfaction.

(4) Franchisee shall have no right to withhold any payments (in whole or in part) due Franchisor or its Affiliates on account of Franchisor's breach or alleged breach of, or nonperformance under, this Agreement, and no right to offset any amount due Franchisor against any obligation that Franchisor may owe to Franchisee. Franchisee specifically waives any right at law or in equity to offset any monies Franchisee owes to Franchisor or Affiliates or to fail or refuse to perform any of its obligations under this Agreement.

D. Other Fees and Payments. In addition to the initial franchise fee and weekly royalty, Franchisee shall pay when due all other fees or amounts described in this Agreement.

E. Electronic Funds Transfer. At Franchisor's request, Franchisee shall execute Attachment E to this Agreement and all other documents necessary to permit Franchisor to withdraw funds from Franchisee's designated bank account by electronic funds transfer ("**EFT**") in the amount of the royalty fee as described in Section 4.B. and the advertising contribution described in Section 8.G., at the time such amounts become due and payable under the terms of this Agreement. Any fee calculated by reference to Gross Sales shall be based on the information obtained by Franchisor pursuant to Section 7.G. of this Agreement or the Gross Sales Report. If the Gross Sales Report has not been received within the time period required by this Agreement, then Franchisor may process an EFT for the subject week based on the most recent Gross Sales Report provided to Franchisor by Franchisee; provided, that if a Gross Sales Report for the subject week is subsequently received and reflects (1) that the actual amount of the fee due was more than the amount of the EFT, then Franchisor shall be entitled to withdraw additional funds through EFT from Franchisee's designated bank account for the difference; or (2) that the actual amount of the fee due was less than the amount of the EFT, then Franchisor shall credit the excess amount to the payment of Franchisee's future obligations. Should any EFT not be honored by Franchisee's bank for any reason, Franchisee agrees that it shall be responsible for that payment and any service charge. If any payments are not received when due, interest may be charged in accordance with Section 4.C. Upon written notice to Franchisee, Franchisor may designate another method of payment.

F. Payment of Taxes. If any tax is imposed on payment owed to Franchisor (other than a tax imposed on Franchisor's net income), then Franchisee shall be responsible and shall pay the tax in addition to its payment obligation, the intent being that Franchisor shall receive all payments in full, as if no such tax had been imposed.

G. Administrative Fee. If at any time Franchisee's Restaurant fails to conform to System Standards, Franchisor shall have the right to impose and collect an administrative fee as described in this paragraph ("**Administrative Fee**"). Specifically, (1) Franchisor may impose and collect from Franchisee a $250 Administrative Fee for each "enforcement effort" that Franchisor undertakes on account of Franchisee's noncompliance with System Standards (e.g., a letter, email, or telephone communication notifying Franchisee of noncompliance or continued noncompliance), and (2) if Franchisor has notified Franchisee of noncompliance and Franchisee has failed to correct the issue within seven days, Franchisor may impose and collect a $250 Administrative Fee per week until the issue has been corrected to Franchisor's satisfaction. This fee is not a penalty but is intended to compensate Franchisor for the additional costs that Franchisor incurs in enforcing Franchisee's compliance with the System and is in addition to and not in lieu of any other rights or remedies that Franchisor may have based on Franchisee's noncompliance with the System. Franchisor may impose and collect the Administrative Fee whether or not the noncompliance at issue is of the type or degree that constitutes a material default of Franchisee's obligations under this Agreement and, if it is, whether or not a cure period applies. At Franchisor's option, Franchisor may require Franchisee to demonstrate full compliance with its obligations by submitting to Franchisor a comprehensive walk-through video of the Restaurant premises in accordance with the Standards.

H. Default Fee. If the Franchisee is in default under this Agreement, at the Franchisor's sole discretion, and without waiver of any of the Franchisor's rights under this Agreement, the Franchisor may impose a fee ("Default Fee") in an amount up to $1,500 per event of default, plus the cost of re-inspections and the costs enforcing compliance. Franchisee shall pay the Default Fee within 3 days of the Franchisor's demand.

I. Failure to Submit Required Data Fee. If you fail to submit or allow us access to any required data, you shall pay us a fee in the amount of $500 for each occurrence. You acknowledge that you will continue to incur this fee until you submit the required data.

J. Mobile App Fee (Tikka Shack). If you operate the Restaurant under the TIKKA SHACK Marks, you must participate and pay the Mobile App Fee, which is currently $10 per week per Restaurant, for development and use of Franchisor's Mobile Application for Tikka Shack Restaurants, and for placement of online orders. Such Fee shall be payable in the same manner as the Royalty Fee or as otherwise designated by the Franchisor. Mobile App Fee (Tikka Shack) is subject to an increase each calendar year by an amount not to exceed 10% of the prior year's cap.

K. Mobile App Fee (Masala Wok). If you operate the Restaurant under the MASALA WOK Marks, you must participate and pay a Mobile App Fee, which is currently $10 per week per Restaurant, for development and use of Franchisor's Mobile Application for Masala Wok Restaurants and for placement of online orders. Such Fee shall be payable in the same manner as the Royalty Fee or as otherwise designated by the Franchisor. Mobile App Fee (Masala Wok) is subject to an increase each calendar year by an amount not to exceed 10% of the prior year's cap.

5. FRANCHISOR'S OBLIGATIONS

Franchisor agrees to provide, or cause the following services to be provided:

A. Site Selection Assistance. Site selection guidelines and such site selection assistance as Franchisor may deem advisable.

B. On-Site Evaluation. Such on-site evaluation as Franchisor may deem necessary on its own initiative or in response to Franchisee's reasonable request for site approval; provided, however, that Franchisor shall not provide an on-site evaluation for any proposed site prior to the receipt of all required information and materials concerning such site pursuant to Section 2.B., above. Franchisor (or its designee) will provide at no additional charge to Franchisee one on-site evaluation for the Restaurant; provided that Franchisor has the right to require Franchisee to reimburse Franchisor (or its designee) for its reasonable expenses incurred in making such on-site evaluation. Thereafter, if additional on-site evaluations are deemed appropriate by Franchisor, or upon Franchisee's reasonable request, Franchisor reserves the right to charge a reasonable fee for performing each such evaluation and a further amount representing the reasonable expenses incurred by Franchisor (or its designee) in connection with such on-site evaluation, including, without limitation, the cost of travel, lodging and meals.

C. Prototype Plans. Access to a set of prototypical architectural and design plans and specifications for the Restaurant.

D. Manuals. Access to one set of the Manuals, which may be provided in electronic, video, or in paper form.

E. Software Programs. For a reasonable fee, any Software Programs that Franchisor acquires or develops for use in the System; provided that Franchisor is under no obligation to develop or acquire such Software Programs.

F. Inspections. Inspections of the Restaurant and evaluations of the products sold and services rendered therein from time to time as reasonably determined by Franchisor.

G. Advertising. Administration of a brand development fee and/or advertising cooperatives in accordance with Article 8, as well as the provision of certain advertising and promotional materials developed by Franchisor from time to time for use in marketing and conducting local advertising for System Restaurants.

H. Operational Advice. Advice and written materials concerning techniques for managing and operating the Restaurant, including new developments and improvements in System equipment and System products, as Franchisor deems appropriate.

I. Approved Suppliers. From time to time, as Franchisor deems appropriate, a list of approved suppliers.

J. Training. An initial training program for Franchisee's Operating Principal and Restaurant Manager, and additional training programs in accordance with Section 6.F.

K. Opening Assistance Expenses. Franchisor or its affiliates shall provide one week of on-site pre-opening assistance immediately preceding the Opening Date and one week of on-site opening assistance immediately following the Opening Date and such additional on-site pre-opening and opening assistance as Franchisor reasonably deems necessary; provided, that Franchisee shall reimburse Franchisor for any expenses incurred by Franchisor's representatives, such as costs of travel, lodging, meals and wages.

L. Remedial Training. Upon Franchisee's reasonable request or if Franchisor shall determine it to be necessary during the term of this Agreement, on-site remedial training; provided, that such remedial training shall be conducted subject to the availability of Franchisor's personnel, and provided further, that Franchisor may require Franchisee to pay the per diem fee then being charged for on-site remedial training, and pay or reimburse Franchisor for the expenses incurred by its representatives, including the costs of travel, lodging, meals, and wages.

6. FRANCHISEE'S AGREEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS

A. Continuing Obligations. Franchisee and its Principals make the following representations, warranties and covenants and accept the following obligations. Such representations, warranties and covenants are continuing obligations, and Franchisee and its Principals acknowledge and agree that any failure to comply shall constitute a material event of default under this Agreement. Franchisee will cooperate with Franchisor to verify compliance with the following representations, warranties and covenants.

B. Organization. If Franchisee is a corporation, partnership, limited liability company or other legal entity:

(1) Franchisee is duly organized and validly existing under the law of the state of its formation;

(2) Franchisee is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require such qualification;

(3) Franchisee's corporate charter or written partnership or limited liability company agreement shall at all times provide that the activities of Franchisee are confined exclusively to the operation of the Restaurant;

(4) The execution of this Agreement and the performance of the transactions contemplated hereby are within Franchisee's corporate power, if Franchisee is a corporation, or if Franchisee is a partnership or a limited liability company, are permitted under Franchisee's written partnership or limited liability company agreement and have been duly authorized by Franchisee; and

(5) If Franchisee is a corporation, copies of Franchisee's articles of incorporation, bylaws, other governing documents, any amendments thereto, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents as may be reasonably required by Franchisor shall have been furnished to Franchisor prior to the execution of this Agreement; or, if Franchisee is a partnership or limited liability company, copies of Franchisee's written partnership or limited liability company agreement, other governing documents and any amendments thereto shall have been furnished to Franchisor prior to the execution of this Agreement, including evidence of consent or approval of the execution and performance of this Agreement by the requisite number or percentage of partners or members, as applicable, if such approval or consent is required by Franchisee's written partnership or limited liability company agreement.

C. Ownership.

(1) If Franchisee is a corporation, partnership, limited liability company or other legal entity, the ownership interests in Franchisee are accurately and completely described in Attachment D. If Franchisee is a corporation, Franchisee shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Franchisee or, if Franchisee is a partnership, limited liability company or other form of legal entity, Franchisee shall maintain at all times a current list of all owners of an interest in the partnership, limited liability company or other entity. Franchisee shall make its list of owners available to Franchisor upon request.

(2) If Franchisee is a corporation, Franchisee shall maintain stop-transfer instructions against the transfer on its records of any of its equity securities and each stock certificate representing stock of the corporation shall have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement. If Franchisee is a partnership or limited liability company, its written partnership or limited liability company agreement shall

provide that ownership of an interest in the partnership or limited liability company is held subject to all restrictions imposed upon assignments by this Agreement.

(3) If required by Franchisor, Franchisee's Principals who do not sign the Principal's Guaranty and Assumption Agreement attached as Attachment A shall each execute the Confidentiality Agreement and Ancillary Covenants in the form of Attachment B to this Agreement.

(4) If, after the execution of this Agreement, any person ceases to qualify as one of the Franchisee's Principals or if any individual succeeds to or otherwise comes to occupy a position which, upon designation by Franchisor, would qualify him as one of Franchisee's Principals, Franchisee shall notify Franchisor within 10 days after any such change and, upon designation of such person by Franchisor as one of Franchisee's Principals such person shall execute all documents and instruments (including, as applicable, the Principals' Guaranty and Assumption Agreement) as Franchisor may require others in such positions to execute.

D. Financial Matters.

(1) Franchisee and, at Franchisor's request, each of the Principals have provided Franchisor with the most recent financial statements of Franchisee and such Principals. Such financial statements present fairly the financial position of Franchisee and each of the Principals, as applicable, at the dates indicated therein and, with respect to Franchisee, the results of its operations and its cash flow for the years then ended. Each of the financial statements are certified as true and correct and have been prepared in conformity with generally accepted accounting principles and, except as expressly described in the applicable notes, applied on a consistent basis. There are no material liabilities, adverse claims, commitments or obligations of any nature, whether accrued, unliquidated, absolute, contingent or otherwise, which are not reflected as liabilities on the financial statements.

(2) The Principals that Franchisor designates shall jointly and severally guarantee the performance of Franchisee's obligations under this Agreement pursuant to the terms and conditions of the Principals' Guaranty and Assumption Agreement attached hereto as Attachment A and shall otherwise bind themselves to the terms of this Agreement as stated herein.

(3) Franchisee shall provide Franchisor with any and all loan or other documents regarding the financing of its Restaurant that Franchisor may request.

(4) Franchisee shall maintain at all times during the term of this Agreement sufficient working capital to fulfill its obligations under this Agreement.

E. Operating Principal; Restaurant Manager. Upon the execution of this Agreement, Franchisee shall designate, and shall retain at all times during the term of this Agreement, an individual to serve as Franchisee's Operating Principal. If Franchisee is an individual, Franchisee shall perform all obligations of the Operating Principal.

(1) The Operating Principal shall maintain a direct or indirect ownership interest of not less than 10% in Franchisee. Except as may otherwise be provided in this Agreement, the Operating Principal's interest in Franchisee shall be and remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. The Operating Principal shall execute this Agreement as a Principal, and shall be individually, jointly and severally, bound by all obligations of Franchisee, the Operating Principal and a Principal hereunder.

(2) Notwithstanding Section 6.E.(1), Franchisee may, at its option and subject to Franchisor's written consent, designate a Restaurant Manager to supervise the operation of Franchisee's Restaurant; provided, that Franchisee and its Operating Principal shall remain fully responsible for Restaurant Manager's performance. The Restaurant Manager shall execute the Confidentiality Agreement and Ancillary Covenants Not to Compete attached as Attachment B to this Agreement.

(3) Unless a Restaurant Manager is designated pursuant to Section 6.E.(2), Franchisee's Operating Principal shall devote full time and best efforts to the supervision of the Restaurant operated by Franchisee and, without Franchisor's written consent, shall not engage in any other business. The foregoing provision shall not apply if a Restaurant Manager is designated, provided, the Restaurant Manager shall devote his or her full time and best efforts to the supervision and operation of the Restaurant business conducted by Franchisee.

(4) The Operating Principal and any Restaurant Manager shall meet Franchisor's qualifications, as set forth in this Agreement, the Manuals, or otherwise in writing and, without limitation, shall be empowered with full authority to act for and on behalf of Franchisee.

Franchisee must promptly notify Franchisor if the Operating Principal cannot continue to serve in that capacity or no longer qualifies as such, and must take corrective action within 30 days thereafter. During such 30 day period, Franchisee must provide for interim management of its operations in accordance with this Agreement. Any failure to comply with this Section 6.E. will be a material breach of this Agreement.

F. Training. Franchisee's Operating Principal and Restaurant Manager must successfully complete Franchisor's management training program prior to the Opening Date. Any successor or replacement Operating Principal or Restaurant Manager must successfully complete Franchisor's management training program within a reasonable time after such persons are designated. Such persons, and any other personnel of Franchisee whom Franchisor may designate, must attend and complete any additional training that Franchisor may from time to time require. Training will be conducted at locations designated by Franchisor. Additionally, each individual attending training must sign the Liability Waiver, Attachment G, hereto.

(1) Initial management training for Franchisee's Operating Principal and Restaurant Manager is provided at no additional charge; however, Franchisor reserves the right to charge a reasonable fee for training successor or replacement personnel and for any additional training programs. Franchisee shall be responsible for any and all expenses incurred in connection with any initial or additional training, including, without limitation, the costs of travel, lodging, meals and wages incurred by Franchisee, its Operating Principal or Restaurant Manager.

(2) If the Operating Principal or Restaurant Manager fails, in Franchisor's sole judgment, to satisfactorily complete Franchisor's management training program, and Franchisee fails to cure such default within 90 days following written notice from Franchisor, Franchisor may terminate this Agreement.

(3) If Franchisor or its representative is scheduled to conduct an on-site training program, or scheduled for a visit at the Franchisee's location for training or other reasons, or if the Franchisee register for a training program and Franchisee subsequently cancels, fails to attend, fails to have the appropriate parties attend, or fails to stay for the entire training program then Franchisee shall pay the Franchisor, their then-current on-site training cancellation fee (the "On-Site Training Cancellation Fee"). The On-Site Training Cancellation Fee may vary depending upon the type of scheduled training program and how far in advance you notify the Franchisor, in writing, of the cancellation and the cost and expense incurred in rescheduling our travel arrangements.

(4) Franchisee agrees that Franchisor is not obligated to provide any training or assistance to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge, and judgment. Franchisee also acknowledges that Franchisor is not obligated to provide any services to Franchisee that are not set forth in this Agreement. If Franchisee believes the Franchisor has failed to adequately provide any pre-opening services to the Franchisee or to its employees, whether with respect to site selection, selection and purchase of equipment and supplies, training, or any other matter affecting the establishment of Franchisee's Restaurant, Franchisee must immediately notify the Franchisor

in writing within thirty (30) days following the opening of Franchisee's Restaurant or the Franchisee will be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by the Franchisor were sufficient and satisfactory in Franchisee's judgment, and complied with all representations made to the Franchisee.

(5) Franchisee agrees that Franchisor has the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we contract to perform these obligations.

G. Legal Compliance. In addition to complying with its obligations under this Agreement, Franchisee shall comply with all applicable federal, state, and local laws, rules, regulations, ordinances, and orders. Such laws, rules, regulations, ordinances, and orders may vary from jurisdiction to jurisdiction and may be amended or implemented or interpreted in a different manner from time to time. It is Franchisee's sole responsibility to apprise itself of the existence and requirements of all such laws, rules, regulations, ordinances, and orders and to adhere to them at all times during the term of this Agreement. Failure to comply with applicable federal, state, and local laws, rules, regulations, ordinances, and orders is a material breach of this Agreement and Franchisor reserves the right to terminate this Agreement immediately for cause and without an opportunity to cure.

H. Powers of Attorney. Franchisee hereby appoints Franchisor its true and lawful attorney-in-fact, with full power and authority to (1) assign to Franchisor upon the termination or expiration of this Agreement (a) all rights to the telephone numbers of the Restaurant, any related trademark listings, and all rights to any Website listings or services, search engines or systems, and any other business listings related to the Restaurant and (b) at Franchisor's option, Franchisee's interest in any lease for the premises of the Restaurant and any equipment used in the operation of the Restaurant; and (2) obtain any and all returns and reports related to the Restaurant that Franchisee files with any local, state or federal taxing authority. Such powers of attorney shall survive the expiration or termination of this Agreement and Franchisee shall execute such forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact with full power and authority for the foregoing purposes.

I. No Competing Interests. Franchisee warrants and represents that neither Franchisee nor any of its affiliates or Principals own, operate or have any financial or beneficial interest in any business that is the same as or similar to a Restaurant (including, without limitation, any food service facility which offers as a significant menu item or mix of menu items Indian, Indo-Chinese, and Chinese cuisine).

J. Anti-Terrorist Activities. Without limiting the generality of Section 6.G., Franchisee certifies that neither Franchisee nor its owners, employees or anyone associated with Franchisee is listed in the Annex to Executive Order 13224. (The Annex is available at http://www.ustreas.gov/offices/enforcement/ofac/.) Franchisee agrees not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, employees, or anyone associated with Franchisee being listed in the Annex to Executive Order 13224. Franchisee agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchise certifies, represents, and warrants that none of its property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and its owners are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Article 15 of this Agreement pertain to Franchisee's obligations under this Section 6.J. Any misrepresentation by Franchisee under this Section 6.J or any violation of the Anti-Terrorism Laws by Franchisee, its owners, or employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's affiliates in accordance with the terms of Section 17.C.(11) and Article 18. of this Agreement.

As used herein, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

K. Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding the Franchised Business or any particular incident or occurrence related to the Franchised Business, without the Franchisor's prior written approval.

L. Association with Causes. Franchisee shall not in the name of the Franchised Business, other Restaurants, or System (a) donate money, products, or services to any charitable, political, religious, or other organization, or (b) act in support of any such organization, without the Franchisor's prior written approval.

7. RESTAURANT OPERATIONS

A. Standards Compliance. Franchisee acknowledges the importance of maintaining uniformity among all of the System Restaurants and the importance of complying with all of Franchisor's Standards and specifications relating to the operation of the System Restaurants. Franchisee shall conduct its business in accordance with the Manuals, other written directives which Franchisor may issue to Franchisee from time to time, and any other manuals, videos, and materials created or approved for use in the operation of the Franchised Business. Standards shall dictate delivery and catering services, including Franchisee's obligation to deliver products to customers, to engage with only the third-party food ordering and delivery systems that Franchisor approves, and process delivery and catering charges not included in the price of products only in the manner Franchisor permits. Standards may relate to any aspect of the appearance, operation, and marketing of the Franchised Business. Any material failure to comply with the required Standards or to pass Franchisor's inspection will constitute a material breach of this Agreement. However, Franchisee acknowledges that Franchisor has the right to vary its Standards and specifications to accommodate the individual circumstances of different franchisees. Franchisor's specifications do not constitute a warranty or representation, express or implied, as to quality, safety, suitability, fitness for a particular purpose or any manner. Franchisor is not be liable to Franchisee or others on account of the designation of Standards for the operation of the Franchised Business under the System.

B. Maintenance of the Restaurant. Franchisee shall maintain the Restaurant in a high degree of sanitation and repair, and shall make such additions, alterations, repairs and replacements as may be required for that purpose, including, without limitation, such periodic repainting or replacement of signs, furnishings, décor, and equipment (including, but not limited to, point of sale or computer systems) as Franchisor may reasonably direct. Franchisee also shall obtain, at Franchisee's cost and expense, any new or additional equipment, fixtures, supplies and other products and materials which Franchisor may reasonably require for Franchisee to offer and sell new services or products from the Restaurant or to provide such services or products by alternative means. Except as may be expressly provided in the Manuals, no alterations, improvements or changes of any kind in design, equipment, signs, interior or exterior decor items, fixtures or furnishings shall be made in or about the Restaurant without Franchisor's prior written approval.

C. Upgrade of Restaurant. Upon Franchisor's request, Franchisee shall make such refurbishments and improvements to the Restaurant, at Franchisee's expense, to conform to the building design, trade dress, color schemes, and presentation of the Marks in a manner consistent with the then-current public image for new or remodeled Restaurants in the System, including, without limitation, replacement or renovation of equipment, remodeling, redecoration, and modifications to existing improvements and reasonable structural changes that Franchisor may reasonably require or that may be required by law.

If this Franchise Agreement is signed as part of the transfer of an existing franchise or renewal of an existing franchise, then any update, construction, or modification required under this Agreement and in this Section 7.C shall be the upgrade of the Franchised Business in accordance with the provisions of the predecessor franchise agreement. If, at the Franchisor's sole discretion, the Franchisor allows the Franchisee to complete the upgrade after signing this Agreement, the upgrade must be completed in accordance with the provisions of this Agreement as of the date set forth in the Lease Addendum. The Franchisee shall conform to all quality and standards as prescribed by the Franchisor in writing.

D. Sourcing. Franchisee shall comply with all of Franchisor's standards and specifications relating to the purchase of all food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment (including computer hardware and software) and other products used or offered for sale at the Restaurant. If Franchisor has approved suppliers for any such item (including manufacturers, distributors and other sources), Franchisee must obtain these items from those suppliers. Franchisor's approved suppliers are those who continue to demonstrate the ability to meet Franchisor's then-current standards and specifications for food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment and other items used or offered for sale at the Restaurant and who possess adequate quality controls and capacity to supply Franchisee's needs and distribute promptly and reliably over an extended period of time. Each supplier has been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier and who have not thereafter been disapproved by Franchisor. Franchisor may designate itself or an affiliate or a third party as the sole approved suppliers of any item. If Franchisee desires to purchase, lease or use any products or other items from an unapproved supplier, Franchisee shall submit to Franchisor a written request for such approval, or shall request the supplier itself to do so. Franchisee shall not purchase or lease from any supplier until and unless such supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, either to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge, not to exceed the cost of the inspection and of the test (including Franchisor's administrative costs attributable to both), shall be paid by Franchisee or the supplier. Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier. Franchisee's failure to comply with the provisions of this Section 7.D. shall be deemed a material breach under this Agreement. Franchisor makes no representation concerning, and expressly disclaims any liability arising out of or in connection with, the services rendered or products furnished by any supplier approved or designated by Franchisor. Franchisor's approval or consent to any services, goods, suppliers, or any other individual, entity or any item shall not create any liability to Franchisor. The Franchisee acknowledges and agrees that though approved by the Franchisor, the Franchisor or its affiliates make no warranty and expressly and disclaim all warranties, including warranties of merchantability for any particular purpose with respect to fixtures, furniture, equipment (including without limitation, any and all required computer systems) supplies or other approved items.

E. Operational Requirements. Franchisee shall operate the Restaurant in strict conformity with Franchisor's methods, standards and specifications as set forth in the Manuals and as from time to time otherwise may be prescribed in writing. Without limitation of the foregoing, Franchisee agrees:

(1) To sell or offer for sale all menu items, products and services required by Franchisor (including, without limitation, liquor, beer and wine) utilizing the method, manner and style of distribution prescribed by Franchisor. Distribution methods may include, but are not limited to, dine-in, carry-out, and catering services, and must be expressly authorized by Franchisor in writing, in the Manuals

or otherwise. Franchisee agrees to comply with the terms of any such distribution program and, in connection therewith, to execute such documents or instruments that Franchisor may deem necessary.

(2) To sell and offer for sale only the menu items, products and services that have been expressly approved for sale in writing by Franchisor; to discontinue selling and offering for sale any menu items, products or services and any method, manner or style of distribution which Franchisor may, in its sole discretion, disapprove in writing at any time; and to refrain from deviating from Franchisor's standards and specifications without Franchisor's prior written consent.

(3) To maintain in sufficient supply and to use and sell at all times only such food and beverage items, ingredients, products, materials, supplies and paper goods that conform to Franchisor's standards and specifications; to prepare all menu items in accordance with Franchisor's recipes and procedures for preparation contained in the Manuals or other written directives, including, but not limited to, using the brand and/or type of ingredients required by Franchisor and the prescribed measurements of ingredients; and to refrain from deviating from Franchisor's standards and specifications by the use or offer of non-conforming items or differing amounts of any items, without Franchisor's prior written consent.

(4) To permit Franchisor or its agents, at any reasonable time, to remove samples of food or non-food items from the Restaurant, without payment, in amounts reasonably necessary for testing by Franchisor or an independent laboratory to determine whether such samples meet Franchisor's then-current standards and specifications. In addition to any other remedies it may have under this Agreement, Franchisor may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Franchisor or if the sample fails to conform with Franchisor's specifications.

(5) To purchase or lease and install, at Franchisee's expense, all fixtures, furnishings, equipment (including computer systems), decor items, signs, and related items that Franchisor may reasonably direct from time to time in the Manuals or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Restaurant premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, decor items, signs, video or other games, vending machines or other items not previously approved as meeting Franchisor's standards and specifications, as set forth in the Manuals.

(6) To grant Franchisor and its agents the right to enter the Restaurant and, in Franchisor's discretion, to examine any motor vehicle used in connection with Restaurant operations, at any time for the purpose of conducting inspections; to cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, to take such steps as may be necessary to correct promptly any deficiencies detected during an inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time, as determined by Franchisor, Franchisor shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and charge Franchisee a reasonable fee for Franchisor's expenses in so taking the corrective action (including, without limitation, any necessary reinspection). Any such fee is payable by Franchisee immediately upon demand.

(7) To maintain a competent, conscientious, and trained staff, and Franchisee shall take such steps as are necessary to ensure that Franchisee's employees render competent, prompt, courteous, and knowledgeable service in accordance with the Franchisor's standards. Franchisee shall cause all employees, while working at the Restaurant, to present a neat and clean appearance and to wear uniforms of such color, design, and other specifications as Franchisor may designate from time to time; and shall prohibit the wearing of such uniforms except during and within the scope of an employee's employment. The parties acknowledge and agree that these requirements are necessary to preserve the goodwill identified by the Marks. The parties further acknowledge and agree that Franchisor neither dictates nor controls labor or employment matters for Franchisee or its employees. Franchisee is exclusively responsible for hiring personnel, for determining the number of jobs offered or job vacancies to be filled, for determining and

changing employee wages and benefits and work hours, and for disciplining and discharging its employees, and any claims, controversies, investigations, administrative or otherwise, that arise from Franchisees' employment practices. Franchisee is exclusively responsible for labor relations with its employees. Franchisee shall defend and indemnify Franchisor and its Indemnitees (as defined in Section 15.A. below) against any and all proceedings, claims, investigations, and causes of action instituted by its employees or by others that arise from its employment practices.

(8) To have on duty at the Restaurant during all hours of operation the Operating Principal or Restaurant Manager.

(9) Franchisee must install and maintain interactive multi-media equipment, devices, and facilities that Franchisor requires, including approved surveillance systems, music systems, Wi-Fi, and other wireless Internet and communications systems and interactive displays, including plasma or LCD screens. If a designated music provider has been identified, Franchisee must acquire music from such vendor. Franchisee must only play music approved by the Franchisor for use in the Restaurant, and upon notice, Franchisee must cease using any music Franchisor disapproves of. Franchisee must also obtain a license for music played in the approved location and must be able to supply evidence of this license at Franchisor's request.

(10) Franchisee must only operate the approved Franchised Business from the approved location and no other business.

(11) Franchisor may also contact suppliers and obtain information about Franchisee purchases and the status of Franchisee's account(s). Upon termination or expiration, Franchisor can stop access to any proprietary products from any supplier or distributor.

Franchisor may, from time to time, make suggestions and give mandatory instructions with respect to the operation of the Franchised Business as the Franchisor considers necessary or appropriate to ensure compliance with the then-current quality standards of the System and to protect the goodwill and image of the System. Franchisor or its designee has the right to observe Franchisee and its employees during the operation of the Franchised Business and to interview and survey (whether in person or by mail) clients and employees and to photograph or videotape the operations. Franchisee expressly agree that these visits will not imply that the Franchisee is in compliance with their obligations under this Agreement or under the law or that the Franchisor waives their right to require strict compliance with the Franchisee's obligations under this Agreement or the Manual. Furthermore, such visits will not create any responsibility or liability on the Franchisor. If Franchisor request that additional visits to the Franchisee's Franchised Business, the Franchisee shall pay fees to the Franchisor established for such visits. Franchisee shall allow the Franchisor to visit with prospective franchisees during the Franchisee's business hours.

F. Pricing. Franchisor reserves the right, to the fullest extent allowed by applicable law, to establish maximum, minimum or other pricing requirements with respect to the prices that Franchisee may charge for products or services.

G. Computer Systems. Franchisee shall install and maintain the computer hardware and software (including, without limitation, point of sale software) Franchisor requires for the operation of the Restaurant and shall follow the procedures related thereto that Franchisor specifies in the Manuals or otherwise in writing. Among other things, Franchisor may require that Franchisee install and maintain systems that permit Franchisor to access and retrieve electronically any information stored in Franchisee's computer systems, including, without limitation, information concerning Restaurant Gross Sales; such information may be retrieved at the times and in the manner that Franchisor may specify. Franchisor also may require Franchisee to enter into software license agreements in the form that Franchisor requires for software Franchisor develops or acquires for use in the System. All information contained in and collected by any such computer program (including, but not limited to, information pertaining to customers of the Restaurant) shall be the sole and exclusive property of Franchisor.

(1) The computer system and/or POS for your Restaurant will be dedicated for the operation of the Tikka Shack or Masala Wok business and used for no other purpose.

(2) All sales must be processed through the approved POS systems and reported as gross sales and no other supplemental or secondary POS system may be used.

H. Payment Systems and Customer Privacy. Franchisee shall honor such credit cards, courtesy cards, and other credit devices, programs, and plans as may be issued or approved by Franchisor from time to time. Any reasonable and customary service charges or discounts from reimbursements charged on such cards or authorizations will be at Franchisee's sole expense. The parties acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly, Franchisee agrees that it shall cause the Restaurant to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Data Security Standards ("**PCI DSS**") council or its successor and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including but not limited to the Fair and Accurate Credit Transaction Act ("**FACTA**"), and all other data security requirements Franchisor may prescribe. Franchisee is solely responsible for educating itself as to these regulations and standards and for achieving and maintaining applicable compliance certifications. Franchisee shall defend, indemnify and hold harmless Franchisor and its Indemnitees (as defined in Section 15.A. below), from and against all losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including but not limited to notification and investigation expenses, reasonable attorneys' fees, the cost of enforcing any right to indemnification hereunder, and the cost of pursuing any insurance providers, arising out of or resulting from any third-party claim or investigation against any Indemnitee arising out of or resulting from Franchisee's failure to comply with any of its obligations under this Article 7.

I. Internet Access. Franchisee shall have and maintain adequate hardware and software in order to access the Internet at the bit speed required by Franchisor from time to time. Franchisee shall not establish any website or other listing on the Internet except as provided herein.

(1) Franchisor has established, or may establish, an Internet Website that provides information about the System and the products and services offered by the System Restaurants. Franchisor has sole discretion and control over the Website (including timing, design, contents and continuation). Franchisor may use part of the advertising monies it collects under this Agreement to pay or reimburse the costs associated with the development, maintenance and update of the Website.

(2) Franchisor may (but is not required to) include at the Website an interior page containing information about Franchisee's Restaurant. If Franchisor includes such information on the Website, Franchisor may require Franchisee to prepare all or a portion of the page, at Franchisee's expense, using a template that Franchisor provides. All such information will be subject to Franchisor's approval prior to posting.

J. Intranet/Extranet System. Franchisor may, at its option, establish and maintain an intranet or extranet system through which members of the System's franchise network may communicate and through which Franchisor may disseminate updates to the Manual and other Confidential Information. Franchisor will have no obligation to establish or to maintain the intranet indefinitely, and may dismantle it at any time without liability to Franchisee. Franchisor may establish policies and procedures for the intranet's use (including, without limitation, standards, protocols and restrictions relating to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements). Franchisor expects to adopt and adhere to a reasonable privacy policy. However, Franchisee acknowledges that, as administrator of the intranet, Franchisor can access and view any communication that anyone posts on the intranet. Franchisee further acknowledges that the intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that Franchisee or any other individual or entity may assert. If Franchisee fails to pay when due any amount payable to Franchisor under this Agreement, or if Franchisee fails to comply with any policy or procedure governing the intranet, Franchisor may temporarily suspend Franchisee's access to any chat room, bulletin board, listserv, or similar feature the intranet includes until such time as Franchisee fully cures the breach. Franchisor has the right to impose, and Franchisee shall pay at Franchisor's request, a reasonable user fee not to exceed $1,000 per year.

K. Customer Complaints. Franchisee shall process and handle all consumer complaints connected with or relating to the Restaurant, and shall promptly notify Franchisor of all: (1) food related illnesses, (2) safety or health violations, (3) claims exceeding $1,000, and (4) any other material claims against or losses suffered by Franchisee. Franchisee shall maintain any communications with governmental authorities affecting the Restaurant during the term of this Agreement and for one year after the expiration or earlier termination hereof. If Franchisee is unable or unwilling to resolve a customer complaint within forty-eight (48) hours, and it becomes necessary for the Franchisor to reimburse a customer in settlement of his or her complaint services provided by your Restaurant, Franchisee agrees to promptly reimburse Franchisor for amounts expended on account of any such complaint. Franchisee obligations and liabilities under this Section shall survive any termination or expiration of this Agreement.

L. Vehicles. Any vehicle used by Franchisee in connection with the operation of the Restaurant shall meet Franchisor's image and other standards. Franchisee shall place such signs and decor items on the vehicle as Franchisor requires and shall at all times keep the vehicle clean and in good working order. Franchisee shall not permit anyone to operate a vehicle used in connection with the Restaurant who is under the age of 18 years or who does not possess a valid driver's license issued by the state in which the Restaurant is located. Franchisee shall require each person who operates a vehicle used in connection with Restaurant operations to comply with all applicable laws, regulations and rules of the road and to use due care and caution in the operation and maintenance of the vehicles. Except as stated herein, Franchisor does not exercise any control over any motor vehicle used by Franchisee.

M. Technology Risk. Franchisee acknowledges and agrees that technology is constantly changing. Technologic devices and computer systems are always being updated, improved, replaced, and discontinued at an increasingly fast pace. Consequently, computer systems are sometimes incompatible and are susceptible to Internet, computer system, and communication failures. By entering into this Agreement, Franchisee assumes all of the risk of all such issues and technology failures, which Franchisee acknowledges may affect its ability to order or receive products or to conduct business, and acknowledges that Franchisor is not responsible for any damages caused by such issues or technology failures, including lost sales or profits.

(1) Consistent with the foregoing, among other things, Franchisor reserves the right periodically to undertake technology initiatives, the purpose of which would be enhance the technology associated with the franchise system including, without limitation, enhanced internet capability, use of proprietary digital applications and enhanced support services. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over the remaining term of this Agreement, Franchisee agrees to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions or modifications) and required service or support. Franchisor has no obligation to reimburse Franchisee for any Computer System costs. As otherwise permitted in this Agreement, Franchisor may access the Computer System and retrieve all pertinent information relating to the operation of the Restaurant in areas that we have the ability to control and/or remedy.

(2) Notwithstanding the fact that Franchisee must purchase, use, and maintain the Computer System consistent with our standards and specifications, Franchisee will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, updates and upgrading of the Computer System, including compliance with the standards that we periodically require; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; (3) the installation,

maintenance and support of the Computer System, although Franchisor may from time to time require or recommend third parties to provide these functions; and (4) any and all consequences that may arise if the Computer System is not properly operated, maintained and upgraded, including but not limited to virus and spyware issues.

(3) All of Franchisees Computer Systems must be compliant with all applicable laws, regulations, and commonly accepted industry standards, including without limitation those laws, regulations, and commonly accepted industry standards relating to privacy, data security, and the processing and protection of confidential personal information, including without limitation the Payment Card Industry Data Security Standards and all other standards applicable to electronic payments that may be published from time to time by payment card companies.

N. Employees. Franchisee is not prohibited from soliciting or hiring other franchisee's employees. If Franchisee employs another franchisee's employee who has attended Franchisor's training within 12 months of the employee's hire date, Franchisee shall pay to the other franchisee the then-current training fee of Franchisor plus the other franchisee's actual costs for sending its employee to training, including but not limited to travel costs, lodging, wages, and food. Franchisee acknowledges and agrees that it is solely responsible for all decisions relating to employees, agents, and independent contractors that it may hire to assist in the operation of its Restaurant. Franchisee agrees that any employee, agent, or independent contractor that it hires will be its employee, agent, or independent contractor, and not Franchisor's employee, agent, or independent contractor. Franchisee also agrees that it is exclusively responsible for the terms and conditions of employment of its employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. Franchisee agrees to manage the employment functions of its Restaurant in compliance with all federal, state, and local employment laws, and any claims associated therewith is subject to Franchisor's indemnification pursuant to Section 15.

O. ADA Certification. At its sole expense, Franchisee shall furnish evidence satisfactory to Franchisor that the Restaurant is designed, constructed, and altered in compliance, at all times, with the requirements of the Americans With Disabilities Act of 1990, the regulations now or hereafter adopted pursuant thereto, and any and all applicable state or local laws, statutes, ordinances, rules and regulations concerning public accommodations for disabled persons now or hereafter in effect. Franchisee shall indemnify, defend, and hold harmless the Franchisor from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, reasonable attorney's fees and disbursements) arising from Franchisee's failure to comply with this obligation.

P. Currency and Methods of Payment. Franchisee shall submit all fees and payments to Franchisor in U.S. dollars. Likewise, Franchisee shall only accept payments related to the Franchised Business in U.S. dollars. Franchisee is expressly prohibited from accepting as payment in any other currency, electronic or otherwise, including cryptocurrency and tokens such as Bitcoin, Ethereum, Litecoin, and other digital currencies or tokens. Franchisee is required to accept all forms and methods of payment that Franchisor requires, including debit cards, credit cards, stored value cards, or other non-cash systems (including, for example, APPLE PAY, and/or GOOGLE WALLET) that Franchisor specifies periodically to enable customers to purchase menu items and other authorized goods and services, and to install all hardware and/or software necessary to accept such payments. The parties acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of franchises operating under the Marks and System. Franchisee is solely responsible for its own education concerning these regulations and standards and for achieving and maintaining applicable compliance certifications. Franchisee shall defend, indemnify, and hold Franchisor harmless from and against all claims arising out of or related to Franchisee's violation of the provisions of this Section 7.P.

O. Data Security and Privacy. Franchisee must comply with all applicable federal, state and local laws, rules, and regulations regarding data security, protection, and privacy, including, without limitation and if applicable, the California Consumer Privacy Act ("CCPA"), Cal. Civ. Code § 1798.100, et seq. Franchisee must comply with any privacy policies, data protection polices, and breach response policies that Franchisor periodically may establish. Franchisee must notify Franchisor immediately regarding any actual or suspected data breach at or in connection with the Franchised Business. Further, whenever and to the extent Franchisee operates as a "Service Provider" under the CCPA or in a similar capacity under any other applicable federal, state, or local privacy law, Franchisee represents, warrants, and covenants that:

(1) Franchisee will not sell, make available or otherwise disclose any customer's "Personal Information" (as defined in the CCPA) to any third party for valuable consideration;

(2) Franchisee will retain, use, or disclose Personal Information only for the specific purpose of performing the services specified in this Agreement, and not any commercial or noncommercial purpose other than providing the services specified in this Agreement;

(3) Franchisee will not retain, use, or disclose Personal Information outside of the direct business relationship between Franchisee and Franchisor;

(4) Franchisee will delete any Personal Information upon Franchisor's request unless Franchisee can prove that such request is subject to an exception under applicable law; and

(5) Franchisee certifies that it understands and will fully comply with the restrictions of this section. Franchisee also acknowledges and agrees that Franchisor may modify the restrictions by written notice to Franchisee, including adding other similar privacy restrictions that may be required under other federal, state, or local privacy laws.

P. Technology Disruptions. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. It shall install and continue to update any software, hardware, and/or firmware required to maintain the integrity of its technology system in the Restaurant.

Q. Approved Information System. Franchisor may designate the information system used in Franchisee's Restaurant, including the computer hardware, software, other equipment and enhancements (the "Information System"). In such event, in connection with the approved Information System, Franchisee agrees to the provisions set forth below. If Franchisee suspects or know of a security breach, Franchisee must immediately give notice of such security breach and promptly identify and remediate the source of any compromise of security breach at your expense. Franchisee assumes all responsibility for providing all notices of beach or compromise and all duties to monitor credit histories and transactions concerning customers of the TIKKASHACK and MASALAWOK franchise, unless otherwise directed by the Franchisor.

Franchisee shall be solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and Franchisee waives any and all claims Franchisee may have against the Franchisor or its affiliates as the direct or indirect result of such disruptions, failures, or attacks.

Franchisee hereby release and agree to hold the Franchisor and its affiliates, and Franchisor's respective officers and directors, harmless from and against any and all claims, liability, damages, or causes of action of any nature arising from, or in connection with, the installation, maintenance, or operation of the information system and its billing and payment processing.

R. Ownership of Information. All of the information Franchisor or its affiliates obtain from Franchisee or about Franchisee's Restaurant, and all information in Franchisee's records or Franchisors concerning the members of Franchisee's Franchised Business (the "Information") and all revenues we derive from the Information will be our property. However, Franchisee may at any time during the term of this Agreement use in the operation of Franchisee's Restaurant (but for no other purpose), to the extent lawful and at Franchisee's sole risk and responsibility, any information that Franchisee may acquire from third parties in operating Franchisee's Restaurant, such as customer data. The Information (except for information Franchisee provides to the Franchisor or its affiliates, including information provided by Franchisee's officers, directors, shareholders, partners or equity members of Franchisee entity) will become Franchisor property which Franchisor may use for any reason as Franchisor may deem necessary or appropriate in Franchisor's sole discretion. Franchisee hereby authorize Franchisee's any payment processors to release the information to the Franchisor at any time. Following termination or expiration of this Agreement, Franchisee will no longer use any of the Information, except to comply with Franchisee's post-termination obligations under this Agreement and Franchisee authorizes Franchisee's payment processor to release the Information exclusively to the Franchisor and/or Franchisor's designees.

S. Signs. Franchisee shall prominently display, at Franchisee's expense, both on the interior and exterior of the Franchisee's TIKKASHACK and MASALAWOK business premises, signs in such form, color, number, location and size, and containing such Marks Franchisor may designate. Franchisor may require the Franchisee to use illuminated signs. Franchisee shall obtain all permits and licenses required for such signs and will also be responsible for ensuring that all signs comply with all laws and ordinances. Franchisee shall not display in or upon Franchisee's Restaurant premises any sign or advertising of any kind to which Franchisor may object. Franchisee reserves the right to require Franchisee to update Franchisee's signage at any time at Franchisee's sole expense.

Franchisee shall conform to all quality and customer service standards prescribed by the Franchisor in writing.

Franchisee shall operate the Franchised Business so that it is clearly identified and advertised as a "TIKKASHACK" or "MASALAWOK" business. Franchisee shall use the Marks which now or hereafter may form a part of the System, on all signs, paper supplies, business cards, uniforms, advertising materials, technology platforms, signs and other articles in the identical combination and manner as the Franchisor may prescribe in writing and the Franchisee shall supply to the Franchisor samples or photographs of the same upon Franchisor's request. Franchisee shall comply with all trademark, trade name, service mark and copyright notice marking requirements and Franchisee shall supply to the Franchisor samples or photographs of the same upon our request.

8. ADVERTISING AND RELATED FEES

A. Promotional Programs. Franchisor may, from time to time, in its sole discretion, develop and administer advertising and sales promotion programs designed to promote all Restaurants operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by Franchisor. The standards and specifications established by Franchisor for such programs, including, without limitation, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, shall be final and binding upon Franchisee.

B. Loyalty Programs. Franchisee shall participate in and promote all customer loyalty and reward programs, and shall conduct all contests, sweepstakes, and other prize promotions that Franchisor develops from time to time. Franchisor will communicate to Franchisee the promotion details, and Franchisee shall promptly display all point-of-sale advertising and promotion-related information at such places within the Restaurant as Franchisor may designate. Franchisee shall purchase and distribute all coupons and other collateral merchandise designated by Franchisee for use in connection with each such program or promotion. If Franchisor develops or authorizes the sale of gift certificates, gift cards, or loyalty cards, Franchisee shall acquire and use all computer software and hardware necessary to process their sale and to process purchases made using them and be solely responsible for the service charges related to such processing. All proceeds from the sale of all gift certificates and/or loyalty cards belong exclusively to Franchisor, and Franchisee shall remit the proceeds of such sales to Franchisor according to the procedures that Franchisor prescribes periodically. Franchisor shall reimburse or credit to Franchisee (at Franchisor's option) the redeemed value of gift certificates and/or loyalty cards accepted as payment for food and beverages sold by the Restaurant.

C. Advertising Expenditures. During each calendar year throughout the term of this Agreement, Franchisee shall expend on approved advertising and marketing efforts an amount equal to the "**Advertising Assessment**" reflected on the Summary Pages. Such expenditures shall be allocated by Franchisor, in its discretion, between contributions to the Brand Development Fee (as described in Section 8.F., below) and local advertising expenditures (as described in Section 8.D., below). Franchisor may increase or adjust such contributions and/or allocations upon reasonable notice, which need not exceed 30 days. Franchisor may increase or decrease the amount of the Advertising Assessment and may change the allocation, from time to time, in its sole discretion; provided, that in no event will the Advertising Assessment exceed 4% of the Restaurant's Gross Sales.

D. Local Advertising. The portion of the Advertising Assessment that Franchisee spends on local advertising must be spent on advertising for Franchisee's Restaurant in the local market area, which is the same as the Protected Area. Within 15 days following the end of each calendar quarter, Franchisee shall submit a quarterly advertising expenditure report to Franchisor, accurately reflecting Franchisee's local advertising expenditures for the preceding quarter. Expenditures incurred for any of the following may not be included in local advertising expenditures for purposes of this Section 8.D., unless Franchisor first approves them in writing:

(1) Incentive programs for Franchisee's employees or agents, including the cost of honoring any discounts or coupons, and salaries and expenses of any of Franchisee's employees,

(2) Non-media costs incurred in any promotion;

(3) Charitable, political, or other contributions or donations;

(4) In-Restaurant materials consisting of fixtures or equipment; and

(5) Grand Opening expenditures incurred pursuant to Section 8.G.

E. Cooperatives. Franchisor has the right to designate any geographic area in which two or more company-owned or franchised System Restaurants are located as a region for purposes of establishing an advertising Cooperative. Each Cooperative will be organized and governed, and will begin operation on a date, as Franchisor determines. Cooperatives will be organized for the exclusive purpose of administering advertising programs and developing promotional materials for local advertising and will be operated solely as a conduit for the collection and expenditure of advertising contributions. If a Cooperative is established for a geographic area that includes the Protected Area, Franchisee shall execute the Cooperative documents promptly upon Franchisor's request and participate as a member of the Cooperative. Among other things, this means that (1) Franchisee must submit to the Cooperative and to Franchisor all statements and reports that Franchisor or the Cooperative may require, and (2) Franchisee must contribute to the Cooperative the amounts required by the Cooperative's governing documents; provided, that Franchisee's. Cooperative contribution will be applied toward satisfaction of its local advertising requirement under Section 8.D.

F. Brand Development Fee. Franchisor shall administer the System-wide brand development, advertising, and marketing fee to facilitate regional and national advertising and marketing efforts ("Brand Development Fee"). Each week during the Term of this Agreement, Franchisee shall pay Brand Development Fees in the amount stated in the Summary Pages, unless otherwise required by Franchisor. Franchisee shall submit payment in the same manner and time frame as the Royalty Fee.

(1) Franchisor shall oversee all marketing programs, with sole control discretion over creative concepts, materials and media used in such programs, and the placement and allocation thereof.

Franchisor does not warrant that any particular franchisee will benefit directly or pro rata from expenditures of the Brand Development Fee monies. The program(s) may be local, regional or System-wide. Franchisor does not warrant the success or effectiveness of any particular marketing program.

(2) Franchisee's Brand Development Fees may be used to meet the costs of, or to reimburse Franchisor for its costs of, any cost of conducting market research, producing, maintaining, administering and directing consumer advertising (including, without limitation, the cost of preparing and conducting television, radio, Internet, intranet, magazine, newspaper, and direct mail advertising campaigns and other public relations activities; developing and/or hosting an Internet and/or intranet web page or site and similar activities; employing advertising agencies to assist therein; and providing promotional brochures and other marketing materials to franchisees). Brand Development Fees will not be used to defray Franchisor's general operating expenses, except for such reasonable costs and expenses, if any, that Franchisor may incur in activities reasonably related to the administration of the Brand Development Fee monies. Brand Development Fees will not be used for creating or placing any advertisement that is principally a solicitation for new franchisees, but Franchisor may include in all advertising prepared using Brand Development Fee monies (including Internet advertising) information concerning franchise opportunities, and a portion of Brand Development Fee monies may be used to create and maintain one or more pages on Franchisor's web site devoted to advertising franchise opportunities and identifying and screening inquiries and applications submitted by franchise candidates.

(3) Although Franchisor intends the Brand Development Fee to be of perpetual duration, Franchisor has the right to terminate and/or reinstitute the Brand Development Fee at any time, and shall not be required to provide an audit or accounting of the Brand Development Fee expenditures to anyone for any purpose.

(4) Franchisee acknowledges that Franchisor assumes no fiduciary duty in administering the Brand Development Fee monies.

G. Grand Opening. During the 60-day period immediately following the Opening Date, Franchisee shall carry out a grand opening promotion for the Restaurant in accordance with Franchisor's standards, including, without limitation, those related to the type and size of the grand opening promotion. Franchisee will be required to spend an amount Franchisor designates, which will vary from location to location but will be at least the amount set forth in the Summary Pages on the grand opening promotion. Franchisor must approve all advertising items, methods and media Franchisee uses in connection with such grand opening promotion in accordance with Section 8.H. Franchisee shall submit one or more expenditure reports to Franchisor, accurately reflecting Franchisee's grand opening expenditures. Amounts paid for the initial grand opening promotion will not be credited toward any other obligation of Franchisee under this Article 8.

H. Advertising Approvals. All advertising and promotion by Franchisee in any medium shall be conducted in a dignified manner and shall conform to Franchisor's standards and specifications. Franchisee shall obtain Franchisor's approval of all advertising and promotional plans and materials, including, without limitation, those placed on the Internet pursuant to Section 7.I., prior to use if such plans and materials have not been prepared or previously approved by Franchisor during the 12-month period immediately preceding their proposed use. Franchisee shall submit any unapproved plans and materials to Franchisor at least 30 days before the applicable deadline for running the advertisement, and Franchisor shall approve or disapprove such plans and materials within 10 days after receiving them. Any materials that Franchisor does not reject within 10 days after Franchisor receives them shall be deemed approved. Franchisee shall not use any unapproved plans or materials until they have been approved by Franchisor, and shall promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor.

I. Social Media and Internet Listings. Franchisee shall follow Franchisor's mandatory specifications, standards, operating procedures, and rules for using Social Media in connection with its operation of the Franchised Business and Franchisee agrees to comply with any Social Media policy

Franchisor implements. Franchisor shall create and own all Social Media accounts used in operation of the Franchised Business, and shall allow Franchisee access and use only in strict compliance with Franchisor's rules. Franchisor reserves its right to remove Franchisee's access to Social Media accounts at any time at its sole discretion. Upon termination of this Agreement for any reason, Franchisee's access to all Social Media accounts will terminate. The term "**Social Media**" includes, without limitation, personal blogs; common social networks such as FACEBOOK, SNAPCHAT, INSTAGRAM, LINKEDIN, TWITTER, or YOUTUBE; internet listing sites such as WIKIPEDIA, GOOGLE, FOURSQUARE, and YELP; applications supported by mobile platforms such as iOS and Android; virtual worlds; file, audio, and video-sharing sites; and other similar internet, social networking, or media sites, mobile platforms, or tools.

J. Public Relations. Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding the Franchised Business or any particular incident or occurrence related to the Franchised Business, without the Franchisor's prior written approval.

K. Association with Causes. Franchisee shall not in the name of the Restaurant, other Restaurants, or the System (1) donate money, products, or services to any charitable, political, religious, or other organization, or (2) act in support of any such organization, without the Franchisor's prior written approval.

L. Marketing and Promotion. All marketing and promotion must be conducted in a professional and dignified manner and must conform to Franchisor's specified standards and requirements. All marketing and promotional materials, including product identification materials, point-of-purchase promotional materials, promotion memorabilia, and merchandise and prizes, will either be provided for the Franchisee, or be made available to you for purchase through the Franchisor.

Franchisor may create and license to the Franchisee, social media accounts, e-mail marketing software accounts and other electronic accounts that use the Marks or any portion of them, used by the Franchisee with any Internet directory, website, platform, or similar item in the operation of the Franchised Business. The Franchisee may not create websites, social media accounts, e-mail marketing software accounts or other comparable accounts outside of those which Franchisor license to the Franchisee.

9. MARKS

A. Right to Use the Marks. Franchisor grants Franchisee the right to use the Marks during the term of this Agreement in accordance with this Agreement and Franchisor's Standards and specifications.

B. Agreements Regarding the Marks. Franchisee expressly acknowledges that:

(1) As between Franchisor and Franchisee, Franchisor is the owner of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them.

(2) Neither Franchisee nor any Principal shall take any action that would prejudice or interfere with the rights of Franchisor or its affiliates in and to the Marks. Nothing in this Agreement shall give Franchisee any right, title, or interest in or to any of the Marks, except the right to use the Marks in accordance with the terms and conditions of this Agreement.

(3) Any and all goodwill arising from Franchisee's use of the Marks shall inure solely and exclusively to the benefit of Franchisor or its affiliates, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount shall be attributable to any goodwill associated with Franchisee's use of the Marks.

(4) Franchisee shall not contest, or assist others to contest, the validity, or the interest, of Franchisor or its affiliates in the Marks.

(5) Any unauthorized use of the Marks shall constitute an infringement of Franchisor's or its affiliates' rights in the Marks and a material event of default under this Agreement. Franchisee shall provide Franchisor with all assignments, affidavits, documents, information and assistance

related to the Marks that Franchisor or its affiliates reasonably request, including all such instruments necessary to register, maintain, enforce and fully vest the rights of Franchisor or its affiliates in the Marks.

(6) Franchisor shall have the right to substitute different trade names, trademarks, service marks, logos and commercial symbols for the current Marks to use in identifying the System and the Restaurants operating under the System if the current Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different marks will be beneficial to the System. In such event, Franchisor may require Franchisee, at Franchisee's expense, to discontinue or modify Franchisee's use of any of the Marks or to use one or more additional or substitute marks.

C. <u>Use of the Marks</u>. Franchisee further agrees that Franchisee shall:

(1) Operate and advertise the Restaurant only under the authorized brand name identified on the Summary Page without prefix or suffix, unless otherwise authorized or required by Franchisor. Franchisee shall not use the Marks as part of its corporate or other legal name.

(2) Identify itself as the owner of the Restaurant in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, and shall display a notice in such content and form and at such conspicuous locations on the premises of the Restaurant or on any vehicle used in the operation of the Restaurant as Franchisor may designate in writing.

(3) Not use the Marks to incur any obligation or indebtedness on behalf of Franchisor.

(4) Comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and execute any documents deemed necessary by Franchisor or its counsel to obtain protection of the Marks or to maintain their continued validity and enforceability.

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

(6) Not cause or allow all or any recognizable portion of the Marks to be used or displayed as all or part of an e-mail address, Internet domain name, uniform resource locator ("**URL**"), or meta-tag, or in connection with any Internet home page, website, or any other Internet-related activity without Franchisor's express written consent, and then only in a manner and in accordance with the procedures, standards and specifications that Franchisor establishes. This prohibition also includes the use or registration of the Marks, or any derivative of the Marks, as a part of any user name, or in any other way that may suggest an affiliation with Franchisor or the franchise system, on any gaming, blogging, user review, video sharing, or social networking website (such as FACEBOOK, INSTAGRAM, or TWITTER), whether or not such social media platform is used for commercial gain, or as part of any unauthorized email address.

D. <u>Infringement</u>. Franchisee shall notify Franchisor immediately of any apparent infringement of or challenge to Franchisee's use of any Mark and of any claim by any person of any rights in any Mark. Franchisee and the Principals shall not communicate with any person other than Franchisor, its affiliates, their counsel, and Franchisee's counsel in connection with any such apparent infringement, challenge or claim. Franchisor shall have complete discretion to take any action it deems appropriate in connection with any infringement of, or challenge or claim to, any Mark and the right to control exclusively, or to delegate control of, any settlement, litigation, Patent and Trademark Office or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any Mark. Franchisee agrees to execute all such instruments and documents, render such assistance, and do such acts or things as may, in the opinion of Franchisor, reasonably be necessary or advisable to protect and maintain the interests of Franchisor or any affiliate in the Marks.

E. Domain Names. Franchisee acknowledges that Franchisor is the lawful, rightful and sole owner of the Internet domain name www.tikkashack.com and any other Internet domain names registered by Franchisor, and unconditionally disclaims any ownership interest in those or any colorably similar Internet domain name. Franchisee agrees not to register any Internet domain name in any class or category that contains words used in or similar to any brand name owned by Franchisor or its affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

10. CONFIDENTIALITY AND NONCOMPETITION COVENANTS

A. Manuals. The Manuals are Franchisor's property and any copies shall be returned to Franchisor when this Agreement expires or is terminated for any reason. Franchisee and the Principals shall at all times treat the Manuals, and the information contained therein, as confidential and shall maintain such information as secret and confidential in accordance with this Article 10. Franchisee and the Principals shall not at any time copy, duplicate, record or otherwise reproduce the Manuals, in whole or in part, or otherwise make the same available to any unauthorized person. Franchisee shall make the Manuals available only to those of Franchisee's employees who must have access to them in order to operate the Restaurant. Franchisee shall, at all times, keep and maintain the Manuals in a secure place at the Restaurant. Franchisor has the right to add to or modify the Manuals from time to time to, among other reasons, change operating procedures, maintain the goodwill associated with the Marks, and enable the System to remain competitive. Franchisee shall comply with the terms of all additions and modifications to the Manuals and shall keep the Manuals current. If there is a dispute about the contents of the Manuals, the terms of the master copy at Franchisor's offices shall control. The entire contents of the Manuals, and Franchisor's mandatory specifications, procedures and rules prescribed from time to time, shall constitute provisions of this Agreement as if they were set forth herein. Franchisor will charge a replacement fee of $500 for any replacement Manuals requested by Franchisee.

B. Confidentiality. Neither Franchisee nor any Principal shall, during the term of this Agreement and thereafter, communicate, divulge or use for the benefit of any other person or entity and, following the expiration or termination of this Agreement, shall not use for their own benefit, any Confidential Information, knowledge or know-how concerning the methods of operation of the franchised business which may be communicated to them, or of which they may be apprised, in connection with the operation of the Restaurant under the terms of this Agreement. Franchisee and the Principals shall divulge such Confidential Information only to those of Franchisee's employees who must have access to it in order to operate the Restaurant. Neither Franchisee nor the Principals shall at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such Confidential Information, in whole or in part, nor otherwise make the same available to any unauthorized person.

(1) These covenants shall survive the expiration, termination or transfer of this Agreement or any interest herein and shall be perpetually binding upon Franchisee and each of the Principals.

(2) Franchisee shall require and obtain the execution of covenants similar to those set forth in this Section 10.B. from all Principals not signing the Principals' Guaranty and Assumption Agreement, from the Restaurant Manager, and, at Franchisor's request, any other personnel of Franchisee who have access to Confidential Information.

C. Noncompetition Covenants. Franchisee and the Principals specifically acknowledge that, pursuant to this Agreement, they will receive access to valuable specialized training, trade secrets and Confidential Information which are beyond their present skills and experience, including, without limitation, information regarding operational, sales, promotional and marketing methods, and techniques of the System. Franchisee and the Principals further acknowledge that such specialized training, trade secrets and Confidential Information provide a competitive advantage, and that gaining access thereto is a primary reason for entering into this Agreement. In consideration therefor, Franchisee and the Principals covenant as follows:

(1) With respect to Franchisee, during the term of this Agreement (or with respect to each of the Principals, for so long as such person satisfies the definition of "Principal" under this Agreement), except as otherwise approved in writing by Franchisor, neither Franchisee nor any of the Principals shall, directly or indirectly, for themselves or through, on behalf of or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of the franchised business to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to Restaurants operated under valid agreements with Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to a Restaurant (including, without limitation, any food service facility which offers as a significant menu item or mix of menu items Indian, Indo-Chinese, and Chinese cuisine) and which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor has used, sought registration of or registered the Marks or similar marks or operates or licenses others to operate a business under the Marks or similar marks.

(2) With respect to Franchisee, for a continuous uninterrupted period commencing upon the expiration, termination, or transfer of all of Franchisee's interest in, this Agreement (or, with respect to each of the Principals, commencing upon the earlier of (a) the expiration or termination of, or transfer of all of Franchisee's interest in, this Agreement or (b) the time such individual or entity ceases to satisfy the definition of "Principal" under this Agreement) and continuing for two years thereafter, except as otherwise approved in writing by Franchisor, neither Franchisee, nor any of the Principals shall, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any other person, persons, partnership, corporation, limited liability company or other entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of the franchised business to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to other System Restaurants operated under valid agreements with Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to a System Restaurant (including, without limitation, any food service facility which offers as a significant menu item or mix of menu items Indian, Indo-Chinese, and Chinese cuisine) and which is, or is intended to be, located (i) at the Location, (ii) within a 10-mile radius of the Location, or (iii) within a 10-mile radius of the location of any System Restaurant then in existence or under construction.

(c) The two-year time period described in this Section 10.C.(2) shall be tolled during any period of noncompliance.

(3) The parties agree that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. Each such covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 10.C. is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee and the Principals expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant

that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10.C.

(a) Franchisee and the Principals acknowledge that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Section 10.C. without their consent, effective immediately upon notice to Franchisee; and Franchisee and the Principals agree that they shall promptly comply with any covenant as so modified.

(b) Franchisee and the Principals expressly agree that the existence of any claims they may have against Franchisor, whether arising under this Agreement or otherwise, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 10.C.

(4) Franchisee shall require and obtain the execution of covenants similar to those set forth in this Section 10.C. from all Principals not signing the Principals' Guaranty and Assumption Agreement, from the Restaurant Manager, and, at Franchisor's request, any other personnel of Franchisee who have access to Confidential Information. Such covenants shall be substantially in the form set forth in Attachment B. Notwithstanding the foregoing, Franchisor reserves the right, in its sole discretion, to decrease the scope of the noncompetition covenant set forth in Attachment B or eliminate such noncompetition covenant altogether for any person that is required to execute such agreement under this Section 10.C.(4).

D. Injunctive Relief. Franchisee and the Principals acknowledge that any failure to comply with the requirements of this Article 10 shall constitute a material event of default under this Agreement and further acknowledge that such a violation would result in irreparable injury to Franchisor for which no adequate remedy at law may be available. Franchisee and the Principals accordingly consent to the issuance of an injunction prohibiting any conduct by them in violation of the terms of this Article 10, without the requirement that Franchisor post a bond. Franchisee and the Principals agree to pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in connection with the enforcement of this Article 10, including all costs and expenses for obtaining specific performance, or an injunction against the violation, of the requirements of such section, or any part thereof.

E. New Developments. If Franchisee, its employees, or Principals develop any new concept, process or improvement in the operation or promotion of the franchised business, Franchisee shall promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement shall become Franchisor's sole property and Franchisor shall be the sole owner of all patents, patent applications, and other intellectual property rights related thereto. Franchisee and its Principals hereby assign to Franchisor any rights they may have or acquire therein, including the right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Franchisee and its Principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. Franchisee and its Principals hereby irrevocably designate and appoint Franchisor as their agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property right related to any such concept, process or improvement. In the event that the foregoing provisions of this Section 10.E. are found to be invalid or otherwise unenforceable, Franchisee and its Principals hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe their rights therein.

F. Customer Lists. Franchisee agrees that the list of the names, addresses and other information regarding Franchisee's current clients, former clients, and those who have inquired about the Services (the "Customer List") shall be included in the Confidential Information, shall be the property of Franchisor, and shall constitute a trade secret of Franchisor. Franchisee agrees that Franchisee may not disclose the Customer List, or any portion thereof, to any person other than the Franchisor, either during the term of this Agreement or thereafter, and may not use the Customer List for any purpose outside the operation of the Franchised Business.

G. Business and Customer Data. In this Section "Customer Data" means Personal Information, sales and payment history, and all other information about any person or entity the Franchised Business has serviced, wherever stored, including data regarding customers of businesses converted as a Franchised Business, and any other information that, by itself or in conjunction with other information, may be used to specifically identify an individual, such as name, physical address, telephone number, e-mail address, social media account, billing and payment history, customer service requests, and any other Information as defined in applicable law, and "Business Data" means all financial reports, vendor and supplier pricing data, and all other data about the Franchised Business other than Customer Data. Franchisee acknowledges and agrees that:

(1) Franchisor has the right to independently access all Business Data, wherever maintained. Franchisor also has the right to require Franchisees to deliver Business Data to Franchisor. Franchisor has the right to use (and to authorize others to access and use) Business Data to, among other uses: (i) verify sales, (ii) monitor progress of its franchisee; (iii) prepare a financial performance representation for Franchisor's franchise disclosure document; and (iv) share vendor and supplier pricing data with its affiliates.

(2) Franchisor owns and has the right to access all Customer Data, in whatever form existing, and wherever stored. Because Franchisor owns the Customer Data, including Personal information, it can share it with our affiliates, service providers, contracted third parties, or any other person, for any purpose, without notifying or compensating Franchisee, both during and after this Agreement, including for the performance of services the Franchisor or its parents or affiliates, as well as for marketing and cross-selling products and services of any of the foregoing parties. Whenever Franchisor requests, and without request upon termination or expiration of this Agreement, Franchisee is required to promptly deliver to Franchisor all Customer data in its possession or control, without retaining any of Customer Data in any media. Franchisee may not sell or disclose to anyone else any Personal Information or aggregated or non-aggregated Customer Data without first obtaining our written consent. In the event of an approved sale of the Franchised Business to a new owner who will continue to operate the Franchised Business under an agreement with us, Franchisee may not transfer the Customer Data to the new owner. Franchisee agrees to install and maintain the security measures and devices necessary to protect Customer Data from unauthorized access or disclosure.

H. Enforcement of Covenants. Franchisee acknowledges and agrees that (i) this section is reasonable because it promotes and protects the subject matter of this Agreement and/or the underlying relationship and/or deters any potential conflict of interest; (ii) the time, territory, and scope of the covenants provide in this Section are reasonable and necessary for the protection of our legitimate business interests; (iii) Franchisee has received sufficient and valid consideration in exchange for those covenants; (iv) enforcement of the same would not impose undue hardship because Franchisee has sufficient professional skills; and (v) the period of protection provided by these covenants will not be reduced by any period of time during which Franchisee is in violation of the provisions of those covenants or any period of time required for enforcement of those covenants. To the extent that this Section is judicially determined to be unenforceable by virtue of its scope or in terms of area, restricted activity or length of time, but may be made enforceable by reductions of any or all thereof, the same will be so modified and enforced to the fullest extent permissible. Franchisee agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, will not constitute a defense to our enforcement of the covenants contained in this Section. Franchisee acknowledge that any breach or threatened breach of this Section will cause us irreparable injury for which no adequate remedy at law is available, and you consent to the issuance of a temporary or permanent injunction prohibiting any conduct violating the terms of this Section. Such injunctive relief will be in addition to any other remedies or claims for damages that we may have.

I. Disputed Enforceability. The parties have attempted in the above Section to limit Franchisee's right to compete only to the extent necessary to protect Franchisor from unfair competition. The parties hereby expressly agree that if the scope of enforceability of the above provision is disputed at any time by Franchisee, a court or arbitrator, as the case may be, may modify this Section to the extent it deems necessary to make supervision enforceable under applicable law. In addition, Franchisor reserves the right to reduce the scope of said provision with Franchisee's consent, at any time or times, effective immediately upon notice to Franchisee. FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT IT POSSESSES SKILLS AND ABILITIES OF A GENERAL NATURE AND HAS OTHER OPPORTUNITIES TO EXPLOIT SUCH SKILLS. CONSEQUENTLY, ENFORCEMENT OF THE COVENANTS SET FORTH ABOVE WILL NOT DEPRIVE FRANCHISEE OF THE ABILITY TO EARN A LIVING.

J. Franchisee's Acknowledgement. Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's training, assistance, Confidential Information, and Trade Secrets in direct competition with Franchisor. Franchisee further acknowledges that Franchisor would not have entered into this Agreement or shared the Confidential Information, Trade Secrets, and other information with Franchisee absent Franchisee's agreement to strictly comply with the provisions of this Section. Franchisee acknowledges that as a Franchisee of Franchisor, it will have access to Franchisor's Trade Secrets and Confidential Information and therefore be in a unique position to use the special knowledge gained as a franchisee. Franchisee acknowledges that a breach of the covenants contained in this Section will be deemed to threaten immediate and substantial irreparable injury to Franchisor. Accordingly, Franchisee agrees that Franchisor will have the right without prior notice to Franchisee, to obtain immediate injunctive relief without limiting any other rights or remedies and without posting a bond.

11. BOOKS AND RECORDS

A. Maintenance Requirement. Franchisee shall maintain during the term of this Agreement, in accordance with generally accepted accounting principles (GAAP) and in the form and manner prescribed by Franchisor from time to time in the Manuals, and shall preserve for at least five years from the date of preparation, full, complete, and accurate books, records, and accounts of the Restaurant, including, but not limited to, sales slips, coupons, purchase orders, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, journals, and ledgers. Unless Franchisor otherwise agrees, Franchisee shall engage a third-party bookkeeping service or accountant to provide bookkeeping services with respect to the Restaurant and shall engage a third-party payroll service to provide payroll services for Restaurant payroll. If Franchisee does not use such services as required by Franchisor, then Franchisor has the right to perform or engage others to perform such services, and Franchisee shall reimburse Franchisor the cost of providing such services.

B. Reporting. In addition to the remittance reports required by Articles 4 and 8 hereof, Franchisee shall comply with the following reporting obligations:

(1) Franchisee shall, at Franchisee's expense, submit to Franchisor, in the form prescribed by Franchisor, Franchisee's monthly balance sheet and profit and loss statement (which may be unaudited) within 20 days after the end of each month during the term hereof. Each such statement shall be signed by Franchisee's treasurer, chief financial officer or comparable officer attesting that it is true, complete and correct.

(2) Franchisee shall, at its expense, submit to Franchisor, within 90 days after the end of Franchisee's fiscal year, Franchisee's complete annual financial statement (which may be unaudited), including a balance sheet, profit and loss statement, and statement of cash flows, prepared in accordance with generally accepted accounting principles by an independent certified public accountant satisfactory to

Franchisor and showing the results of Franchisee's operations of Franchisee during such fiscal year.

(3) Franchisee shall, at its expense, submit to Franchisor (i) copies of Franchisee's federal income tax returns (including any extension requests) not later than five days after filing and (ii) copies of Franchisee's state sales tax returns within five days after the end of each calendar quarter. If the Restaurant is in a state which does not impose a sales tax, Franchisee shall submit a copy of its state income tax return (including any extension requests) not later than five days after filing.

(4) Franchisee also shall submit to Franchisor such other forms, reports, records, information and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor.

C. Audits. Franchisor or its designees shall have the right at all reasonable times to review, audit, examine and copy the books and records of Franchisee at the Restaurant. If any required royalty or other required payments to Franchisor are delinquent, or if an audit should reveal that such payments have been understated in any report to Franchisor, then Franchisee shall immediately pay to Franchisor the amount overdue or understated upon demand with interest determined in accordance with Section 4.C. If an audit discloses an understatement in any report of 2% or more, Franchisee shall, in addition, reimburse Franchisor for all costs and expenses connected with the audit (including, without limitation, reasonable accounting and attorneys' fees and costs). These remedies shall be in addition to any other remedies Franchisor may have at law or in equity.

D. No Waiver. Franchisor's receipt or acceptance of any of the statements furnished or amounts paid to Franchisor (or the cashing of any check or processing of any electronic fund transfer) shall not preclude Franchisor from questioning the correctness thereof at any time, and, in the event that any errors are discovered in such statements or payments, Franchisee shall immediately correct the error and make the appropriate payment to Franchisor.

E. Authorization to Release Information. Franchisee hereby authorizes (and agrees to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors, and other persons or entities with whom Franchisee does business to disclose to Franchisor any financial information in their possession relating to Franchisee or the Restaurant which Franchisor may request. Franchisee authorizes Franchisor to disclose data from Franchisee's reports if Franchisor determines, in its sole discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

F. Independent Access. Franchisor may independently poll Gross Sales and other information input and compiled by Franchisee's point-of-sales system or computer system directly or from a remote location. There is no limitation on Franchisor's right to access or use this information.

12. INSURANCE

A. Insurance Coverage Requirements. Not later than 60 days prior to the Opening Date, Franchisee shall procure and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee, Franchisor, its affiliates, successors and assigns, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors and employees of each of them against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring at or in connection with the operation of the Restaurant. Such policy or policies shall be written by a responsible carrier or carriers rated "A" or better by the A.M. Best Company, Inc. and otherwise reasonably acceptable to Franchisor and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified by Franchisor from time to time in writing), the following:

(1) Comprehensive General Liability Insurance, including broad form contractual liability, broad form property damage, personal injury, advertising injury, completed operations, products liability and fire damage coverage, in the amount of $1,000,000 combined single limit per occurrence, $2,000,000 general aggregate.

(2) "All Risks" coverage for the full cost of replacement of the Restaurant premises and all other property in which Franchisor may have an interest with agreed amount endorsement for the premises naming Franchisor as a loss payee.

(3) Automobile liability coverage, including coverage of owned, non-owned and hired vehicles, with coverage in amounts not less than $1,000,000 combined single limit.

(4) An "umbrella" policy providing excess coverage with limits of not less than $5,000,000 which must be excess to the liquor liability, general liability, and automobile liability coverage required herein.

(5) Liquor liability coverage in the amount of $1,000,000.

(6) Business interruption insurance covering at least 24 months' loss of profits and necessary continuing expenses for interruptions caused by any occurrence covered by the insurance referred to in (1) and (2) above and Franchisee's royalty and brand development fee contributions calculated on the basis of the Gross Sales used as the basis for calculation of the business interruption insurance award. Such business interruption insurance shall be written on an all risks form, either as an endorsement to the policies described in (1) and (2) above or on a separate policy.

(7) Worker's compensation insurance with employer liability limit of bodily injury by accident $1,000,000 each accident, by disease $1,000,000 policy limit, and by disease $1,000,000 each employee.

(8) Such other insurance as may be required by the landlord of the premises at, and by the state or locality in, which the Restaurant is located. Franchisor reserves the right to unilaterally modify the minimum coverage requirements set forth above at any time.

B. Deductibles; Waiver of Subrogation. Franchisee may elect to have reasonable deductibles in connection with the coverage required under Sections 12.A(1)-(7) hereof. Such policies shall also include a waiver of subrogation in favor of Franchisor, its affiliates and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them.

C. Builder's Risk Insurance. In connection with any construction, renovation, refurbishment or remodeling of the Restaurant, Franchisee shall maintain Builder's Risks/Installation insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to Franchisor.

D. No Limitation of Other Obligations. Franchisee's obligation to obtain and maintain the foregoing policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Article 15 of this Agreement. Further, Franchisee acknowledges that the foregoing minimum insurance requirements do not constitute advice or a representation that such coverages are necessary or adequate to protect Franchisee from losses in connection with the Restaurant. Nothing in this Agreement prevents or restricts Franchisee from acquiring and maintaining insurance with higher policy limits or lower deductibles than Franchisor requires.

E. Additional Insured Designation. All insurance policies required hereunder, with the exception of workers' compensation, shall name Franchisor and its affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, as additional insureds, and shall expressly provide that their interest shall not be affected by Franchisee's breach of any policy provisions. All public liability and property damage policies shall contain a provision that Franchisor and its affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, although named as insureds, shall nevertheless be entitled to recover under such policies on any loss occasioned to them by reason of the negligence of Franchisee or its servants, agents or employees.

F. Certificates of Insurance. Upon execution of this Agreement, and thereafter 30 days prior to the expiration of any policy required hereunder, Franchisee shall deliver to Franchisor certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder. In addition, if requested by Franchisor, Franchisee shall deliver to Franchisor a copy of the insurance policy or policies required hereunder. All insurance policies required hereunder shall expressly provide that no less than 30 days' prior written notice shall be given to Franchisor in the event of a material alteration to or cancellation of the policies.

G. Remedies. Should Franchisee fail to procure or maintain the insurance required by this Agreement, Franchisor shall have the right and authority (without, however, any obligation to do so) to procure such insurance and to charge the cost of such insurance to Franchisee, together with a reasonable fee for Franchisor's expenses in so acting. Such amounts shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have at law or in equity.

13. DEBTS AND TAXES

A. Payment of Taxes and Other Obligations. Franchisee shall promptly pay when due all Taxes, levied or assessed, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the Franchised Business. Without limiting the provisions of Article 15, Franchisee shall be solely liable for the payment of all Taxes and shall indemnify Franchisor for the full amount of all such Taxes and for any liability (including penalties, interest and expenses) arising from or concerning the payment of Taxes, whether or not correctly or legally assessed.

B. No Deduction. Each payment to be made to Franchisor hereunder shall be made free and clear and without deduction for any Taxes.

C. Disputed Liability. In the event of any *bona fide* dispute as to Franchisee's liability for Taxes or other indebtedness, Franchisee may contest the validity or the amount of the Tax or indebtedness in accordance with the procedures of the taxing authority or applicable law. However, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment by a creditor, to occur against the assets of the franchised business or any improvements thereon.

D. Credit Standing. Franchisee recognizes that the failure to make payments or repeated delays in making prompt payments to suppliers will result in a loss of credit rating or standing which will be detrimental to the goodwill associated with the Marks and the System. Except for payments which are disputed by Franchisee in good faith, Franchisee agrees to promptly pay, when due, all amounts owed by Franchisee to Franchisor, its affiliates, and other suppliers.

E. Notice of Adverse Orders. Franchisee shall notify Franchisor in writing within five days of the commencement of any action, suit or proceeding and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation or financial condition of the franchised business.

14. TRANSFER

A. By Franchisor. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity without Franchisee's consent, and upon such transfer or assignment, the transferee or assignee shall be solely responsible for all Franchisor's obligations arising hereunder subsequent to the transfer or assignment. Without limitation of the foregoing, Franchisor may sell its assets to a third party; may offer its securities privately or publicly; may merge with or, acquire other corporations, or may be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring.

B. By Franchisee and Principals. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted rights under this Agreement in reliance on the business skill, financial capacity and personal character of Franchisee and its Principals. Accordingly, neither Franchisee nor any Principal, nor any successor or assignee of Franchisee or any Principal, shall sell, assign, transfer, convey, merge, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the Restaurant or in Franchisee, whether or not such sale, assignment, transfer, conveyance, merger, gift, pledge, mortgage, disposition, or encumbrance constitutes a transfer or assignment under applicable law, without the prior written consent of Franchisor. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement shall be null and void and shall constitute a material breach under this Agreement. If Franchisee wishes to transfer all or part of its interest in the Restaurant or this Agreement, or if Franchisee or a Principal wishes to transfer any ownership interest in Franchisee, transferor and the proposed transferee shall apply to Franchisor for its consent. Franchisor shall not unreasonably withhold its consent to a transfer of any interest in Franchisee, in the Restaurant or in this Agreement but may require any or all of the following as conditions of its consent:

(1) All accrued monetary obligations of Franchisee and its affiliates to Franchisor and its affiliates arising under this Agreement, or any other agreement, shall have been satisfied in a timely manner, and Franchisee shall have satisfied all trade accounts and other debts of whatever nature or kind;

(2) Franchisee and its affiliates shall not be in default of this Agreement, or any other agreement with Franchisor or its affiliates, and shall have substantially and timely complied with all the terms and conditions of such agreements during their respective terms;

(3) The transferor and its principals, if applicable, shall have executed a general release and covenant not to sue, in a form prescribed by Franchisor, of any and all claims against Franchisor and its Affiliates and their respective officers, directors, shareholders, agents, and employees in their corporate and individual capacities; provided, however, that any release will not be inconsistent with any state law regulating franchising;

(4) The transferee shall demonstrate to Franchisor's satisfaction that it meets Franchisor's then-current qualifications, and, at the transferee's expense, its operating principal, restaurant manager, and any other personnel required by Franchisor shall complete any training programs then in effect for System Restaurants upon such terms and conditions as Franchisor may reasonably require;

(5) The transferee shall, at its expense and within the time period reasonably required by Franchisor, renovate, modernize and otherwise upgrade the Restaurant and, if applicable, any Restaurant delivery vehicles to conform to the then-current System image, standards and specifications;

(6) The transferee shall enter into a written agreement, in a form satisfactory to Franchisor, assuming full, unconditional, joint and several, liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements of Franchisee under this Agreement. If the transferee is a corporation, partnership, limited liability company or other entity, those of transferee's principals who are designated as principals, also shall execute such agreement and guarantee the performance thereof;

(7) The transferee shall execute Franchisor's then-current form of franchise agreement for a term ending on the expiration date of this Agreement (including any renewal terms provided by this Agreement). The new franchise agreement shall supersede this Agreement in all respects and its terms may differ from the terms of this Agreement, including higher fees, but the transferee shall not be required to pay an initial franchise fee. If the transferee is a corporation, partnership, limited liability company or other entity, those of transferee's principals who are designated as principals, also shall execute such agreement and guarantee the performance thereof;

(8) The transferor shall remain liable for all of its obligations to Franchisor under this Agreement incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(9) The transfer fee identified in the Summary Pages shall be paid to the Franchisor and Franchisor shall be reimbursed for its reasonable costs and expenses associated with the transfer, including, without limitation, training costs and legal and accounting fees and costs;

(10) If transferee is a corporation, partnership, limited liability company, or other entity, the transferee shall make all of the representations, warranties, and covenants in Article 6 as Franchisor may request, and shall provide evidence satisfactory to Franchisor that such representations, warranties and covenants are true and correct as of the date of the transfer;

(11) Franchisee's written request for consent in writing and delivery of a copy of the proposed transfer agreements, including sale terms, at least 30 days prior to the proposed transfer, and Franchisor's determination, in its sole and reasonable discretion, that the terms of the sale will not materially and adversely affect the post transfer viability of the Franchised Business;

(12) Franchisee shall have complied with the requirements set forth in Section 14.D.; and

(13) If the transfer relates to the grant of a security interest in any of Franchisee's assets, Franchisor may require the secured party to agree that, in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee.

C. Transfer for Convenience of Ownership. If the proposed transfer is to a corporation or other entity formed solely for the convenience of ownership, Franchisor's consent may be conditioned upon any of the requirements in Section 14.B., except that Sections 14.B.(4), (5), (7), and (9) shall not apply. In any transfer for the convenience of ownership, Franchisee shall be the owner of all the voting stock or ownership interests in the new entity, or, if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the new entity as he or she had in Franchisee prior to the transfer.

D. Right of First Refusal. If Franchisee or a Principal wish to transfer any interest in this Agreement, the Restaurant, or Franchisee, pursuant to any *bona fide* offer received from a third party to purchase such interest, then such proposed seller shall promptly notify Franchisor in writing of the offer, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within 30 days after receipt of such written notification and copies of all required documentation describing the terms of the offer, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, closing shall occur on or before 60 days from the later of the date of Franchisor's notice to seller of its election to purchase and the date Franchisor receives all necessary permits and approvals, or any other date agreed by the parties in writing. If the third party offer provides for payment of consideration other than cash, Franchisor may elect to purchase seller's interest for the reasonable cash equivalent. If the parties cannot agree within a reasonable time on the reasonable cash equivalent, then that amount shall be determined by two appraisers. Each party shall select one appraiser and the average of the appraisers' determinations shall be binding. Each party shall bear its own legal and other costs and shall share the appraisal fees equally. If Franchisor exercises its right of first refusal, it shall have the right to set off all appraisal fees and other amounts due from Franchisee to Franchisor or any of its affiliates. A material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal as an initial offer. Franchisor's failure to exercise the option afforded by this Section 14.D. shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 14.B. Failure to comply with this Section 14.D. shall constitute a material event of default under this Agreement.

E. Death or Permanent Disability. Franchisee or its representative shall promptly notify Franchisor of any death or claim of permanent disability subject to this Section 14.E. Any transfer upon death or permanent disability shall be subject to the following conditions, as well as to the conditions described in Section 14.B. for any *inter vivos* transfer.

(1) Upon the death of Franchisee (if Franchisee is a natural person) or any Principal who is a natural person ("**Deceased**"), the executor, administrator or other personal representative of the Deceased shall transfer such interest to a third party approved by Franchisor within six months after the date of death. If no personal representative is designated or appointed or no probate proceedings are instituted with respect to the estate of the Deceased, then the distributee of such interest must be approved by Franchisor. If the distributee is not approved by Franchisor, then the distributee shall transfer such interest to a third party approved by Franchisor within six months after the death of the Deceased.

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

F. No Waiver. Franchisor's consent to the transfer of any interest described in this Article 14 shall not constitute a waiver of any claims which Franchisor may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand transferee's exact compliance with any of the terms of this Agreement.

15. INDEMNIFICATION

A. Indemnity. Franchisee and each of the Principals shall, at all times, indemnify and hold harmless to the fullest extent permitted by law Franchisor, its affiliates, successors and assigns and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them ("**Indemnitees**"), from all Losses and Expenses, defined below, incurred in connection with any action, suit, proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement thereof (whether or not a formal proceeding or action has been instituted) which arises out of or relates to this Agreement in any way or which arises out of or is based upon any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of the Principals of any patent, mark or copyright or other proprietary right owned or controlled by third parties, unless such violation or infringement relates to the use of the Marks or other proprietary information as to which a license has been granted hereunder and such use has been in accordance with this Agreement;

(2) The violation, breach or asserted violation or breach by Franchisee or any of the Principals of any federal, state or local law, regulation, ruling, standard or directive or any industry standard;

(3) Libel, slander, or any other form of defamation of Franchisor, the System, or any franchisee or developer operating under the System, by Franchisee or by any of the Principals;

(4) The violation or breach by Franchisee or by any of the Principals of any warranty, representation, agreement or obligation in this Agreement or in any other agreement with Franchisor or any of its affiliates; and

(5) Acts, errors, or omissions of Franchisee, any of Franchisee's affiliates, any of the Principals and the respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors servants and employees of any of them in connection with the establishment and operation of the Restaurant including, but not limited to, any acts, errors or omissions of any of the foregoing in the operation of any motor vehicle.

B. Defense of Claim. Franchisee and each of the Principals agree to give Franchisor immediate notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At the expense and risk of Franchisee and each of the Principals, Franchisor may elect to assume (but under no circumstance is obligated to undertake) or associate counsel of its own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by Franchisor shall, in no manner or form, diminish the obligation of Franchisee and each of the Principals to indemnify the Indemnitees and to hold them harmless.

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

(1) any of the acts or circumstances enumerated in Section 15.A(1)-(4) above has occurred; or

(2) any act, error, or omission as described in Section 15.A(5) may result directly or indirectly in damage, injury, or harm to any person or any property.

D. Losses and Expenses.

(1) All Losses and Expenses incurred under this Article 15 shall be chargeable to and paid by Franchisee or any of the Principals pursuant to its obligations of indemnity under this Section 15.D, regardless of any action, activity or defense undertaken by Franchisor or the subsequent success or failure of such action, activity, or defense.

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

E. Contributory Negligence. The Indemnitees do not assume any liability for acts, errors or omissions of those with whom Franchisee or the Principals may contract, regardless of the purpose. Franchisee and the Principals shall hold harmless and indemnify the Indemnitees as set forth herein without limitation and without regard to the cause or causes thereof or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties arising in connection therewith.

F. No Duty to Mitigate; Survival of Obligations. Under no circumstances shall Franchisor be required or obligated to seek recovery from third parties or otherwise mitigate its losses in order to maintain a claim under the indemnity and against Franchisee, and the failure of Franchisor to pursue such recovery or mitigate such loss will no way reduce the amounts recoverable by Franchisor from Franchisee. Franchisee and the Principals expressly agree that the terms of this Article 15 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

G. No Liability for Others' Products or Acts. Franchisor disclaims all express and implied warranties and all other liability concerning any defects, malfunctions, or other deficiencies in equipment or other products manufactured by anyone other than Franchisor or our affiliates, or such parties' acts or omissions. Franchisee agrees not to make any claims against Franchisor or its affiliates with respect to products that Franchisor or its affiliates did not manufacture, even if Franchisor or its affiliates sold Franchisee the product or designated or approved its source. Franchisee is required to assert any claims only against the manufacturer of the product, even if Franchisee obtained it through Franchisor or its affiliates.

H. No Liability for Acts of the Other Party. Franchisor or Franchisee may not make any impress or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name of or on behalf of the other or represent that Franchisor's relationship with Franchisee is other than franchisor and franchisee. Franchisor is not liable for any damages to any person or property directly or indirectly arising from Franchisee's operation of the business it conducts under this Agreement.

I. No Affiliate Liability. Franchisee acknowledges and agrees that none of Franchisor's past, present, or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, parents, affiliates, controlling parties, entities under common control, ownership, or management, vendors, service providers, agents, attorneys, or representatives will have any liability for (i) any of Franchisor's obligations or liabilities relating to or arising from this Agreement, (ii) any claim against Franchisor based on, in respect of, or by reason of the relationship between Franchisor and Franchisee, or (iii) any claim against Franchisor based on any of Franchisor's alleged unlawful acts or omission.

16. RELATIONSHIP OF THE PARTIES

A. Independent Contractor Relationship. Franchisee agrees that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and Franchisor owes Franchisee no duties except as expressly provided in this Agreement. Franchisee shall be an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any purpose. During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor conducting its Restaurant operations pursuant to the rights granted by Franchisor.

B. No Authority. Nothing in this Agreement authorizes Franchisee or any of the Principals to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and Franchisor shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Franchisee or any of the Principals or any claim or judgment arising therefrom.

17. TERMINATION; ALTERNATIVE REMEDY

A. Default and Termination. Franchisee acknowledges that each of Franchisee's obligations described in this Agreement is a material and essential obligation; that nonperformance of such obligations will adversely and substantially affect the Franchisor and the System; and that the exercise by Franchisor of the rights and remedies set forth herein is appropriate and reasonable.

Prior to the termination of this Agreement, if Franchisee fails to pay any amounts owed to Franchisor or its

Affiliates or fails to comply with any term of this Agreement, then, in addition to any right Franchisor may have to terminate this Agreement or to bring a claim for damages, Franchisor shall have the right to take the actions set out below and continue them until Franchisee has cured the default to Franchisor's satisfaction. The taking of any of the actions permitted in this Section 17 will not suspend or release Franchisee from any obligation that would otherwise be owed to Franchisor or its Affiliates under the terms of this Agreement. Franchisor may:

(a) Remove the listing of the Franchised Business from all advertising published or approved by the Franchisor;
(b) Cease listing the Franchised Business on any Technology Platforms;
(c) Prohibit the Franchisee from attending any meetings or programs held or sponsored by the Franchisor;
(d) Terminate the Franchisee's access to any computer system or software Franchisor own, maintain or license to the Franchisee (whether licensed by the Franchisor or its affiliates);
(e) Suspend all services the Franchisor or its affiliates provide to the Franchisee under this Agreement or otherwise;
(f) Contact the Franchisee's landlord, lenders, suppliers, and member regarding the status of the Franchisee's operations, and provide copies of any default or other notices to the Franchisee's landlords, lenders and suppliers;
(g) In addition, if the Franchisee notifies the Franchisor that the Franchisee is closing the Franchised Business or otherwise communicates to others that the Franchisee is closing the Franchised Business, the Franchisee agrees that the Franchisee's billing processor may withhold up to one-half (1/2) of monies that would otherwise be payable to cover any post termination obligations the Franchisee may have, including to reimburse future fees paid by the Franchisee for periods beyond the closing date; and
(h) the Franchisor's actions as outlined in this section may continue until the Franchisee has brought the accounts current, cured any default and complied with the Franchisor's requirements, and the Franchisee has acknowledged the same in writing; taking of any of the actions permitted in this section will not suspend or release the Franchisee from any obligation that would otherwise be owed to the Franchisor or its affiliates under the terms of this Agreement or otherwise.

B. Automatic Termination. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if Franchisee files a voluntary petition under any section or chapter of federal bankruptcy law or under any similar law or statute of the United States or any state thereof, or if an involuntary petition is filed with respect to Franchisee under any such laws and is not dismissed within 60 days after it is filed; or if Franchisee admits in writing its inability to pay its debts when due; or if Franchisee is adjudicated as bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for 30 days or longer (unless supersedeas bond is filed); or if Franchisee is dissolved; or if judicial, non-judicial or administrative proceedings to foreclose any lien or mortgage against the Restaurant premises or equipment is instituted against Franchisee and not dismissed within 30 days; or if the real or personal property of Franchisee's Restaurant shall be sold after levy thereupon by any sheriff, marshal or constable.

C. Termination on Notice; No Cure Period. Franchisee shall be deemed to be in material default and Franchisor may, at its option, terminate this Agreement upon notice to Franchisee and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately, upon the occurrence of any of the following events:

(1) If Franchisee operates the Restaurant or sells any products or services authorized by Franchisor for sale at the Restaurant at a location which has not been approved by Franchisor;

(2) If Franchisee fails to obtain Franchisor's approval of a proposed site or fails to acquire a Location for the Restaurant within the time and manner specified in Article 2;

(3) If Franchisee fails to construct or remodel the Restaurant in accordance with approved architectural plans, as adapted in accordance with Article 2;

(4) If Franchisee fails to open the Restaurant for business within the period specified in Section 2.F. of this Agreement;

(5) If Franchisee at any time ceases to operate or otherwise abandons the Restaurant, or loses the right to possess the premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Restaurant is located; provided, that this provision shall not apply in the event of a Force Majeure, if Franchisee applies within 30 days after such event for Franchisor's approval to relocate or reconstruct the Restaurant and Franchisee diligently pursues such reconstruction or relocation. Franchisor's approval not be unreasonably withheld but may be conditioned upon the payment of an agreed minimum fee to Franchisor during the period in which the Restaurant is not in operation;

(6) If Franchisee or any of the Principals is convicted of, or has entered a plea of *nolo contendere* to, a felony, a crime involving moral turpitude, or any other crime or offense that Franchisor believes is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Franchisor's interests therein;

(7) If a threat or danger to public health or safety results from the construction or operation of the Restaurant;

(8) If Franchisee or any of the Principals purports to transfer any rights or obligations under this Agreement or any interest in Franchisee or the Restaurant to any third party without Franchisor's prior written consent or without offering Franchisor a right of first refusal contrary to the terms of Article 14, or if a transfer upon death or permanent disability is not made in accordance with Article 14;

(9) If, contrary to the terms of Section 10.B., Franchisee or any of the Principals discloses or divulges any Confidential Information;

(10) If Franchisee knowingly maintains false books or records, or submits any false reports to Franchisor;

(11) If Franchisee breaches in any material respect any of the covenants, or has falsely made any of the representations or warranties, set forth in Article 6;

(12) If Franchisee fails to comply with Franchisor's quality assurance program and fails to cure any default thereunder within the applicable cure period;

(13) If Franchisee or any affiliate of Franchisee is in default of any other franchise agreement with Franchisor and fails to cure such default within the applicable cure period, if any;

(14) If Franchisee or any of the Principals repeatedly commits a material event of default under this Agreement, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by Franchisee after notice by Franchisor; or

(15) Within any period of 12 consecutive months, failure to comply with this Agreement on 3 or more separate occasions for which notices of default were given, (or failure on 2 or

more separate noticed occasions to comply with the same obligation), whether or not those failures to comply are corrected.

D. Termination on Notice; Opportunity to Cure. Except as provided in Sections 17.B. and 17.C. of this Agreement, upon any default by Franchisee which is capable of being cured, Franchisor may terminate this Agreement by giving Franchisee written notice of termination stating the nature of the default and the time period within which the default must be cured. Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the time period set forth below or any longer period that applicable law may require ("cure period"). If any such default is not cured within the cure period, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the cure period. Defaults which are susceptible of cure hereunder may include, but are not limited to, the following:

(1) If Franchisee fails to procure and maintain the insurance policies required by Article 12 and fails to cure such default within seven days following notice from Franchisor;

(2) If Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein and fails to cure such default within 24 hours following notice from Franchisor;

(3) If Franchisee fails to obtain the execution of the confidentiality and related covenants as required under Sections 10.B. or 10.C. of this Agreement within 10 days after being requested to do so by Franchisor and fails to cure such default within 30 days following notice from Franchisor;

(4) If Franchisee or any of its affiliates fails, refuses, or neglects promptly to pay any monies owed to Franchisor or any of its affiliates, when due under this Agreement or any other agreement, or fails to submit the financial or other information required by Franchisor under this Agreement, and does not cure such default within five days following notice from Franchisor;

(5) If Franchisee or any of the Principals fails to comply with the restrictions against competition set forth in Section 10.C. of this Agreement and fails to cure such default within 10 days following notice from Franchisor;

(6) If Franchisee fails to maintain or observe any of the standards, specifications or procedures prescribed by Franchisor in this Agreement or otherwise in writing, and fails to cure such default within 30 days following notice from Franchisor;

(7) If Franchisee fails to comply with any other requirement imposed by this Agreement, or fails to carry out the terms of this Agreement in good faith and fails to cure such default within 30 days following notice from Franchisor;

(8) If Franchisee fails to designate a qualified replacement Operating Principal or Restaurant Manager within 30 days after any initial or successor Operating Principal or Restaurant Manager ceases to serve; or

(9) If Franchisee fails to obtain and maintain all required licenses and/or governmental approvals to offer and sell alcoholic beverages at the Restaurant in accordance with Section 2.D. of this Agreement and fails to cure such default within 30 days following notice from Franchisor.

E. Alternative Remedy. Upon default by Franchisee under this Agreement, in lieu of terminating this Agreement, Franchisor has the right but not the obligation to appoint a manager for the Restaurant. All funds from the operation of the Restaurant during the management by Franchisor's appointed manager will be kept in a separate account, and all expenses of the Restaurant, including compensation, other costs and travel and living expenses of Franchisor's manager, will be charged to this account. Franchisor also has the right to charge a reasonable management fee (in addition to the royalties and brand development fee contributions payable under this Agreement) during the period that Franchisor's appointed manager manages the Restaurant. Operation of the Restaurant during any such period will be on

Franchisee's behalf, provided that Franchisor will only have a duty to utilize Franchisor's best efforts and will not be liable to Franchisee or Franchisee's Principals for any debts, losses or obligations incurred by the Restaurant or to any of Franchisee's suppliers for any products, materials, supplies or services the Restaurant purchases during any period it is managed by Franchisor's appointed manager. Franchisor may appoint a manager to manage the Restaurant pursuant to this Section 17.E. for such time as Franchisor deems appropriate in Franchisor's discretion, but this Section 17.E. shall not limit Franchisor's ability to terminate this Agreement in accordance with Sections 17.A.–D. above in any respect.

F. Step In Rights. To prevent any interruption of the business of the Restaurant, you hereby authorize Franchisor, and Franchisor shall have the right, but not the obligation, to operate the Restaurant on your behalf for as long as Franchisor deems necessary and practical, and without waiver of any other rights or remedies Franchisor may have under this Agreement, in the event that: (a) your Restaurant Manager is absent or incapacitated by reason of illness, death or disability and, therefore, in Franchisor's sole determination, you are not able to operate the Restaurant in full compliance with this Agreement, or (b) any allegation or claim is made against you or any of your Operating Principal, owners, Restaurant Manager, or the operation of the Restaurant, involving or relating to fraudulent, deceptive or illegal practices or activities. If Franchisor undertakes to operate the Restaurant pursuant to this Section 17.F, Franchisor shall have the right to collect and pay from the revenues of the Restaurant all operating expenses including, without limitation, Royalty Fees, Brand Development Fees, and employee salaries, and further shall be entitled to collect, as compensation for its efforts, a reasonable management fee not to exceed 10% of Gross Sales. You shall indemnify and hold harmless Franchisor from any and all claims arising from the alleged acts and omissions of Franchisor and its representatives.

18. POST - TERMINATION

A. Franchisee's Obligations Upon Termination. Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall terminate, and Franchisee shall:

(1) Immediately cease to operate the Restaurant under this Agreement, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

(2) Immediately and permanently cease to use, in any manner whatsoever, any Confidential Information, methods, procedures, and techniques associated with the System and the Marks. Without limitation of the foregoing, Franchisee shall cease to use all signs, advertising materials, displays, stationery, forms, domain names, URL addresses, email addresses, social media accounts, and any other items which display the Marks.

(3) Take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark of the authorized brand identified on the Summary Page, or any other Mark, and furnish Franchisor with satisfactory evidence of compliance within five days after termination or expiration of this Agreement.

(4) Not use any reproduction, counterfeit, copy or colorable imitation of the Marks, in connection with any other business, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Marks, nor shall Franchisee use any designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

(5) Promptly pay all sums owing to Franchisor and its affiliates, and all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by Franchisor as a result of any default by Franchisee or in connection with obtaining injunctive or other relief for the enforcement of any provisions of this Article 18, which obligation shall give rise to and remain a lien in favor of Franchisor against any and all assets of Franchisee, until such obligations are paid in full.

(6) Immediately deliver to Franchisor all Manuals, records, files, instructions, correspondence, Software Programs, and other materials related to the operation of the Restaurant in Franchisee's possession or control, and all copies thereof, all of which are acknowledged to be Franchisor's property, and retain no copy or record of any of the foregoing, except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

(7) Comply with the restrictions against the disclosure of Confidential Information and against competition contained in Article 10 of this Agreement and cause any other person required to execute similar covenants pursuant to Article 10 also to comply with such covenants.

(8) Promptly furnish to Franchisor an itemized list of all advertising and sales promotion materials bearing the Marks, whether located at the Restaurant or at any other location under Franchisee's control. Franchisor shall have the right to inspect these materials and the option, exercisable within 30 days after such inspection, to purchase any or all of the materials at fair market value. Materials not purchased by Franchisor shall not be utilized by Franchisee or any other party for any purpose unless authorized in writing by Franchisor.

(9) At Franchisor's option, assign to Franchisor any interest which Franchisee has in any lease or sublease for the premises of the Restaurant or for any equipment used in the operation of the franchised business. Franchisor may exercise such option at or within 30 days after the termination or expiration of this Agreement. Franchisee hereby appoints Franchisor its true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete the assignment of Franchisee's interest in any such lease or sublease upon the exercise of Franchisor's option described herein. This power of attorney shall survive the expiration or termination of this Agreement. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Restaurant premises, Franchisee shall make such modifications or alterations to the premises as are necessary to distinguish the appearance of the Restaurant from that of other System Restaurants, and, if Franchisee fails or refuses to do so, Franchisor shall have the right to enter upon the premises, without being guilty of trespass or any other crime or tort, to make or cause such changes to be made, at Franchisee's expense.

(10) At Franchisor's option, assign to Franchisor all rights to all telephone numbers, e-mail addresses, URLs, domain names, Internet listings, and social media accounts, and business listings, relating to the Restaurant, and execute all forms and documents required by Franchisor and third party service provider as necessary to effect such assignment and transfer. Franchisee shall thereafter use different telephone numbers at or in connection with any subsequent business conducted by Franchisee.

(11) Return to the Franchisor all copies of the Customer List, including past customers, present customers, and prospective customers, and shall not thereafter use the Customer List or contact such customers.

B. Additional Franchisor Options. In addition to its options under Sections 18.A.(8), (9) and (10), Franchisor shall have the following options, to be exercised within 30 days after termination or expiration of this Agreement:

(1) Franchisor shall, within thirty (30) days following the expiration or termination of this Agreement for any reason (other than for renewal of the Franchise), have the option, at Franchisor's sole judgment, to purchase all or any portion of the assets of the Restaurant and any other materials, equipment or supplies bearing our Marks, and to have Franchisee assign and transfer the Restaurant lease for the premises to us. Franchisor's purchase price for the portion of Franchisee's inventory or supplies purchased directly from Franchisor or any of our affiliates shall be at your cost. Franchisor's purchase price for the remaining inventory, equipment, parts, fixtures and furnishings utilized by Franchisee in the operation of the Restaurant shall be the fair wholesale market value thereof. In addition, Franchisor shall

be permitted to deduct and withdraw from the purchase price to be paid to Franchisee for any such items all sums due and owing to Franchisor. In determining the fair market value of such items, the parties shall exclude any factor or increment for goodwill or going-concern value. Except as provided below, the purchase price will be paid in cash at the closing of any such purchase which will occur no less than thirty (30) days from the date of exercise of the option. If the parties are unable to reach agreement as to the fair market value of the assets of the Restaurant to be purchased by us, the parties hereby agree to appoint an independent appraiser to make such determination, whose determination will be binding upon the parties. The fees and expenses of such appraisal shall be paid in equal proportions by the parties. If you do not object to proposed appraiser within twenty (20) days after our notice, such appraiser will be deemed approved by both parties.

(2) With respect to Franchisor's options under Section 18.B.(1), Franchisor shall purchase assets only and shall assume no liabilities, unless otherwise agreed in writing by the parties. If the parties cannot agree on the then-current liquidation value of the assets within 30 days of Franchisor's exercise of its option, then-current liquidation value shall be determined by two appraisers. Each party shall select one appraiser, and the average of their determinations shall be binding. In the event of an appraisal, each party shall bear its own legal and other costs and shall divide the appraisal fees equally. The purchase price shall be paid in cash; provided, that Franchisor shall have the right to set off from the purchase price (i) all fees due from Franchisee for any appraisal conducted hereunder, (ii) all amounts due from Franchisee to Franchisor or any of its affiliates, and (iii) any costs incurred in connection with any escrow arrangement (including reasonable legal fees and costs).

(3) Closing of the purchase and sale of the properties described above shall occur not later than 30 days after the purchase price is determined, unless the parties mutually agree to designate another date. At closing, Franchisee shall deliver to Franchisor, in a form satisfactory to Franchisor, such warranties, deeds, releases of lien, bills of sale, assignments and such other documents and instruments which Franchisor deems necessary in order to perfect Franchisor's title and possession in and to the properties being purchased and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all necessary documents, instruments, or third party consents, Franchisor may, in its sole discretion, place the purchase price in escrow pending issuance of any required certificates or documents. Closing shall take place at Franchisor's corporate offices or at such other location as the parties may agree.

C. Assignment of Franchisor Rights. Franchisor shall be entitled to assign any and all of its options in this Article 18 to any other party, without the consent of Franchisee.

D. Liquidated Damages. If, prior to the Expiration Date, Franchisee terminates this Agreement without good cause, or if Franchisor terminates this Agreement on account of Franchisee's material default hereof, the parties acknowledge and agree that Franchisor will suffer damages for the loss of the benefit bargained for in this Agreement and cause irreparable damage to the integrity of the franchise system. As compensation for these damages Franchisor shall be entitled to collect from Franchisee, in addition to all other amounts due Franchisor (including, without limitation, any payments due to the Franchisor under this Agreement), liquidated damages calculated as an amount equal to (a) the product of Franchisee's Average Gross Sales, multiplied by the lesser of (i) twenty-four months, or (ii) the number of full months remaining in the franchise term. For purposes of this calculation, "Average Gross Sales" means total Gross Sales for the twelve-month period immediately preceding termination, divided by twelve. If the Franchised Business has been operating for less than twelve months at the time of termination, "Average Gross Sales" means total Gross Sales for the period of operation divided by the number of months in operation. Franchisee acknowledges and agrees that, in the event of Franchisee's violation of this Agreement by premature closure, abandonment, or termination due to violation of this Agreement, proof of actual damages would be difficult and that the formula for calculating liquidated damages contained herein is a reasonable estimate of what actual damages would be. The foregoing formula does not result in a penalty. Franchisor has an expectation that Franchisee's franchised business will be open and operating for the full Term of the

Agreement. An early closure reduces Franchisor's revenue and damages our image in the public. Calculating the value and expense of this injury is difficult to determine and may be hard to calculate with specificity, but the parties acknowledge the injury. Therefore, the parties have elected to agree in advance to calculation of liquidated damages to compensate Franchisor for its damages and to provide certainty to Franchisee of the amounts due.

19. APPLICABLE LAW AND DISPUTE RESOLUTION

A. Mediation.

(1) Except for actions which the franchisor may bring in any court of competent jurisdiction (a) for monies owed, (b) for injunctive or other extraordinary relief, or (c) involving the possession or disposition of, or other relief relating to, real property, the Marks, or the Confidential Information, the parties agree to submit any claim, controversy or dispute between Franchisor or any of its affiliates (and their respective shareholders, officers, directors, agents, representatives, and/or employees) and Franchisee (and Franchisee's agents, representatives, and/or employees, as applicable) arising out of or related to (i) this Agreement or any other agreement between Franchisor and Franchisee or their respective affiliates, (ii) Franchisor's relationship with Franchisee, (iii) the validity of this Agreement or any other agreement between Franchisor or Franchisee or their respective affiliates, or (iv) any system standard, to mediation prior to bringing such claim, controversy or dispute in a court or before any other tribunal. Excepted from this Section 19.A. are claims related to Franchisee's nonpayment of any fees under this Agreement to Franchisor, and termination of this Agreement by either party for whatever reason.

(2) The mediation shall be conducted by either an individual mediator or a mediator appointed by a mediation services organization or body experienced in the mediation of disputes between franchisors and franchisees, as agreed upon by the parties and, failing such agreement within a reasonable period of time (not to exceed 15 days) after either party has notified the other of its desire to seek mediation, by the American Arbitration Association or any successor organization in accordance with its rules governing mediation.

(3) Mediation shall be held at the offices of the AAA in the city where Franchisor maintains its principal business offices. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees and costs incurred by either party), shall be borne by the parties equally. If the parties are unable to resolve the claim, controversy or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding pursuant to Section 19.B. The parties agree that statements made during such mediation proceeding will not be admissible for any purpose in any subsequent legal proceeding.

(4) Neither illness, Covid, inconvenience, weather, or any other reason shall serve to excuse your personal appearance for mediation.

B. Arbitration. (1) Any dispute, controversy, or claim arising out of or relating to this Agreement and the relationships created hereby that are not solved during the mediation process described in Section 19.A. must be resolved by arbitration. The arbitration must be administered in accordance with the Commercial Rules of the AAA. The Arbitrator must be a person experienced in food service franchising or franchise law who has no prior business or professional relationship with either party. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) ("**FAA**"). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction, and the arbitrator must state in writing the reasoning upon which the award is based. The costs and expenses of arbitration paid to the AAA or to the arbitrator will be paid equally by the parties. All other arbitration-related expenses, including but not limited to attorneys' fees and travel expenses, will be paid by the party which incurred such expense. Notwithstanding, excepted from this requirement to arbitrate under this Section 19.B. are claims related to Franchisee's nonpayment of any fees under this Agreement to Franchisor.

For avoidance of doubt, this provision specifically requires both parties to arbitrate disputes through the American Arbitration Association ("AAA"). The arbitration process allows the disputes to be heard and decided by one arbitrator, selected using the AAA's standard selection process, apply the law to the facts and evidence presented and where we will not use the local court system or its judges. By signing this franchise agreement, you are consenting to resolve disputes through arbitration administered by the AAA, using the current AAA commercial rules.

(2) Arbitration will be conducted in the city in which Franchisor maintains its principal business office at the time of the demand for arbitration is filed. Arbitration will be conducted on an individual, not a class-wide basis, and an arbitration proceeding between the parties and their respective Owners, officers, directors, agents, and/or employees may not be consolidated with any other arbitration proceeding between Franchisor and any other person. The arbitrator has no power or authority to award punitive damages.

(3) Any disputes concerning the enforceability or scope of this arbitration provision must be resolved pursuant to the FAA, and the parties agree that the FAA preempts any state law restrictions (including the site of the arbitration) on the enforcement of this arbitration provision. If, prior to an Arbitrator's final decision, either Franchisee or Franchisor commences an action in any court for a claim that arises out of or relates to this Agreement (except for the purpose of enforcing this arbitration provision or as otherwise permitted by this Agreement), the party bringing the action in court will be responsible for the other party's expenses of enforcing this arbitration provision, including court costs, arbitration filing fees, and other costs and attorneys' fees.

(4) If Franchisee institutes any claim subject to this arbitration proceeding in any court, and Franchisor succeeds in a motion to compel arbitration of the claim, Franchisee must reimburse Franchisor its reasonable attorneys' fees and costs in defending the action and in its motion to compel arbitration.

(5) Franchisee shall not assert any claim or cause of action against Franchisor, its officers, directors, shareholders, employees, or affiliates after two years following the event giving rise to such claim or cause of action.

(6) Notwithstanding the foregoing provisions of this Section 19.B., the parties' agreement to arbitrate will not apply to controversies, disputes, or claims related to or based on amounts owed to Franchisor pursuant to this Agreement, the Marks, or Franchisor's Confidential Information. Moreover, regardless of this arbitration agreement, Franchisor and Franchisee each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief in any court of competent jurisdiction

(7) Notwithstanding the foregoing, Franchisor has the right to apply to any court of competent jurisdiction for injunctive relief to prevent continued or threatened harm while arbitration is pending. Franchisee and its Principals irrevocably consent to personal jurisdiction in the state and federal courts located in the county in which Franchisor maintains its principal place of business for this purpose.

(8) Neither illness, Covid, inconvenience, weather, or any other reason shall serve to excuse your personal appearance for depositions or evidentiary hearings.

C. Governing law. This agreement shall be governed by and interpreted and construed under Texas law (except for Texas conflict-of-law rules).

D. Limitation of Time to Bring Claims. Except for claims brought by Franchisor with regard to (1) any misrepresentation or omission made by Franchisee or its Principals under this Agreement or in any application therefor, (2) Franchisee's obligations to protect Franchisor's Confidential Information, or (3) Franchisee's obligations to indemnify Franchisor pursuant to Article 15., any and all claims arising out of or relating to this Agreement or the relationship of Franchisee and Franchisor pursuant to this agreement will be barred unless an action is commenced within two years and one day from the date the claim or cause of action accrued. This provision is intended to shorten any applicable statute of limitations to the extent permitted by law.

E. DAMAGES WAIVER. FRANCHISEE AND THE PRINCIPALS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM OF ANY PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) AGAINST FRANCHISOR, ITS AFFILIATES, AND THE OFFICERS, DIRECTORS, SHAREHOLDERS, PARTNERS, MEMBERS, AGENTS, REPRESENTATIVES, INDEPENDENT CONTRACTORS, SERVANTS AND EMPLOYEES OF EACH OF THEM, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES, ARISING OUT OF ANY CAUSE WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) AND AGREE THAT IN THE EVENT OF A DISPUTE, FRANCHISEE AND THE PRINCIPALS SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY THEM. IF ANY OTHER TERM OF THIS AGREEMENT IS FOUND OR DETERMINED TO BE UNCONSCIONABLE OR UNENFORCEABLE FOR ANY REASON, THE FOREGOING PROVISIONS OF WAIVER BY AGREEMENT OF PUNITIVE, EXEMPLARY, INCIDENTAL, INDIRECT, SPECIAL, CONSEQUENTIAL, OR OTHER DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS) SHALL CONTINUE IN FULL FORCE AND EFFECT.

F. JURY WAIVER. FRANCHISOR AND FRANCHISEE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, THE RELATIONSHIP CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN FRANCHISOR AND FRANCHISEE OR FRANCHISOR'S AND FRANCHISEE'S RESPECTIVE AFFILIATES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.

G. WAIVER OF CLASS ACTION. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES THE RIGHT TO LITIGATE ON A CLASS ACTION BASIS, IN ANY CLAIM, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY PARTY.

H. Mutual acknowledgments. The parties acknowledge that their Agreement regarding applicable state law and forum set forth above provide each of them with the mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this agreement or the parties' relationship created by this Agreement. Each party further acknowledges the receipt and sufficiency of mutual consideration for such benefit. In addition, the parties acknowledge that the execution of this Agreement and acceptance of the terms by the parties occurred in Plano, Texas, and further acknowledge that the performance of certain obligations of franchisee arising under this agreement, including, but not limited to, the payment of monies due hereunder and the satisfaction of certain training requirements of franchisor, shall occur in Plano, Texas.

I. Jurisdiction and Venue. With respect to any controversies, disputes, or claims which are not finally resolved through mediation as provided in Section 19.A, the parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought and maintained exclusively in the state and federal courts serving the judicial district in which Franchisor maintains its principal business address at the time the action is initiated, and the parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision and agree that service of process may be made upon any of them in any proceeding relating to or arising out of this agreement or the relationship created hereby by any means allowed by Texas or federal law. Nothing in this Agreement shall bar Franchisor's right to seek injunctive relief from any court of competent jurisdiction; and Franchisee agrees to pay all costs and reasonable attorneys' fees incurred by Franchisor in obtaining such relief.

20. MISCELLANEOUS

A. Notices. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the addresses reflected in the Summary Pages, unless and until a different address has been designated by written notice to the other party:

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service, on the next Business Day, or, in the case of or registered or certified mail, three Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

B. Entire Agreement. This Agreement, the documents referred to herein, and the Attachments hereto, constitute the entire, full and complete agreement between Franchisor and Franchisee and the Principals concerning the subject matter hereof and shall supersede all prior related agreements; provided, however, that nothing in this or any related agreement shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in the most recent franchise disclosure document (including its exhibits and amendments) that Franchisor delivered to Franchisee or Franchisee's 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 time as this Agreement). Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

C. No Waiver. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee or the Principals under this Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power against Franchisee or the Principals, or as to a subsequent breach or default by Franchisee or the Principals.

D. Approval or Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor, and such approval or consent shall be obtained in writing. No waiver, approval, consent, advice or suggestion given to Franchisee, and no neglect, delay or denial of any request therefore, shall constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Franchisee or any third party as a result thereof.

E. Force Majeure. No party shall be deemed in default of this Agreement for any delay or failure to fulfill any obligation (other than a payment obligation) hereunder so long as and to the extent to which any delay or failure in the fulfillment of such obligation is prevented, frustrated, hindered or delayed as a consequence of circumstances of Force Majeure. Upon the occurrence of an event of Force Majeure, the party affected thereby shall give prompt notice thereof to the other party, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of the Agreement to be affected, and a plan for resuming operation under the Agreement, which the party shall promptly undertake and maintain with due diligence. Such affected party shall be liable for failure to give timely notice only to the extent of damage actually caused. If an event of Force Majeure shall occur, then, in addition to payments required under Section 17.C.(5), Franchisee shall continue to be obligated to pay to Franchisor any and all amounts that it shall have duly become obligated to pay in accordance with the terms of this Agreement prior to the occurrence of such event and the Indemnitees shall continue to be indemnified and held harmless by Franchisee in accordance with Article 15. Except as provided in Section 17.C.(5) and the immediately preceding sentence, neither party shall be held liable for a failure to comply with any terms and conditions of this Agreement when such failure is caused by an event of Force Majeure.

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

G. Business Judgment. Notwithstanding any contrary provisions contained in this Agreement, Franchisor and Franchisee acknowledge and agree that (1) this Agreement (and the relationship of the parties which arises from this Agreement) grants Franchisor the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's explicit rights and obligations hereunder that may affect favorably or adversely Franchisee's interests; (2) Franchisor will use its business judgment in exercising such discretion based on Franchisor's assessment of Franchisor's own interests and balancing those interests against the interests, promotion and benefit of the System and Restaurants generally (including Franchisor, and its Affiliates and other Franchisees), and specifically without considering Franchisee's individual interests or the individual interests of any other particular franchisee (examples of items that will promote or benefit the System and Restaurants generally include, without limitation, enhancing the value of the Marks and/or the brands, improving customer service and satisfaction, improving project quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System); (3) Franchisor will have no liability to Franchisee for the exercise of its discretion in this manner; (4) Franchisor shall have full discretion to vary Standards or other aspects of the System for any franchisee, and (5) even if Franchisor has numerous motives for a particular action or decision, so long as at least one motive is a reasonable business justification no trier of fact in any legal action shall substitute its judgment for Franchisor's judgment so exercised and such action or decision will not be subject to challenge for abuse of discretion. IF FRANCHISOR TAKES ANY ACTION OR CHOOSES NOT TO TAKE ANY ACTION IN ITS DISCRETION WITH REGARD TO ANY MATTER RELATED TO THIS AGREEMENT AND ITS ACTION OR INACTION IS CHALLENGED FOR ANY REASON, THE PARTIES EXPRESSLY DIRECT THE TRIER OF FACT THAT FRANCHISOR'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF ITS DISCRETION, WITHOUT REGARD TO WHETHER OTHER REASONS FOR FRANCHISOR'S DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

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

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

J. Survival. Any obligation of Franchisee or the Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest of Franchisee or the Principals therein, shall be deemed to survive such termination, expiration or transfer. Without limitation of the foregoing, the provisions of Sections 19.A., B., and C. are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

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

L. Remedies Cumulative. All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its affiliates, and Franchisor or any of its affiliates. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination, or exercise of Franchisor's rights pursuant to Article 17 of this Agreement shall not discharge or release Franchisee or any of the Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement. Additionally, Franchisee and the Principals shall pay all court costs and reasonable attorneys' fees and costs incurred by Franchisor in obtaining any remedy available to Franchisor for any violation of this Agreement.

M. No Third Party Beneficiary. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors and personnel and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, authorized by Article 14), any rights or remedies under or as a result of this Agreement.

N. Further Assurances. The parties will promptly execute and deliver such further documents and take such further action as may be necessary in order to effectively carry out the intent and purposes of this Agreement.

O. Agreement Effective Upon Execution by Franchisor. This Agreement shall not become effective until signed by an authorized representative of Franchisor.

P. Drafting Party. The parties acknowledge that each party and its counsel have reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits attached hereto.

Q. Timing. Time is of the essence with respect to all provisions in this Agreement.

R. Disavowal of Oral Representations. Both parties acknowledge that each want all terms of the business relationship to be defined in this written agreement, and that neither party wants to enter into a business relationship with the other in which any terms or obligations are subject to any oral statements or in which oral statements serve as the basis for creating rights or obligations different than or supplementary to the rights and obligations as set forth in this Agreement. Therefore, both parties agree that this Agreement will supersede and cancel any prior and/or contemporaneous discussions between the Franchisor and the Franchisee. Each party agrees that neither party has placed nor will place any reliance on any such discussions. Franchisee agrees that no representations have been made to the Franchisee concerning this Agreement or the Franchised Business other than as contained in this Agreement and in the Franchise Disclosure Document Franchisee has received before the Franchisee signed this Agreement.

Franchisee agrees that no claims, representations, warranties, or guarantees, express or implied, regarding actual or potential earnings, sales, profits, or success of your Franchised Business have been made to the Franchisee other than as set forth in Item 19 of the Franchise Disclosure Document.

S. Other Franchisees. Franchisee acknowledges that other TIKKASHACK or MASALAWOK franchisees have or will be granted franchises at different times and in different situations, and further acknowledge that the provisions of such franchises may vary substantially from those contained in this Agreement. Franchisee also acknowledge that because complete and detailed uniformity under varying circumstances may not be practical, there may be variations Franchisor grants to other of TIKKASHACK or MASALAWOK Restaurants (whether franchised, or centers that the Franchisor or its affiliates operate), and will not be entitled to require Franchisor to grant similar variations or privileges to the Franchisee.

21. FRANCHISEE'S ACKNOWLEDGMENTS

A. Independent Investigation. FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT AND RECOGNIZES THAT THE SUCCESS OF THIS BUSINESS VENTURE INVOLVES SUBSTANTIAL BUSINESS RISKS AND WILL LARGELY DEPEND UPON THE ABILITY OF THE FRANCHISEE. FRANCHISOR EXPRESSLY DISCLAIMS MAKING, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED OR RELIED ON, ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT.

B. Consultation with Advisors. FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE HAS RECEIVED, READ, AND UNDERSTANDS THIS AGREEMENT AND THE RELATED ATTACHMENTS AND AGREEMENTS AND THAT FRANCHISOR HAS AFFORDED FRANCHISEE SUFFICIENT TIME AND OPPORTUNITY TO CONSULT WITH AN ATTORNEY SELECTED BY FRANCHISEE ABOUT THE POTENTIAL BENEFITS AND RISKS OF ENTERING INTO THIS AGREEMENT.

C. FTC Rule Compliance. FRANCHISEE ACKNOWLEDGES THAT IT RECEIVED A COMPLETE COPY OF FRANCHISOR'S DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION'S FRANCHISE TRADE REGULATION RULE (16 C.F.R. PART 436) WITHIN THE TIME PERIOD REQUIRED BY APPLICABLE LAW.

D. No Reliance. FRANCHISEE IS RELYING SOLELY ON FRANCHISOR, AND NOT ON ANY AFFILIATED ENTITIES OR PARENT COMPANIES RELATED TO FRANCHISOR, WITH REGARD TO FRANCHISOR'S FINANCIAL AND OTHER OBLIGATIONS UNDER THIS AGREEMENT, AND NO EMPLOYEE OR OTHER PERSON SPEAKING ON BEHALF OF, OR OTHERWISE REPRESENTING, FRANCHISOR HAS MADE ANY STATEMENT OR PROMISE TO THE EFFECT THAT FRANCHISOR'S AFFILIATED ENTITIES OR PARENT COMPANIES GUARANTEE FRANCHISOR'S PERFORMANCE OR FINANCIALLY BACK FRANCHISOR.

22. CERTAIN DEFINITIONS

A. "**Advertising Assessment**" means the aggregate amount Franchisee must spend for advertising pursuant to Article 8. of this Agreement.

B. An "**Affiliate**" of a named person is any person or entity that is controlled by, controlling or under common control with such named person.

C. "**Brand Development Fee**" means the advertising fees described in Section 8.F. of this Agreement.

D. "**Business Day**" means any day other than Saturday, Sunday or the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

E. "**Confidential Information**" means any confidential information, knowledge or know--how concerning the methods of establishing and operating the Restaurant which may be communicated to Franchisee or any of the Principals or of which they may be apprised under this Agreement. Any and all information, knowledge, know-how, techniques and any materials used in or related to the System which Franchisor provides to Franchisee in connection with this Agreement shall be deemed confidential for the purposes of this Agreement.

F. "**Cooperative**" means an advertising cooperative, as described in Section 8.E. of this Agreement.

G. "**Controlling Interest**" means an interest in a Business Entity that includes the possession, directly or indirectly, of the power to direct or cause the direction of the management of the Business Entity, whether through ownership, voting rights, by contract, or otherwise. Any interest that is not a Controlling Interest is a "**Non-Controlling Interest**".

H. "**Force Majeure**" means those significant events outside each party's control, including but not limited to Acts of God, fire, flood, or other natural forces, war, acts of terrorism, civil unrest, government actions or regulations, national pandemic, or any other event similar to those enumerated above that is catastrophic or other forces beyond Franchisee's control.

I. "**Franchisee's Principals**" shall include, collectively and individually, Franchisee's spouse all officers and directors of Franchisee (including the officers and directors of any general partner of Franchisee) whom Franchisor designates as Franchisee's Principals and all holders of an ownership interest in Franchisee and of any entity directly or indirectly controlling Franchisee.

J. "**Gross Sales**" shall mean the total selling price of all services and products and all income of every other kind and nature related to the Restaurant (including income related to catering operations and special events), whether for cash or credit and regardless of collection in the case of credit. Gross Sales includes the full value of meals provided to Franchisee's employees as an incident to their employment (except that Franchisee may credit the value of any discounts against Gross Sales during the week in which the meals are provided), and are not reduced by the amount of any discounts on products or services sold to employees, family members, or other businesses Franchisee owns or control or by the amount paid to, collected by, or shared with third-party food ordering and delivery systems with which Franchisor allows the Restaurant to do business. Gross Sales does not include (1) receipts from any public telephone, vending machine, or video games installed in the Restaurant, except for Franchisee's share of the revenues; (2) sales (or similar) taxes that Franchisee collects from customers if they are transmitted to the appropriate taxing authority; (3) proceeds from isolated sales of trade fixtures that are not part of the products and services Franchisee offers and that do not have any material effect on the operation of the Restaurant; (4) tips or gratuities paid directly by Restaurant customers to Franchisee's employees or paid to Franchisee and then turned over to these employees by Franchisee in lieu of direct tips or gratuities; (5) returns to shippers or manufacturers; and (6) usage and delivery fees paid to third-party delivery services (for example, UBER EATS, FAVOR, GRUBHUB, etc.). Gross Sales also does not include proceeds from the sale of gift certificates or stored value cards (all proceeds from the sale of gift certificates and stored value cards belong to Franchisor), but it does include the redemption value of gift certificates and Restaurant stored value cards at the time purchases are made. Franchisee is responsible for the accurate reporting of gift certificate and stored value card sales and the corresponding impact on Gross Sales. All barter and exchange transactions for which you furnish services or products in exchange for goods or services to be provided by the vendor, supplier, or customer will be valued at the full retail value of the membership bartered in exchange for the goods or services provided to you. Gross Sales also includes the proceeds of any business interruption insurance paid to you. Gross Sales also includes any payments you receive from vendors.

If a state or local law in which the Restaurant is located prohibits or restricts in any way Franchisee's ability to pay and Franchisor's ability to collect Royalty Fees or other amounts based on Gross Sales derived from the sale of alcoholic beverages at the Restaurant, then Franchisor has the right to increase the percentage rate for calculating Royalty Fees, and change the definition of Gross Sales to exclude sales of alcoholic beverages, in a manner such that the Royalty Fees to be paid by Franchisee, and received by Franchisor, shall be equal to such amounts as Franchisee would have been required to pay, and Franchisor would have received, if sales from alcoholic beverages were included in Gross Sales.

K. "**Gross Sales Report**" means the report due on or before each Tuesday during the term of this Agreement, itemizing, in the form and manner Franchisor reasonably requires, the Gross Sales of the Restaurant for the preceding week (Monday through Sunday).

L. "**Internet**" means a global computer-based communications network.

M. "**Intranet**" means a restricted global computer-based communications network.

N. "**Manuals**" means Franchisor's Confidential Operations Manuals, written directives and any other manuals and written materials as Franchisor shall have developed for use in the System in electronic or paper form, as revised by Franchisor from time to time.

O. "**Opening Date**" means the date the Restaurant opens for business to the public.

P. "**Protected Area**" means the geographic area assigned to Franchisee upon Franchisee's acquisition of the site for the Restaurant and described on Attachment C, exclusive of any Reserved Area, within which Franchisee will be afforded the protections described in Section 1.B. of this Agreement.

Q. "**Publicly-held Corporation**" is a corporation registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended, or a corporation subject to the requirements of Section 15(d) of such Act.

R. A "**Reserved Area**" is any venue or facility serving a captive market, including supermarkets, shopping malls (defined as enclosed or open retail centers with gross leasable area in excess of 350,000 square feet), amusement parks, airports, train stations, travel plazas, casinos, nightclubs, public facilities, college and school campuses, festivals, organized picnics, fairs, arenas, stadiums, ballparks, hospitals, office buildings, convention centers, airlines (in-flight services), military bases, and any other mass-gathering events or locations, and facilities of any kind for which food or beverage service rights are contracted to a third party or parties (including designated roadways and adjacent facilities).

S. "**Restaurant**" means the authorized brand business operated by Franchisee at the Location pursuant to this Agreement, including all assets of Franchisee used in connection therewith.

T. "**Restaurant Manager**" means a qualified individual who meets the requirements in Section 6.E. of this Agreement but who is not required to own an interest in Franchisee, designated by Franchisee and approved by Franchisor to supervise the operations of Franchisee's Restaurant.

U. "**Software Programs**" means the proprietary or other software programs developed or acquired by or on behalf of Franchisor for use by System Restaurants.

V. "**Taxes**" means any present or future taxes, levies, imposts, duties or other charges of whatsoever nature, including any interest or penalties thereon, imposed by any government or political subdivision of such government on or relating to the operation of the franchised business, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by Franchisor's net income.

X. "**Transfer**", for purposes of this Agreement, "Transfer" as a verb means to sell, assign, give away, transfer, pledge, mortgage, or encumber either voluntarily or by operation of law (such as through divorce or bankruptcy proceedings) any interest in this Agreement, the License, the Store, substantially all the assets of the Store, or in the ownership of the franchisee (if you are an Entity).

“Transfer” as a noun means any such sale, assignment, gift, transfer, pledge, mortgage or encumbrance.

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

FRANCHISOR: TikkaShack, LLC, a Texas limited liability company	**FRANCHISEE:**
By Masalawok Holdings, GP a Texas general partnership its Manager	By:______________________________ Name:____________________________ Title:_____________________________
By:____________________________________ Name: _________________________________ Title: __________________________________	

ATTACHMENT A
PRINCIPALS' GUARANTY AND ASSUMPTION AGREEMENT

This Guaranty and Assumption Agreement ("**Guaranty**") is given this ___ day of ___________, 20__, by the undersigned.

In consideration of, and as an inducement to, the execution of the Franchise Agreement ("**Agreement**") by TikkaShack, LLC ("**Franchisor**"), each of the undersigned and any other parties who sign counterparts of this Guaranty (each and collectively, "**Guarantor(s)**") hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, that Franchisee will punctually pay its obligations for initial franchise fees, royalties, brand development fee contributions and purchases of equipment, materials, supplies and other amounts due under the Agreement.

Each Guarantor waives:

(i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; and

(ii) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

(iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

(iv) any right he or she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

(v) all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this guaranty by the undersigned (including by way of counterparts); and

(vi) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

(i) his or her direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; and

(ii) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; and

(iii) such liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and

(iv) such liability will not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreement or by any extension of time, credit or other indulgence that Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable throughout the term of the Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to Franchisor under the Agreement; and

(v) Franchisee's written acknowledgment, accepted in writing by us, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee will be conclusive and binding on the undersigned as Guarantors.

Each Guarantor also makes all of the covenants, representations, warranties, and agreements of the Principals set forth in the Franchise Agreement and is obligated to perform thereunder, including, without limitation, under Sections 6., 10., 14., 15., 18., and 19.

If Franchisor is required to enforce this Guaranty in an administrative, judicial or arbitration proceeding, and prevail in such proceeding, Franchisor will be entitled to reimbursement of Franchisor's costs and expenses, including, but not limited to, legal and accounting fees and costs, administrative, arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of an administrative, judicial or arbitration proceeding and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors will reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor.

Unless otherwise defined in the body of this Guaranty, capitalized terms have the meaning ascribed to them in the Agreement.

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his signature on the same day and year as the Agreement was executed.

GUARANTORS

____
*Name: ___________________, Individually
Address:
% of Ownership: %

____
Name: ____________________, Individually
Address:
% of Ownership: %

____
Name: ____________________, Individually
Address:
% of Ownership: %

____
Name: ____________________, Individually
Address:
% of Ownership: %

____

* Denotes individual who is Franchisee's Operating Principal

ATTACHMENT B
CONFIDENTIALITY AGREEMENT AND ANCILLARY COVENANTS NOT TO COMPETE

This Agreement is made and entered into this ____ day of ________________, 20__, between TikkaShack, LLC, a Texas limited liability company ("**Franchisor**"), ____________________ ("**Franchisee**") and ______________________ ("**Covenantor**") in connection with a franchise agreement between Franchisor and Franchisee dated _________, 20__ ("**Franchise Agreement**"). Initially capitalized terms used, but not defined in this Agreement, have the meanings contained in the Franchise Agreement.

RECITALS

WHEREAS, Franchisor has the right to use and license the use of a System for the establishment and operation of System Restaurants;

WHEREAS, the System is identified by certain Marks including, the mark TIKKA SHACK and MASALA WOK;

WHEREAS, Franchisor has granted Franchisee the right to operate a ☐ TIKKA SHACK or ☐ MASALA WOK Restaurant ("**Restaurant**") pursuant to the Franchise Agreement;

WHEREAS, in connection with his or her duties, it will be necessary for Covenantor to have access to confidential information, knowledge or know-how concerning the methods of establishing and operating the Restaurant which may be communicated to Covenantor or of which he may be apprised under this Agreement ("**Confidential Information**");

WHEREAS, any and all information, knowledge, know-how, techniques and any materials used in or related to the System which Franchisor provides to Franchisee in connection with this Agreement shall be deemed confidential for the purposes of this Agreement;

WHEREAS, Franchisor and Franchisee have agreed on the importance of restricting the use, access and dissemination of the Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Confidential Information and further protecting the System against unfair competition; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

A. **Confidentiality.** Covenantor hereby promises that, during the term of this Agreement and perpetually thereafter, he will not communicate, divulge or use for the benefit of any other person or entity and, following the expiration or termination of this Agreement, shall not use for his own benefit, any Confidential Information, knowledge or know-how concerning the methods of operation of the franchised business which may be communicated to him, or of which he may be apprised, in connection with the operation of the Restaurant under the terms of this Agreement. Covenantor further promises that he shall not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such Confidential Information, in whole or in part, nor otherwise make the same available to any unauthorized person.

B. **Covenants Not to Compete.** Covenantor specifically acknowledges that, pursuant to this Agreement, he or she will receive access to valuable training, trade secrets and Confidential Information which are beyond his present skills and experience, including, without limitation, information regarding operational, sales, promotional and marketing methods and techniques of the System. Covenantor further acknowledges that such specialized training, trade secrets and confidential information provide a competitive advantage, and that gaining access thereto is a primary reason for entering into this Agreement. In consideration therefor, Covenantor Promises as follows:

(1) During the term of his or her employment, except as otherwise approved in writing by Franchisor, Covenantor shall not, directly or indirectly, for him or herself or through, on behalf of or in conjunction with any other person, persons, partnership, corporation, limited liability company, or other entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of the franchised business to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to other System Restaurants operated under valid agreements with Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to the Restaurant (including, without limitation, any food service facility which offers as a significant menu item or mix of menu items Indian, Indo-Chinese, and Chinese cuisine) and which is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor has used, sought registration of or registered the Marks or similar marks or operates or licenses others to operate a business under the Marks or similar marks.

(2) Commencing upon the termination of his or her employment and for a continuous uninterrupted period of two years year thereafter, except as otherwise approved in writing by Franchisor, Covenantor shall not, directly or indirectly, for him or herself, or through, on behalf of or in conjunction with any other person, persons, partnership, corporation, limited liability company or other entity or association:

(a) Directly or indirectly divert, or attempt to divert, any business or customer of the franchised business to any competitor, or do or perform any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

(b) Except with respect to other System Restaurants operated under valid agreements with Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to the Restaurant (including, without limitation, any food service facility which offers as a significant menu item or mix of menu items Indian, Indo-Chinese, and Chinese cuisine) and which is, or is intended to be, located (i) at the Location, (ii) within a 10-mile radius of the Location or (iii) within a 10-mile radius of the location of any System Restaurant then in existence or under construction.

(3) Covenantor agrees that each of the foregoing covenants contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. Each such covenant shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Article B. is held unreasonable or unenforceable by a court having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Article B.

(4) The two-year time period set forth in this Article B. will be tolled during any period of my noncompliance.

C. Miscellaneous.

(1) Entire Agreement. This Agreement contains the entire agreement of the parties regarding the access to and protection of Confidential Information and goodwill of Franchisor by Covenantor. All prior discussions, negotiations, agreements, and understandings are hereby consolidated into this

Agreement. Any further discussion, negotiation, agreement, or understanding shall be void unless reduced to writing, signed by all parties hereto and specifically amending this Agreement.

(2) No Waiver. Any failure by Franchisor or the Franchisee to object to or take action with respect to any breach of any provision of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach of any subsequent breach by Covenantor.

(3) Third-Party Beneficiary. Franchisor and its successors and assigns shall be third party beneficiaries of this Agreement, with the full and independent right, at their option and in their sole discretion, to enforce this Agreement.

(4) Transfer by Franchisor. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall insure to the benefit of its respective affiliates, successors and assigns. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

(5) Notice. Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered or mailed by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid, or sent by facsimile or electronic mail to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

TikkaShack, LLC
8404 Preston Road, Suite 230
Plano, Texas 75024
Attention: Manager
Telephone: (214) 707-2481
Facsimile: (972) 644-9009

If directed to Franchisee, the notice shall be addressed to:

____
____
____
Attention:_________________________
Facsimile:(___)____________________

If directed to Covenantor, the notice shall be addressed to:

____
____
____
Attention:_________________________
Facsimile:(___)____________________

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service on the next Business Day, or, in the case of or registered or certified mail, three Business Days after the date and time of mailing, or, in the case of facsimile or electronic mail, upon transmission (provided confirmation is sent by expedited delivery service or registered or certified mail).

(6) Injunctive Relief. **COVENANTOR ACKNOWLEDGES THAT ANY FAILURE TO COMPLY WITH THE REQUIREMENTS OF THIS AGREEMENT WOULD RESULT IN IRREPARABLE INJURY TO FRANCHISOR FOR WHICH NO ADEQUATE REMEDY AT LAW MAY BE AVAILABLE. COVENANTOR ACCORDINGLY CONSENTS TO THE ISSUANCE OF AN INJUNCTION PROHIBITING ANY CONDUCT BY HIM IN VIOLATION OF THE TERMS**

OF AGREEMENT, WITHOUT THE REQUIREMENT THAT FRANCHISOR POST A BOND. FRANCHISEE AND THE PRINCIPALS AGREE TO PAY ALL COURT COSTS AND REASONABLE ATTORNEYS' FEES AND COSTS INCURRED BY FRANCHISOR IN CONNECTION WITH THE ENFORCEMENT OF THIS SECTION (6), INCLUDING ALL COSTS AND EXPENSES FOR OBTAINING SPECIFIC PERFORMANCE, OR AN INJUNCTION AGAINST THE VIOLATION, OF THE REQUIREMENTS OF SUCH SECTION, OR ANY PART THEREOF.

(7) Mediation**.** Except for actions which franchisor may bring in any court of competent jurisdiction for injunctive or other extraordinary relief to enforce the terms of this Agreement, the parties agree to submit any claim, controversy, or dispute arising out of or related to this Agreement to mediation prior to bringing such claim, controversy, or dispute in a court or before any other tribunal. The mediation shall be conducted by either an individual mediator or a mediator appointed by a mediation services organization or body experienced in the mediation of disputes between franchisors and franchisees, as agreed upon by the parties and, failing such agreement within a reasonable period of time (not to exceed 15 days) after either party has notified the other of its desire to seek mediation, by the American Arbitration Association in accordance with its rules governing mediation. Mediation shall be held at Franchisor's principal place of business. The costs and expenses of mediation, including the compensation and expenses of the mediator (but excluding attorneys' fees and costs incurred by either party), shall be borne by the parties equally. If the parties are unable to resolve the claim, controversy, or dispute within 90 days after the mediator has been chosen, then, unless such time period is extended by written agreement of the parties, either party may bring a legal proceeding under section agreement.

(8) Jurisdiction and Venue**. FOR ANY CLAIMS, CONTROVERSIES, OR DISPUTES WHICH ARE NOT FINALLY RESOLVED THROUGH MEDIATION AS PROVIDED ABOVE, COVENANTOR HEREBY IRREVOCABLY SUBMIT HIMSELF TO THE JURISDICTION OF THE STATE AND THE FEDERAL DISTRICT COURTS LOCATED IN THE STATE, COUNTY, OR JUDICIAL DISTRICT IN WHICH THE FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION FOR THE PURPOSE OF CARRYING OUT THIS PROVISION AND AGREE THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY BY ANY MEANS ALLOWED BY TEXAS OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT ANY ACTION BROUGHT AGAINST FRANCHISOR IN ANY COURT, WHETHER FEDERAL OR STATE, SHALL BE BROUGH AND MAINTAINED EXCLUSIVELY IN THE STATE OR FEDERAL COURT SERVING THE JUDICIAL DISTRICT IN WHICH FRANCHISOR'S PRINCIPAL PLACE OF BUSINESS IS LOCATED; PROVIDED, THAT FRANCHISOR MAY BRING ANY ACTION FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF IN ANY STATE OR FEDERAL DISTRICT COURT WHICH HAS JURISDICTION.**

(9) Jury Waiver. **COVENANTOR HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.**

(10) Governing Law. This Agreement shall be governed by and interpreted and construed under Texas law (except for Texas conflict of law rules).

(11) Attorneys' Fees. Except for disputes resolved through mediation as provided in Section 7, above, Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees and costs) incurred by Franchisor and/or Franchisee in enforcing this agreement.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

TikkaShack, LLC
a Texas limited liability company

Masalawok Holdings, GP
a Texas general partnership
its Manager

By:______________________________
Name:____________________________
Title:_____________________________

Date:_____________________________

FRANCHISEE:

____

By:______________________________
Name:____________________________
Title:_____________________________
Date: _____________________________

COVENANTOR:

____

By:______________________________
Name:____________________________
Title:_____________________________

Date:_____________________________

ATTACHMENT C
SELECTED TERMS:

LOCATION, DESIGNATED AREA, PROTECTED AREA,

AND OPENING DATE

1. LOCATION: The Restaurant shall be located at the following address:

2. DESIGNATED AREA: The Designated Area shall be:

   ______________________________, as evidenced by the attached map.

3. PROTECTED AREA: The Protected Area shall be the area within a three-mile radius around the Location, as evidenced by the attached map, excluding any Reserved Areas.

4. OPENING DATE: The Opening Date of the Restaurant is _____________, 20__.

FRANCHISOR
TikkaShack, LLC

Masalawok Holdings, GP
a Texas general partnership
its Manager

By:______________________________
Name: ___________________________
Title: ____________________________

FRANCHISEE

By:______________________________
Name: ___________________________
Title: ____________________________

ATTACHMENT D
STATEMENT OF OWNERSHIP INTERESTS AND FRANCHISEE'S PRINCIPALS

A. The following is a list of all shareholders, partners, members, or other investors owning a direct or indirect interest in Franchisee, and a description of the nature of their interest:

NAME	OWNERSHIP INTEREST IN FRANCHISEE	NATURE OF INTEREST

B. The following is a list of all of Franchisee's Principals, as defined in and designated pursuant to Section 22.I. of the Franchise Agreement, each of whom shall (unless executing the Principals' Guaranty and Assumption Agreement) execute the Confidentiality Agreement and Ancillary Covenants Not to Compete substantially in the form set forth in Attachment B to the Franchise Agreement:

____

<u>ATTACHMENT E</u>
ELECTRONIC FUNDS TRANSFER

AUTHORIZATION TO HONOR CHARGES DRAWN BY AND PAYABLE TO

TIKKASHACK, LLC/PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN
___________________________	_____________	_____________	_____________

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, "debits") drawn on such account which are payable to the above named Payee. It is agreed that Depository's rights with respect to each such debit shall be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository shall be under no liability whatsoever. This authorization shall continue in force until Depository and Payee have received at least 30 days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify Payee and the Depository for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at Depositor's own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository's or Payee's participation therein.

Name of Depository: ____

Name of Depositor: ____

Designated Bank Acct.: ____

(Please attach <u>one voided check</u> for the above account.)

Restaurant Location: ____

Restaurant #:____

For information call: ____

Address: ____

Phone #: ____

Fax #: ____

____

Name of Franchisee/Depositor (please print)

By: ____

Signature and Title of Authorized Representative

Date: ____

ATTACHMENT F
LEASE ADDENDUM TERMS

THIS LEASE ADDENDUM ("**Addendum**") is made and entered into as of the ___ day of ________, 20__, by and between ____________________________ ("**Landlord**"), with its principal offices at _____ ____ and ____ ("**Franchisee**" or "**Tenant**"), with its principal offices at ____ _____________, and TIKKASHACK, LLC ("**Franchisor**").

In consideration of, and as an inducement to the execution of the Franchise Agreement between Franchisor and its franchisee, each of the undersigned agree as follows:

(a) Landlord acknowledges that Tenant is a franchisee of Franchisor and that the restaurant located at the Premises ("**Unit**") is operated under the Franchisor's franchise system, pursuant to a franchise agreement ("**Franchise Agreement**") between Tenant and Franchisor. Landlord consents to Tenant's use at the Premises of such marks and signs, decor items, color schemes, and related components of the Franchisor's system as Franchisor may prescribe for the Unit. During the term of the Franchise Agreement, the Premises may be used only for the operation of a Franchisor authorized Unit and for no other purpose.

(b) Landlord agrees to furnish to Franchisor copies of any and all letters and notices sent to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant. Without limiting the foregoing, in the event of any default by Tenant, Landlord shall give Franchisor written notice of such default. If Tenant has failed to cure such default at the expiration of the applicable cure period, Landlord shall give Franchisor further written notice of such failure ("**Franchisor Notice**"). Following Franchisor's receipt of the Franchisor Notice, Franchisor shall have the right (but not the obligation) to cure Tenant's default before Landlord shall exercise any of Landlord's remedies arising as a consequence of Tenant's default. Any such cure shall be effected within 15 days following Franchisor's receipt of the Franchisor Notice. Such cure by Franchisor shall not be deemed to be an election to assume the terms, covenants, obligations, and conditions of the Lease.

(c) If Franchisor cures Tenant's default, or if Franchisor notifies Landlord that the Franchise Agreement has been terminated (which termination shall constitute a non-curable default pursuant to the Lease upon Landlord's receipt of Franchisor's notice thereof), Landlord agrees, upon Franchisor's written request, to assign to Franchisor any and all rights that Landlord may have under the Lease to remove and evict Tenant from the Premises and shall cooperate with Franchisor in order to pursue such action to a conclusion.

(d) If Franchisor cures Tenant's default, or notifies Landlord of the termination of the Franchise Agreement, Franchisor shall have the right and option, upon written notice to Landlord, to do the following:

(1) Undertake to perform the terms, covenants, obligations, and conditions of the Lease on behalf of the Tenant (notwithstanding any removal or eviction of Tenant) for a period not to exceed six months from the first date of any cure by Franchisor; or

(2) At any time within or at the conclusion of such six-month period, assume the terms, covenants, obligations, and conditions of the Lease for the remainder of the term, together with any applicable renewal options. In such event, Landlord and Franchisor shall enter into an agreement to document such assumption and Landlord agrees not to impose an assignment fee or similar assessment, or to increase or accelerate rent under the Lease, in connection with such assignment. Franchisor is not a party to the Lease and shall have no liability under the Lease unless and until said Lease is assigned to, and assumed by, Franchisor as herein provided.

(e) If, during the six-month period set forth in Section (d)(1) above, or at any time after the assignment contemplated in Section (d)(2), Franchisor shall notify Landlord that the franchise for the Unit is being granted to another franchisee, Landlord shall permit the assignment of the Lease to said franchisee without the payment of any assignment fee or similar assessment or other cost requirement, provided that, said franchisee meets Landlord's reasonable financial qualifications. Landlord shall not unreasonably withhold consent to such assignment. Thereafter, Franchisor shall be released from any and all further liabilities under the Lease. The parties agree to execute any commercially reasonable documents in furtherance of this section.

(f) Tenant will not assign or sublease the Lease or renew or extend the term thereof without the prior written consent of Franchisor, nor shall Landlord and Tenant amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without the prior written consent of Franchisor.

(g) Franchisor shall have the right to enter the Premises to make any modification or alteration necessary to protect the Franchisor's System and Marks (including, without limitation, remove all signs, advertising materials, displays, fixtures, proprietary equipment and inventory, and any other items which display the Marks or are indicative of Franchisor's System trade dress) or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort. Landlord shall not be responsible for any expenses or damages arising from any such action by Franchisor. Tenant hereby releases, acquits, and discharges Franchisor and Landlord, their respective subsidiaries, affiliates, successors, and assigns and the officers, directors, shareholders, partners, employees, agents, and representatives of each of them, from any and all claims, demands, accounts, actions, and causes of action, known or unknown, vested or contingent, which any of them may have, ever had, now has, or may hereafter have by reason of any event, transaction, or circumstance arising out of or relating to the exercise of Franchisor's rights pursuant to the Addendum.

(h) Landlord shall subordinate any lien in favor of Landlord created by the Lease to Franchisor. Landlord's rights to collect on any liens that Landlord files or attaches to Tenant's property rights shall be subordinate and inferior to Franchisor's lien rights against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Tenant and on the premises operated by Tenant under the Lease.

(i) Landlord shall not, during the term or any renewal or extension of the Lease, lease space in the same center as the Unit, or permit an assignment or transfer of space in the same center as the Unit, to another tenant that will use the premises primarily for the sale of Indian, Indo-Chinese, and Chinese cuisine as a significant menu item or mix of menu items.

(j) The provisions of this Addendum will supersede and control any conflicting provisions of the Lease.

(k) All notices sent pursuant to this Addendum shall be sent in the manner set forth in the Lease, and delivery of such notices shall be effective as of the times provided for in the Lease. For purposes of notice under the Lease, Franchisor's mailing address shall be 8404 Preston Road, Suite 230, Plano, Texas 75024; Attention: Manager, which address may be changed by written notice to Landlord in the manner provided in the Lease.

[*Signature page to follow*]

FRANCHISOR:

TIKKASHACK, LLC

By its general partner

MASALAWOK HOLDINGS, GP

By: ___________________________________

Name: _________________________________

Title: _________________________________

FRANCHISEE:

By: ___________________________________

Name: _________________________________

Title: _________________________________

LANDLORD:

By: ___________________________________

Name: _________________________________

Title: _________________________________

ATTACHMENT G
LIABILITY WAIVER

I am the owner of ________________________ ("**Franchisee Company**"). Franchisee Company has signed a franchise agreement with TikkaShack, LLC. In consideration for the training to be provided to my employees and me by TikkaShack, LLC and/or its affiliates (collectively, "**Franchisor**"), I agree, both for myself and on behalf of Franchisee Company, to hold Franchisor harmless from, and I hereby waive any and all liability of Franchisor and its officers, directors, agents, employees, insurers, and franchisees for, any injury, claim, damage, or incident which occurs in the course of training at any System Restaurant or other designated training facility(s) owned or controlled by Franchisor, specifically including personal injury, property damage, and employment-related claims, and even if caused in whole or in part by the negligence of Franchisor or any Franchisor employee.

I understand that:

- Franchisor has invited my employees and me onto its premises for training solely by virtue of Franchisee Company's franchise relationship with Franchisor;
- Training may involve a variety of risks, including the risk of physical and/or emotional injury and property damage; and
- Franchisor assumes no liability to me, Franchisee Company, or employees of Franchisee Company for any harm or claims of harm incurred or allegedly while in training and/or on Franchisor's premises.

I acknowledge that my employees must look solely to Franchisee Company and its benefits programs and workers compensation insurance to cover the costs of any treatment for injuries or other losses or damages that my employees may sustain in training. Neither I nor Franchisee Company will attempt to hold Franchisor liable or financially responsible for any such losses or damages. I acknowledge that the indemnification clause of Franchisee Company's franchise agreement with Franchisor will apply to any claim against Franchisor by any of Franchisee Company's (or its affiliates') employees.

I certify that Franchisee Company has and will maintain minimum insurance coverage as required by the franchise agreement, including worker's compensation and employees' liability per statutory requirements. At Franchisor's request, I agree to provide a certificate of insurance completed by Franchisee Company's insurance carrier, certifying that the required minimum insurance coverage is in effect.

I give my consent for Franchisor to arrange for medical treatment for any illness or injury that I or my employees might suffer while participating in the training program.

FRANCHISEE COMPANY:

By: ______________________________
Name/Title: _______________________

____
_____________, Individually

ATTACHMENT H
FRANCHISEE QUESTIONNAIRE

FRANCHISEE DISCLOSURE QUESTIONNAIRE

NOTICE FOR PROSPECTIVE FRANCHISEES WHO RESIDE IN, OR WHO INTEND TO OPERATE THE FRANCHISED BUSINESS IN THE STATE OF MARYLAND: DO NOT COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS IN THIS QUESTIONNAIRE.

As you know, TIKKASHACK, LLC and you are preparing to enter into a Franchise Agreement for the operation of a Franchised Business. In this Franchisee Disclosure Questionnaire, TIKKASHACK, LLC will be referred to as "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

[PLEASE PROVIDE INITIAL NEXT TO EACH QUESTION BELOW.]

1. I have received and personally reviewed Tikkashack, LLC Franchise Agreement and each exhibit, addendum and schedule attached to it.

____

2. I understand all of the information contained in the Franchise Agreement and each exhibit and schedule attached to it.

____

If "No", what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

____

3. I have received and personally reviewed this disclosure document as provided to by TikkaShack/ Masala Wok

____

4. I understand all of the information contained in the disclosure document.

____

If "No", what parts of the disclosure document do you not understand? (Attach additional pages, if necessary.)

____

5. I have discussed the benefits and risks of operating the Franchised Business with an attorney, accountant or other professional advisor and do you understand those risks.

____

6. I understand that the success or failure of this business will depend in large part upon my skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors.

____

7. No employee or other person speaking on Tikka Shack/Masala Woks behalf made any statement or promise concerning the revenues or profits of the Franchised Business that the franchisees operate.

____

8. No employee or other person speaking on our behalf made any statement or promise concerning a Franchised Business that is contrary to, or different from, the information contained in the disclosure document.

____

9. No employee or other person speaking on Tikka Shack/Masala Woks behalf made any statement or promise concerning the likelihood of success that I should or might expect to achieve from operating a Franchised Business.

____

10. No employee or other person speaking on Tikka Shack/Masala Woks behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that will be furnished to you that is contrary to, or different from, the information contained in the disclosure document.

____

11. I understand that in all dealings with Tikka Shack/Masala Wok, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between us?

____

13. I understand that my answers are important and that Tikka Shack/Masala Wok will rely on them.

____

<u>Comments:</u>

____
____
____
____
____
____

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

Name of Franchisee/Applicant:

Date: ________________ ____
_____________________, Individually

Date: ________________ ____
_____________________, Individually

ATTACHMENT I
STATE-SPECIFIC AMENDMENTS

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND

This Amendment to the Tikka Shack Franchise Agreement dated _______________, 20___ between TikkaShack LLC, ("Franchisor") and ___________________________________ ("Franchisee") is entered into simultaneously with the execution of the Franchise Agreement.

1. The second sentence of Section 4.A. of the Franchise Agreement is amended to state the following:

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

2. The following sentence is added to the end of Transfer by Franchisee to a Third Party, Section 14. B:

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

3. The following sentence is added to the end of Transfer to a Controlled Entity, Section 14 C:

   This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. The following sentence is added to the end of Consent to Jurisdiction, Section 19.I:

   A Franchisee in Maryland may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following sentence is added at the end of Limitations of Claims, Section 19.D:

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

6. All representations requiring prospective franchisees to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. Each provision of this Amendment will be effective only to the extent that, with respect to the provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law is met independently of this Amendment. To the extent this Amendment shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Amendment shall govern.

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

9. Article 21 has been deleted in its entirety.
10. Attachment H, the Franchisee Questionnaire has been deleted in its entirety.

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Franchise Agreement simultaneously with the execution of the Franchise Agreement.

FRANCHISOR:	**FRANCHISEE:**
TIKKASHACK, LLC By its general partner **MASALAWOK HOLDINGS, GP**	
By:______________________________ Name: ___________________________ Title: ____________________________	By:______________________________ Name: ___________________________ Title: ____________________________

AMENDMENT TO THE FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF VIRGINIA

THIS AMENDMENT TO FRANCHISE AGREEMENT (this "Amendment") dated ___________________, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "Franchise Agreement") dated ___________________, by and between TikkaShack, LLC, a Texas limited liability company ("Tikka" or "Franchisor"), with its principal office in Plano, Texas, as the franchisor, and ____________________________ ("you"), as the franchisee.

Where and to the extent that any of the provisions of this Amendment are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Amendment shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

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

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Act are met independently without reference to this Amendment.

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

IN WITNESS WHEREOF, Franchisee and Franchisor have executed this Amendment to the Franchise Agreement simultaneously with the execution of the Franchise Agreement.

FRANCHISOR:	**FRANCHISEE:**
TIKKASHACK, LLC By its general partner **MASALAWOK HOLDINGS, GP**	
By:______________________________ Name: ___________________________ Title: ____________________________	By:______________________________ Name: ___________________________ Title: ____________________________

EXHIBIT C
LIST OF FRANCHISED OUTLETS

LIST OF CURRENT TIKKA SHACK FRANCHISEES
AS OF DECEMBER 31, 2023

FRANCHISEE	ADDRESS	CITY	ST	ZIP	TELEPHONE OR E-MAIL
Moraya Development LLC	21001 N. Tatum Blvd. Suite 48-1520	Phoenix	AZ	85050	602-354-8800
Moraya Development LLC	2510 West Happy Valley Road, Suite 1245	Phoenix	AZ	85085	602-354-8800
Moraya Development LLC	7127 E. Shea Blvd.	Scottsdale	AZ	85254	602-354-8800
Balkuver Foods, Inc.,	2404 Paron Court,	Hope Filles	NC	23848	Nilay@tikkashack.com
TKS Mechanicsburg, LLC	825 Hogestown Road	Mechanicsburg	PA	17050	717-889-0111
Sanjay Parikh	105 Wigeon Cove	Cedar Park	TX	78613	904-315-0089
RT Foods Lubbock TX LLC	2407 9th Street, Suite 500	Lubbock	TX	79401	Rez@Tikkashack.com
RT Foods Lubbock TX LLC	6620 Milwaukee Ave. Suite 100	Lubbock	TX	79424	Rez@Tikkashack.com
Astrek Corp.	25218 E. Titan Springs Dr	Spring	TX	77389	281-433-8524

LIST OF TIKKA SHACK FRANCHISEES WITH SIGNED FRANCHISE AGREEMENT, BUT OUTLET NOT OPEN AS OF DECEMBER 31 2023

FRANCHISEE	ADDRESS	CITY	ST	ZIP	TELELPHONE OR E-MAIL
FMG The Woodlands, LLC	14 Ranchers Trail	The Woodlands	TX	77389	734-272-2802
Petoo, LLC	300 S. Orange Avenue, Suite 100	Orlando	FL	32801	amitdpathak@hotmail.com
Tikka Plus LLC	321 Continental Ave	Paramus	NJ	07652	732-688-6160

LIST OF CURRENT MASALA WOK FRANCHISEES
AS OF DECEMBER 31, 2023

FRANCHISEE	ADDRESS	CITY	ST	ZIP	TELEPHONE OR E-MAIL
KP Foods LLC	1100 Center Ridge Dr. #300	Austin	TX	78753	Sanjayp@masalawok.com
Masalawok Arborwalk LLC	10515 N. Mopac Expy. #A-155	Austin	TX	78759	sanjayp@masalawok.com

LIST OF MASALA WOK FRANCHISEES WITH SIGNED FRANCHISE AGREEMENT, BUT OUTLET NOT OPEN AS OF DECEMBER 31 2023

FRANCHISEE	ADDRESS	CITY	ST	ZIP	TELELPHONE OR E-MAIL
None					

EXHIBIT D
LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

LIST OF TIKKA SHACK FRANCHISEES WHO HAVE LEFT THE SYSTEM AS OF DECEMBER 31, 2023

FRANCHISEE	CITY	ST	TELELPHONE OR E-MAIL
None			

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

LIST OF MASALA WOK FRANCHISEES WHO HAVE LEFT THE SYSTEM AS OF DECEMBER 31, 2023

FRANCHISEE	CITY	ST	TELELPHONE OR E-MAIL
IZAR LLC	Farifax	VA	limg@gmail.com

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

EXHIBIT E
MANUAL TABLE OF CONTENTS

Table of Contents

SECTION A - INTRODUCTION

SECTION B – PRE-OPENING PROCEDURES

SECTION C – HUMAN RESOURCES

SECTION D – DAILY OPERATING PROCEDURES

SECTION E - ADVERTISING

EXHIBIT F
GENERAL RELEASE
(SAMPLE FORM)

GENERAL RELEASE

(SAMPLE FORM)

The undersigned and my heirs, administrators, executors, ancestors, and assigns, for good and valuable consideration, the receipt of which is hereby acknowledged, hereby remise, release, and forever discharge TikkaShack, LLC, a Texas limited liability company ("Franchisor"), with its principal business offices located at 8404 Preston Road, Suite 230, Plano, Texas 75024, and its Affiliates, and their respective owners, officers, directors, employees, and agents (collectively, "Franchisor Released Parties") from any and all claims, whether at law or in equity, and all contracts, controversies, claims, and demands whatsoever, at law or in equity, that I ever had, now have, or that my respective heirs, administrators, ancestors, executors, and/or assigns may have against the Franchisor Released Parties including, without limitation, all claims arising out of or related to that certain Franchise Agreement between Franchisor and _________________ ___________________________ dated _______________, ______, and the offer and sale of the franchise opportunity.

I acknowledge that this general release extends to claims which I do not know or suspect to exist in my favor at the time of executing this Release Agreement, which if were known to me may have materially affected my decision to enter into this Release Agreement. I understand that the facts in respect of which this Release Agreement is given may hereafter turn out to be other than or different from the facts in that connection known or believed to be true. I expressly assume the risk of the facts turning out to be so different and agree that this Release Agreement shall be in all respects effective and not subject to termination or rescission by any such difference in facts.

IN WITNESS WHEREOF, the parties hereto have executed this Release Agreement as of the date set forth below.

Signature:________________________________

Name:___________________________________

Date:____________________________________

[This General Release will be modified as necessary for consistency with any state law regulating franchising.]

EXHIBIT G
LIST OF STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS

California
Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
(866) 275-2677

Hawaii
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Office of Attorney General
500 S. Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana
Franchise Section, Securities Division
302 W. Washington St., Room E-111
Indianapolis, Indiana 46204
(317) 232-6681

Maryland
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202
(410) 576-6360

Michigan
Department of Attorney General
Consumer Protection Division
Franchise Unit
525 W. Ottawa St.
G. Mennen Williams Building, First Floor
Lansing, Michigan 48913
(517) 373-7117

Minnesota
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101-2198
(651) 539-1500

New York
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8222

North Dakota
Office of Securities Commissioner
600 East Blvd. Avenue
State Capitol, Fifth Floor Dept. 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Oregon
Division of Consumer and Business Services
Finance and Corporate Securities
350 Winter Street N.E.
Labor and Industries Building, Room 21
Salem, Oregon 97310
(503) 378-4387

Rhode Island
Department of Business Regulation
1511 Pontiac Avenue, Building 69-1
Cranston, Rhode Island 02920
(401) 462-9585

South Dakota
Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

Virginia
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington
Department of Financial Institutions
Securities Division
P. O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

Wisconsin
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

EXHIBIT H
AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

Maryland
Maryland Securities Commissioner
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021

Texas
Pramod Prodduturi
8404 Preston Road, Suite 230
Plano, Texas 75024

Virginia
Clerk of the State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, Virginia 23219

EXHIBIT I
STATE SPECIFIC ADDENDA

FOR THE STATE OF MARYLAND

Item 5 is supplemented by the following:

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

Item 17 is supplemented by adding the following language to the end of the "Summary" section of Items 17(c) and 17(l):

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

Item 17 is supplemented by adding the following language to the end of the "Summary" section of Item 17(f) (Termination by franchisor with cause):

A provision in the franchise agreement that provides for termination on your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Item 17 is supplemented by adding the following language to the end of the "Summary" section of Item 17(v) (Choice of forum):

You may sue us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise and Disclosure Law must be brought within three years after the grant of the franchise.

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

FOR THE STATE OF VIRGINIA

1. Item 5 is amended to reflect the following:

"The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer the 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."

2. Item 17 is supplemented by the following language:

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

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

EXHIBIT J TO THE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

STATE EFFECTIVE DATES

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

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

State	Effective Date
Maryland	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.

EXHIBIT K
RECEIPTS

RECEIPT

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

If TikkaShack, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If TikkaShack, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your state agency listed in Exhibit G.

Issuance Date: May 6, 2024

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Pramod Prodduturi	8404 Preston Road, Suite 230, Plano, Texas 75024	214-619-1665

I received a disclosure document with an issuance date of May 6, 2024 that included the Exhibits:

A. Financial Statements
B. Franchise Agreement with Attachments
C. List of Franchised Outlets
D. Franchisees Who Have Left the System
E. Operations Manual Table of Contents
F. General Release (Sample Form
G. List of State Administrators
H. Agents for Service of Process
I. State Specific Addenda
J State Effective Dates
K Receipts

Dated:____________________

____
Individually and as an Officer

____
Printed Name
of ______________________________________
a ____________________ Corporation
a ____________________ Partnership
a ____________________ Limited Liability Company

[Keep this page for your records]

RECEIPT

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Name	Principal Business Address	Telephone Number
Pramod Prodduturi	8404 Preston Road, Suite 230, Plano, Texas 75024	214-619-1665

I received a disclosure document with an issuance date of May 6, 2024, that included the Exhibits:

A.	Financial Statements	F.	General Release (Sample Form
B.	Franchise Agreement with Attachments	G.	List of State Administrators
C.	List of Franchised Outlets	H.	Agents for Service of Process
D.	Franchisees Who Have Left the System	I.	State Specific Addenda
E.	Operations Manual Table of Contents	J	State Effective Dates
		K	Receipts

Dated:____________________ ____

Individually and as an Officer

____

Printed Name

of ______________________________________

a ___________________ Corporation

a ___________________ Partnership

a ___________________ Limited Liability Company

[Sign, date, and return this page to us]