# FRANCHISE DISCLOSURE DOCUMENT

INTEGRITY BRANDS, LLC
A Georgia Limited Liability Company
3575 Piedmont Road, NE
Building 15, Suite 250
Atlanta, Georgia 30305
(404) 929-6654
franchising@unclemaddios com
www unclemaddios com

You will operate an Uncle Maddio's Pizza® restaurant Uncle Maddio's Pizza® restaurants are fast casual restaurants featuring fresh pizza, salads, subs and various other related foods

The total investment necessary to begin operation of an Uncle Maddio's Pizza® franchise is $377,500 to $740,800 This includes $30,000 that must be paid to us in the form of a development fee The total investment necessary to begin operation of a Market Development Program is between $407,500 (for a single location market) to $890,800 (for a 5-location market) This includes a development fee paid to us of $30,000 to $150,000 (based on 1 to 5 restaurants being developed), which essentially is a down payment of the initial franchise fee Under the Market Development Program, the development fee paid at the time you sign the Development Agreement is based on the number of restaurants that you agree to develop Currently, we plan to offer Development Agreements for the development of 1, 3, or 5 restaurants, but we may offer Development Agreements for more than 5 restaurants

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 Jocelyn Blain, at 3575 Piedmont Road, NE, Building 15, Suite 250, Atlanta, Georgia 30305 and (404) 929-6654

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

Buying a franchise is a complex investment The information in this disclosure document can help you make up your mind More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D C 20580 You can also visit the FTC's home page at www ftc gov for additional information Call your state agency or visit you 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 July 14, 2016

## STATE COVER PAGE

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

Call the state franchise administrator listed in Exhibit A to this disclosure document for information about the franchisor or about the franchising in your state

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

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT AND THE MARKET DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN THE OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION CLOSEST TO OUR PRINCIPAL EXECUTIVE OFFICE WHICH IS CURRENTLY LOCATED IN ATLANTA, GEORGIA OR BY LITIGATION ONLY IN THE FEDERAL OR STATE COURT FOR THE DISTRICT WHERE OUR PRINCIPAL EXECUTIVE OFFICE IS LOCATED OUT-OF-STATE ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN OUR STATE THAN IN YOUR HOME STATE

2 THE FRANCHISE AGREEMENT AND THE MARKET DEVELOPMENT AGREEMENT STATE THAT GEORGIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFIT AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS

3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

See the State Addenda for additional risk factors

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you We pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise

The effective dates of this Franchise disclosure document in the states with franchise registration laws in which we have sought registration appear on the following page

## STATE EFFECTIVE DATES

This Franchise disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

| | |
|---|---|
| California | Effective date ___________, 2016 |
| Hawaii | N/A |
| Illinois | Effective date ___________, 2016 |
| Indiana | Effective date ___________, 2016 |
| Maryland | Effective date ___________, 2016 |
| Michigan | Effective date ___________, 2016 |
| Minnesota | Effective date ___________, 2016 |
| New York | Effective date ___________, 2016 |
| North Dakota | Effective date ___________, 2016 |
| Rhode Island | |
| South Dakota | Effective date ___________, 2016 |
| Virginia | Effective date ___________, 2016 |
| Washington | |
| Wisconsin | Effective date January 27, 2016, amended effective July 14, 2016 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000 00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled At the option of the franchisor, a surety bond may be provided in place of escrow

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

Any questions regarding this notice should be directed to


State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention Antitrust & Franchise
G Mennen Williams Building, 6th Floor
525 West Ottawa
Lansing, Michigan 48909
Telephone Number (517) 373-7117

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**ADDITIONAL STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT F**

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

**Franchisor** The franchisor is Integrity Brands, LLC, a Georgia limited liability company This disclosure document will refer to Integrity Brands, LLC, as "**we**", "**us**", or "**our**" This disclosure document will refer to the person or entity that buys the franchise from us as "**you**" or "**your**", and the term includes your partners if you are a partnership, your members if you are a limited liability company, or your shareholders if you are a corporation

We are a Georgia limited liability company organized on March 25, 2008 Our principal business address is 3575 Piedmont Road, NE, Building 15, Suite 250, Atlanta, Georgia 30305 and our telephone number is (404) 929-6654 Our agent for service of process is disclosed on Exhibit A to this disclosure document

We started offering franchises for UNCLE MADDIO'S PIZZA® Restaurants, ("**UNCLE MADDIO'S Restaurants**" or "**Restaurants**") in May 2009 We have not operated any other type of business (franchise or otherwise) We have no parents, predecessors or other affiliates required to be included in this Item

**The Franchise** We offer franchises to individuals and entities for Restaurants which offer fast, fresh pizza, salads, subs, and other food products and beverages (the "**Products**"), and related services under the form of Franchise Agreement attached to this disclosure document as Exhibit C (the "**Franchise Agreement**") You are permitted, but not required, to offer alcoholic beverages at your Restaurant A typical UNCLE MADDIO'S Restaurant occupies approximately 1,400 to 3,500 square feet of space that may be either owned by you or leased from a third party All Restaurants are constructed to our specifications as to size, layout, and decor An UNCLE MADDIO'S Restaurant may be located in either a freestanding building or in an in-line retail plaza space, but, in any event, ample parking, good visibility and availability of prominent signage are a necessity An UNCLE MADDIO'S Restaurant will employ approximately 15 to 20 persons

We created the UNCLE MADDIO'S Restaurant franchise system (the "**System**") which includes the common use and promotion of the name "UNCLE MADDIO'S PIZZA®" and other service marks, trademarks, trade names, logos, emblems, signs, slogans, insignia and commercial symbols we may designate from time to time (collectively, the "**Marks**"), distinctive food products and the formula and quality standards therefore, procedures for inventory and management control, training, advertising and promotional programs, and ongoing assistance We may from time to time add or delete products and/or services, and you will be required to make the additions or deletions we require You may not offer other services or products without our prior written approval UNCLE MADDIO'S Restaurants use the method of operation, products, concept, format, style and trade secrets developed, adopted and approved by us You will operate an UNCLE MADDIO'S Restaurant as an independent business utilizing the Marks, business concepts, support, guidance and materials developed by us You will offer and provide products and services to the general public under the terms and conditions contained within the Franchise Agreement and our confidential operations manual (the "**Operations Manual**")

**The Agreements** You must enter into a Market Development Agreement, the current form of which is attached to this disclosure document as Exhibit B (the " **Development Agreement**") Under the Development Agreement, you must develop, open and operate an agreed upon number of Restaurants located in an area of responsibility (the "**Area of Responsibility**") in accordance with an agreed upon development schedule (the "**Development Schedule**") You must enter into a Development Agreement even if you will establish only one Restaurant There is no preset minimum or maximum number of Restaurants that you may agree to establish in connection with a Development Agreement The number of Restaurants to be developed is negotiated between you and us on a case-by-case basis However, currently, we plan to offer Development Agreements for the development of 1, 3, or 5 restaurants The Development Agreement will expire on the day after operations of the final Restaurant to be established under the Development Agreement are required to begin as provided on the Development Schedule The Development Agreement will not grant any protected territory, exclusivity or other rights in which to establish your Restaurants within the Area of Responsibility You may establish your Restaurants at any location within the Area of Responsibility provided we accept your location, which may be withheld or granted in our sole discretion, the location is in a state where we are permitted to sell UNCLE MADDIO'S Restaurant franchises, and your Restaurant is not located in the franchise territory granted to another UNCLE MADDIO'S Restaurant franchisee Within our sole discretion, we may consider a location proposed by you outside your Area of Responsibility

You will operate each Restaurant to be developed under the Development Agreement under a separate Franchise Agreement The Franchise Agreement will grant you a protected territory (the "**Franchise Territory**") The Franchise Territory may not be unilaterally altered, and the continuation of the Franchise Territory during the term of the Franchise Agreement does not depend on a certain sales or revenue volume or market penetration

You will market the Products to the general public You may also market the Products away from your Restaurant at special events where the products will be prepared and cooked at the site (which may include the use of a food truck), including specialty parties, festivals, fairs, street food and food truck events, and business events ("**Special Events**"), provided that Special Events (i) must be conducted within the Territory, (ii) approved by us in writing, and (iii) conducted in accordance with the terms and conditions of the Franchise Agreement, the Operations Manual, and any other terms and conditions we place on our approval You must also provide catering services within a reasonable distance from your Restaurant not to exceed 10 miles from your Restaurant (through delivery to customers' homes, offices, and other locations) ("**Catering**") Other than Catering, you may not market or offer delivery services for the Products without our prior written approval You must comply with our Operations Manual and other instructions for all Catering and Special Events activities

If we allow you to operate a food truck (or any other mobile unit) for Special Events or otherwise, you must comply with all written standards, specifications and procedures prescribed by us in the Operations Manual or otherwise in writing related to the use and operation of a food truck (or other mobile unit, as applicable) We reserve the right to charge initial and/or recurring fees in the event that we allow you to operate a food truck (or other mobile unit) in connection with your UNCLE MADDIO'S Restaurant You will not have any exclusive rights related to the use or operation of a food truck (or other mobile unit) in your Territory

**<u>Our Competition</u>** UNCLE MADDIO'S Restaurants compete primarily with casual restaurants, including fast casual, quick service, take-out, delivery and fast food restaurants that offer similar menus, including regional and national chains and franchise systems The casual restaurant business is very competitive which is often driven by fierce price competition, however, we believe that UNCLE MADDIO'S Restaurants will appeal to a niche Prior business management experience is vital for new franchisees, and prior restaurant management experience is highly desirable

We may not operate, or permit any other person to operate, an UNCLE MADDIO'S Restaurant in the Franchise Territory during the term of the Franchise Agreement, although, we may distribute products, or permit others to distribute products, which are the same or similar to those offered by UNCLE MADDIO'S Restaurants, whether under the Marks or under other trademarks, trade names, services marks, logos or other commercial symbols and through any channel of distribution or method other than an UNCLE MADDIO'S Restaurant within the Franchise Territory, including sales through catalogs, e-commerce, mail order, kiosks, mass merchandise, supermarkets and club stores, even if you sell these products at your Restaurant See Item 12 for a more detailed description of the rights we retain

**Regulatory Matters** In addition to laws and regulations that apply to businesses generally like workers' compensation, corporate, tax, you will be subject to various federal, state and local government regulations including those relating to construction, site location, and the preparation and sale of food that apply to restaurant operations, as well as public health, sanitation and safety codes and ordinances If you sell alcoholic beverages at your Restaurant, you must obtain a liquor license under state and local law You may also have liability under Dram Shop laws for injuries relating to the sale and consumption of these substances You are responsible for keeping apprised of, and complying with, all applicable laws, including the Americans with Disabilities Act, as amended Before you buy a franchise, you are encouraged to investigate these regulations and other laws that may be applicable to your business You should consider their impact on your business and any increased cost of doing business

## ITEM 2
## BUSINESS EXPERIENCE

**Chairman, President and Chief Executive Officer – Matthew R. Andrew**

Mr Andrew has served as our Chairman, President, and Chief Executive Officer since our inception in March 2008 From March 2008 to July 2013, Mr Andrew was also our Chief Operating Officer Mr Andrew serves in his present capacities in Atlanta, Georgia

**Chief Administration Officer – Tony Brewer**

Since July, 2013, Mr Brewer has been employed by Tidewater Capital Group, Inc to act as our Chief Operating Officer Mr Brewer also has served as President of Tidewater Capital Group, Inc since January 1993 Mr Brewer serves in his present capacities in Atlanta, Georgia

**Chief Operations Officer — Scott Goodrich**

Mr Goodrich joined us as our Vice President of Franchise Field Operations in February 2014 and was promoted to Senior Vice President – Operations and Franchise Support in July 2014 Mr Goodrich was promoted to Chief Operations Officer in December 2015 From August 2013 to January 2014, he served as President and CEO of AMSG, LLC in Mooresville, North Carolina Prior to that, Mr Goodrich was a Regional Director of Franchise Operations at Five Guys' Burgers and Fries in Lorton, Virginia, from March 2005 to July 2013

**Chief Development Officer – Jocelyn T Blain**

Mrs Blain has served as our Chief Development Officer in Atlanta, Georgia since December 2015 From September 2011 to October 2015, she served as the Chief Development Officer for Fresh To Order in Alpharetta, Georgia From November 2004 until June 2011, Mrs Blain served as the Senior Vice President of Development for FOCUS Brands, Inc in Atlanta, Georgia

**Vice President, Marketing – Mollie Tregembo**

Mrs Tregembo has served as our Vice President of Marketing in Atlanta, Georgia since February 2016 From January 2009 until January 2016 she was the Director of Global Marketing for Intercontinental Hotel Group (IHG)

**Vice President, Training and Human Resources – Jennelle Brown**

Ms Brown has served as our Vice President of Training and Human Resources in Atlanta, Georgia since June 2015 From July 2013 to April 2015, Ms Brown was the Director of Training for Ignite Brands in Houston, Texas From January 2012 to July 2013, she served as Director of Training for Salsaritas in Charlotte, North Carolina From January 2009 to December 2011, she was the Director of Training for Café Caturra in Richmond, Virginia

**Director of Franchise Administration – Melissa McFarlin**

Mrs McFarlin has served as our Franchise Development Consultant in Atlanta, Georgia, since June 2014 She was promoted to Director of Franchise Administration in July 2015 From April 2013 to June 2014, Mrs McFarlin was Director of Franchise Development with HoneyBaked Ham Company of Georgia, located in Alpharetta, Georgia From March 2009 to April 2013, Mrs McFarlin was Director of Franchise Sales and New Store Development for Stevi B's Pizza located in Atlanta, Georgia

## ITEM 3
## LITIGATION

No litigation is required to be disclosed in this Item

## ITEM 4
## BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item

## ITEM 5
## INITIAL FEES

**Franchise Fee and Market Development Fee** We charge an initial franchise fee equal to $30,000 for each Restaurant franchised by you The initial franchise fee is uniform for all franchisees purchasing a franchise through this disclosure document and must be paid in full when you sign the Franchise Agreement You will pay some or all of the initial franchise fee when you sign the Development Agreement, and, as you open each Restaurant, we will credit the Development Fee you pay towards payment of the initial franchise fee for that Restaurant During our last fiscal year, we did not reduce or waive the initial franchise fee described in this Item 5, except in connection with Development Agreements we executed in previous years We use the initial franchise fee to provide training and other services to our franchisees Initial franchise fees are not refundable under any circumstances

As discussed in Item 1 of this disclosure document, you must enter into a Development Agreement where you will commit to develop an agreed number of UNCLE MADDIO'S Restaurants consistent with the Development Schedule When you sign the Development Agreement, you must pay us an upfront development fee based on the number of Restaurants that you agree to develop under the Development Agreement (the "**Development Fee**") If you sign a Development Agreement to develop 1 Restaurant, you will pay a Development Fee totaling $30,000 when you sign the Development Agreement If you sign a Development Agreement to develop 3 Restaurants, you will pay a Development Fee totaling $90,000 (i) $45,000 when you sign the Development Agreement plus (ii) $45,000 when you sign the lease for the second Restaurant you will develop under the Development Agreement If you sign a Development Agreement to develop 5 Restaurants, you will pay a Development Fee totaling $150,000 (i) $75,000 when you sign the Development Agreement, (ii) $37,500 when you sign the lease for the second Restaurant you will develop under the Development Agreement, plus (iii) $37,500 when you sign



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the lease for the third Restaurant you will develop under the Development Agreement Currently, we plan to offer Development Agreements for the development of 1, 3, or 5 Restaurants Larger packages than these may be assembled and the development fee will be calculated accordingly

If you develop each Restaurant required to be developed under the Development Agreement in accordance with the Development Schedule, the Development Fee attributable to each Restaurant will be credited towards the payment of the initial franchise fee due under the Franchise Agreement for each Restaurant If a Restaurant is not established in accordance with the Development Schedule, the Development Fee that would have otherwise been credited towards payment of the initial franchise fee for that Restaurant will be forfeited and retained by us If you and we are unable to agree upon a site for a Restaurant and, as a result, you fail to meet your Development Schedule, we may terminate your Development Agreement If, for any reason, the Development Agreement terminates before all or a portion of the Development Fee has been applied to the initial franchise fees, we will retain the unapplied portion of the Development Fee to compensate us for our time, effort and lost opportunities Generally, the Development Fee is uniform for all franchisees purchasing through this disclosure document However, we may offer to reduce the Development Fee based on the same factors set forth above for reducing the Initial Franchise Fee The Development Fee is not refundable under any circumstance

## ITEM 6
## OTHER FEES

| Name of Fee | Amount | Due Date | Remarks |
|---|---|---|---|
| Royalty Fee | 5% of Net Sales | On or before the first Wednesday in each bi-weekly reporting period (as such periods are determined by us) for the preceding bi-weekly period's Net Sales | We will debit your bank account for the Royalty Fee due See Notes 2 and 7 |
| Advertising Fund Fee | 2 % of Net Sales | Same as Royalty Fee | You must participate in the Advertising Fund by contributing up to 2% of Net Sales and we will provide advertising materials and services to you through the Advertising Fund which we will control See Note 7 |
| Advertising Cooperative | May not exceed 2% of Net Sales See Note 3 | Same as Royalty Fee or as designated by your cooperative | See Item 11 and Notes 3 and 7 |
| Local Market Advertising | A minimum of 2% of Net Sales | As Incurred | You must make local market advertising expenditures as required by Section 11 3 of the Franchise Agreement You may determine the form and media, subject to our prior approval See Note 7 |
| Advertising | Amount of Local Market | Immediate Upon Demand | If you fail to make local market |

| Name of Fee | Amount | Due Date | Remarks |
|---|---|---|---|
| Deficiency | Advertising Deficiency | | advertising expenditures, we may do so on your behalf and you will reimburse us for those expenditures |
| Renewal Fee | $5,000 | Before renewal | Payable when, and if, you renew your Franchise Agreement There are other conditions to renew (see Item 17 of this disclosure document) |
| Transfer/Assignment Fee under Franchise Agreement | $5,000 | Before the consummation of the transfer or sale | Payable when, and if, you transfer or sell your franchise There are other conditions to transfer (see Item 17 of this disclosure document) |
| Transfer/Assignment Fee under Development Agreement | $5,000 | Before the consummation of the transfer or sale | Payable when, and if, you transfer or sell the Development Agreement There are other conditions to transfer (see Item 17 of this disclosure document) |
| Interest and Late Payment Fees | Interest up to the highest rate permitted by law but no more than 18% per annum plus $100 per occurrence | Immediate Upon Demand | Payable on all overdue amounts Interest begins from the date of non-payment or underpayment |
| Insufficient Funds Fee | $100 Per Occurrence | Immediate Upon Demand | Payable if any of your payments to us are not honored by your financial institution |
| Late Report Fee | $500 Per Occurrence | Immediate Upon Demand | If any of the financial reports (or other related reporting information required in the franchise agreement) are not received by us by the required deadlines, we may charge you a late submission fee equal to $500 in our sole discretion |
| Audit Expenses | Fee equal to the cost of audit, including the charges of any independent accountants, travel expenses and per diem personnel charges See Note 4 | Immediate Upon Demand | If you understate any payment owed to us by 5% or more, you must reimburse us for our actual costs incurred in conducting the audit, including attorney's fees, accountants' fees, travel expenses and compensation of our employees These fees will not exceed our actual costs |
| Additional Training | Currently $300 per day | As Incurred | See Note 5 |

| Name of Fee | Amount | Due Date | Remarks |
|---|---|---|---|
| Additional On-Site Training, Assistance or Support | Will vary under the circumstances based on the extent of training, assistance or support necessary Currently, $300 per day | As Incurred | As Incurred |
| Indemnification | Will vary under the circumstances | As incurred | You must reimburse us if we are held liable for damages or other relief related to the operation of your franchise |
| Insurance Premiums | Will vary under the circumstances | Immediately on demand | You must reimburse us if we purchase insurance for you because you failed to do so |
| Conferences | Currently, $0 - $500 | Upon demand | If we require you to attend a conference or other meeting, you may have to pay a fee, which we expect will not be more than $500 per person As of the date of this disclosure document, we have not held any conferences Once the System gets larger, we expect to have annual conferences and we expect to require one or two of your representatives to attend |
| Costs and Attorneys' Fees | Will vary under the circumstances | As incurred | Payable only if you do not comply with the Franchise Agreement |
| Product/Supplier Approval Costs | Cost of testing not to exceed $500 | As incurred | This covers the cost of testing new products or inspecting new suppliers you recommend |
| Management Fee | 10% of Restaurant's Net Sales plus all costs and expenses incurred by us | Upon demand | If you are in default of the Franchise Agreement or fail to maintain the Restaurant in accordance with our standards, we may send in our personnel to manage the Restaurant until the default is cured or you are able to meet our standards During our management of your Restaurant, you must pay us 10% of your Restaurant's Net Sales plus all costs and expenses incurred by us in providing the management |

| Name of Fee | Amount | Due Date | Remarks |
|---|---|---|---|
| Reimbursement of Costs and Expenses regarding Modification of Franchise Agreement | Costs and attorneys' fees | Upon demand | |
| Liquidated Damages | Will vary under the circumstances | Immediately upon demand | See Note 6 |
| Maintenance, Service, and Support Contract Fees | The costs will vary based on the items and the contracts you select | As incurred | We may require you to maintain maintenance contracts or service contracts on all equipment and machinery designated by us and we will have the right to designate the vendor(s) for those contracts You will be responsible for the cost of maintaining these contracts As of the date of this disclosure document, these fees are not being charged |
| Training and Instructional Material Fees | The costs will vary based on the items specified by us | As incurred | As of the date of this disclosure document, these fees are not being charged |
| Food Truck Initial and/or Recurring Fees | To be determined (not currently charged) | Upon demand | As of the date of this disclosure document, these fees are not being charged Franchisees may not operate food trucks (or other mobile units) without our prior written approval If we consent to the use or operation of food trucks or other mobile units, we may require you to pay us initial and/or recurring fees related to such food truck (or mobile unit) |

**Explanatory Notes·**

Note 1 Unless this disclosure document specifically provides otherwise, all fees are imposed by and payable to us and are non-refundable The fees are uniformly imposed but, now or in the future, we have the right to vary these fees in our sole discretion on a case-by-case basis

Note 2 **"Net Sales"** means the gross sales of the Restaurant, Catering services, delivery services and Special Events (whether such sales are evidenced by cash, check, credit, charge account or otherwise), less (i) sales tax collected on such sales and paid to the state, (ii) any approved allowable discounts, (iii) employee meals, and (iv) charitable donations Gross sales means the amount actually received or receivable from all sales of every kind and nature from the Restaurant, catering services, delivery services and Special Events, including but not limited to, the sale of food, beverages and services, whether sold for consumption on or off the premises, and receipts from food catering, and any insurance proceeds and/or condemnation awards received for loss of sales or business, all whether on a cash or charge basis, paid or unpaid, collected or uncollected

Note 3 Amounts paid to an advertising cooperative will be credited against your required expenditures for local market advertising under Section 11 3 of the Franchise Agreement All members of an advertising cooperative (whether a franchisee-owned, company-owned or affiliate-owned Restaurant) have equal voting rights on all matters brought before the advertising cooperative for a vote, including matters relating to the amount of required contributions

Note 4 You must pay our audit expenses only if an audit of your records reveals an understatement of 5% or more of your total amount owed to us during the audit period In addition to any unpaid amounts you may owe us, you must reimburse us for the actual costs we incur in conducting the audit, including travel, lodging, meals, and compensation of the auditing personnel that may travel to your Restaurant The cost of the audit will depend on many factors that will-vary on a case by-case basis, like the condition-and accuracy of your recordkeeping, the extent of your cooperation, the number-of years of your particular audit As a result, we are unable to estimate a range of these audit costs, however, these audit expenses will not exceed our actual costs

Note 5 If you are in default under the Franchise Agreement or noncompliance with the System based on your failure to maintain our standards, we may require you to obtain additional training by telephone or at our office Additionally, we may require you or your manager and employees to attend additional or refresher training for which we may charge a fee

Note 6 Upon termination of the Franchise Agreement due to your breach, you must pay us, in addition to other amounts owed, liquidated damages in the amount of the Royalty Fees payable by you to us for the 12 month period immediately preceding the date of termination, however, if the Restaurant has not been open for at least 12 months, the average monthly amount of Royalty Fees payable by you to us for the months in which the Restaurant has been open multiplied by 12

Note 7 We may require you to pay all fees or contributions due under the Franchise Agreement by automated bank draft or other reasonable means necessary to ensure we receive payment of all fees and contributions You must comply with any of our payment instructions, including executing any forms which grant us the right to debit your account on a bi-weekly basis for payment of royalty and advertising fees or contributions and other fees or contributions to be paid to us or required by us under the Franchise Agreement

## ITEM 7
## ESTIMATED INITIAL INVESTMENT

**YOUR ESTIMATED INITIAL INVESTMENT**

| Type of Expenditure | Amount of Expenditure | Method of Payment | When Due | To Whom Payment Is To Be Made |
|---|---|---|---|---|
| Initial Franchise Fee (See Notes 1 and 14) | Credited from Development Fee | Lump Sum | Will be prepaid as part of the Development Fee that is paid upon signing the Development Agreement | Us |
| Rent (See Note 2) | $12,000 to $27,000 | As Arranged | As Arranged | Landlord |
| Security Deposit (See Note 3) | $3,000 to $10,000 | As Arranged | As Arranged | Landlord |

| Type of Expenditure | Amount of Expenditure | Method of Payment | When Due | To Whom Payment Is To Be Made |
|---|---|---|---|---|
| Real Estate and Improvements (See Note 4) | $150,000 to $250,000 | As Arranged | Before Opening | Landlord, Contractors |
| Travel and Living Expenses while Training (See Note 5) | $0 to $7,800 | As Arranged | During Training | Hotels, Restaurants |
| Furnishing, Fixtures, Equipment, Decorating and Lighting (See Note 6) | $100,000 to $210,000 | As Arranged | Before Opening | Suppliers, Contractors |
| Signage (See Note 7) | $7,500 to $15,000 | As Arranged | Before Opening | Suppliers |
| Opening Inventory | $5,000 to $10,000 | As Arranged | Before Opening | Suppliers |
| POS System, Computer Hardware/Software | $12,000 to $15,000 | As Arranged | Before Opening | Suppliers |
| Small Wares | $10,000 to $16,000 | As Arranged | Before Opening | Suppliers |
| TV's, Music System, Security System, Camera's, and Phone Systems | $3,000 to $9,000 | As Arranged | Before Opening | Suppliers |
| Grand Opening (See Note 8) | $15,000 | As Arranged | As Arranged | Suppliers |
| Professional Fees | $10,000 to $21,000 | As Arranged | Before Opening and Ongoing | Your Accountants, Lawyers, Real Estate Broker, Architect, Recruiters |
| Insurance (See Note 9) | $5,000 to $10,000 | As Arranged | As Incurred | Insurance Providers |
| Miscellaneous Opening Costs (See Note 10) | $20,000 to $50,000 | As Arranged | As Arranged | Suppliers, Utilities, Tradesmen, Franchisor |
| Additional Funds – 3 Months (See Note 11) | $25,000 to $75,000 | As Arranged | As Arranged | Suppliers, Employees |
| **Total Estimated Initial Investment (See Notes 12 and 13)** | **$377,500 to $740,800** | | | |
| Development Fee (See Note 14) | $30,000 multiplied by the number of Restaurants you open | Due upon signing the Development Agreement, installment payments of the Development Fee will become payable as you and we arrange | As Arranged | Us |
| **Total Estimated Initial Investment under the Market Development Program (See Notes 12 and 14)** | **$407,500 to $890,800** | | | |

**Explanatory Notes·**

Note 1 The initial franchise fee includes the loan of our Operations Manual and initial training for (i) up to two individuals having responsibility for the day-to-day operations of your Restaurant and (ii) you (or one of your owners if you are an entity) See Item 11 of this disclosure document for additional information about the initial training program The initial franchise fee is not refundable under any circumstances

Note 2 These figures presume that you will be leasing the Restaurant premises and only represent rents for 2-3 months We are unable to estimate the total cost of purchasing suitable premises for your Restaurant or the amount of any down payment that would be required Rent will vary depending upon the prevailing market rent, size of the premises, the site's condition, its location, demand for the site, the build-out requirements and construction or other allowances from the landlord, and the requirements of individual landlords These figures are based upon our experience developing franchised UNCLE MADDIO'S Restaurants within the last fiscal year, based on information provided by our franchisees These figures may vary considerably in other parts of the United States Regardless of whether you lease or purchase the Restaurant premises, a typical UNCLE MADDIO'S Restaurant occupies approximately 1,400 to 3,500 square feet of space An UNCLE MADDIO'S Restaurant may be located in either a freestanding building or an in-line retail plaza space, but, in any UNCLE MADDIO'S Restaurant event, the Restaurant requires ample parking, good visibility and availability of prominent signage Because of the wide variation in lease rates for retail space, you should thoroughly investigate the costs of obtaining a location

Note 3 Your lessor may require a security deposit before you take possession of the premises This deposit may or may not be refundable

Note 4 The cost of leasehold improvements will vary widely depending upon the size and condition of the premises, whether or not there are any existing and comparable leasehold improvements in the premises, the extent and quality of improvements desired by you over and above our minimum requirements, landlord's cash contribution to the cost of the improvements, and the like Improvements include electrical, carpentry, floor covering and painting

Note 5 We provide initial training at no charge for (i) up to two managers and (ii) you (or one of your owners if you are an entity), but you must arrange and pay for all food and lodging expenses for the people who attend the initial training program You must send a minimum of two managers to become certified through the training program for each Restaurant that you operate Additionally, if you will not be one of the managers for the Restaurant attending initial training (or one of your owners if you are an entity), you (or one of your owners if you are an entity) must still attend our initial training program for 2 weeks Costs vary depending on the distance traveled and the type of lodging The amount shown does not include the cost of transportation See Item 11 of this disclosure document for a description of the initial training program

Note 6 You must purchase or lease certain equipment (like kitchen equipment), machinery, furniture and decorations which comply with our specifications and standards Costs will vary depending on a number of factors including, without limitation, building codes and health requirements of the state where your Restaurant is located Special Events are option and, as optional services, we cannot estimate your expenses if you chose to offer those services which are not included in this estimate

Note 7 The cost of your exterior sign will vary depending upon the size, color and back-lite channel letters of the sign and other specifications as may be required by us

Note 8 You must conduct a grand opening advertising campaign with the opening of your Restaurant You must pay all costs of the grand opening, including publicity costs, promotional costs, plus the full cost of any price reductions or other customer inducements Costs may vary depending on your market and the type of advertising used, however, you must spend a minimum of $15,000 during the period 30 days before and 90 days after the opening of your Restaurant or, if you purchased an existing Restaurant, 90 days after the purchase of your Restaurant

Note 9 This figure is an estimate of the annual cost of maintaining the insurance required by the Franchise Agreement

Note 10 This figure includes amounts for utility costs, business licenses, permits, opening assistance, and the cost of training your employees

Note 11 This estimates the funds needed to cover your expenses during the first 3 months of operation These expenses include payroll costs (excluding any wage or salary paid to you), other miscellaneous expenses and working capital Your costs will vary depending on how rapidly your business grows These figures are estimates based on our past business experience We cannot guarantee that you will not have additional expenses starting the business Your costs will depend on factors like how closely you follow our methods and procedures, your management skill, experience and business knowledge, local economic conditions, the local market for our product, the prevailing wage rate, competition, and the sales level achieved during the initial period All of these expenses are paid to third parties

Note 12 To compile these estimates, we relied on (i) our management's business acumen, (ii) information received from our franchisees, and (iii) preferred vendors that we have established relationships with for the benefit of the System You should review these figures carefully with a business advisor before making any decision to purchase the franchise The amount shown is based upon our experience in the Southeast United States These figures may vary considerably in other parts of the United States In addition, your costs will depend on factors like your compliance with our methods and procedures, your management skill, your business experience and business acumen, local economic conditions, the prevailing wage rate, and the growth of your franchise during the initial period

Note 13 We do not offer direct or indirect financing to franchisees for any of these items The availability and terms of financing will depend on factors like the availability of financing generally, your credit worthiness, collateral you pledge, policies of your lending institution, and economic conditions in your area

Note 14 As discussed in Item 5 of this disclosure document, you will pay a Development Fee based on the number of Restaurants you must develop under the Development Agreement We currently plan to offer Development Agreements for the development of 1, 3, or 5 Restaurants If you develop each Restaurant required to be developed under the Development Agreement in accordance with the Development Schedule, the Development Fee attributable to each Restaurant will be credited towards the payment of the initial franchise fee due under the Franchise Agreement for each Restaurant If a Restaurant is not established in accordance with the Development Schedule, the Development Fee that would have otherwise been credited towards payment of the initial franchise fee for that Restaurant will be forfeited and retained by us The Development Fee is not refundable under any circumstance

Unless otherwise stated, the costs and expenses described in the table are not refundable

## ITEM 8
## RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to maintain the reputation, goodwill, high standards, quality and uniformity of the System, the Franchise Agreement restricts the sources of Products and services you utilize in establishing and operating your Franchised Business We have the right to require some items to be purchased only from us or our affiliates Some items can only be purchased from suppliers we have designated or approved, and others only in accordance with our standards and specifications The source for virtually all of your purchases is restricted in some way The following table summarizes the approximate percentages of your purchases of equipment and supplies through sourcing restrictions, based on the nature of the restriction The source for virtually all of your purchases is restricted in some way

**Purchases from Us**

You may be required to purchase certain products, equipment or services directly from us or our affiliates Currently, we do not require you to purchase any items from us or our affiliates During 2015, we did not derive any revenue from direct sales of equipment, products or services to franchisees

There are no suppliers in which any of our officers own an interest

**Purchases from Approved Suppliers**

To maintain the superior quality of the goods and services sold by UNCLE MADDIO'S Restaurants and the reputation of the UNCLE MADDIO'S PIZZA® franchise network, you must purchase or lease fixtures, equipment and supplies, furnishings, products and services, and related items from suppliers that we designate or approve

We have negotiated price terms with some suppliers Except as noted in this Item, we have not currently, but may in the future, negotiate formal supply arrangements with suppliers for the benefit of franchisees In the future, there may be various vendors and suppliers that contribute to the cost of the annual convention for the System (the "**Convention**") Monies from vendors and suppliers that are used to pay for the cost of the convention will not be revenue to us

We may change approved suppliers periodically upon written notice to you We will identify all designated and approved suppliers in our Operations Manual or other written or electronic communications We do not make any express or implied warranties for any products or goods that we recommend for your use

**Purchases According to Standards and Specifications**

In order to maintain the uniformly high standards and reputation of the System, you are required to purchase or lease certain items in accordance with the specifications and guidelines issued by us This requirement applies to design and build-out standards, computerized point-of-sale and cash register system, signage, menu boards, uniforms, beverage and food products, branded paper goods, and supplies to be used in developing and operating the UNCLE MADDIO'S Restaurant (some of which must be purchased from approved suppliers) Specifications may include minimum standards for quality, quantity, delivery, performance, design, appearance, durability, style, warranties, price range, and other related restrictions We consider these specifications to be of critical importance to the success of the System (All of these specifications and guidelines are more fully described in our Operations Manual)

**<u>Point of Sale Computer System</u>** You must purchase a point of sale ("**POS**") system (see Item 11) We have the right to designate a single supplier for a particular POS system Currently, we have designated Brink as the POS system for use in UNCLE MADDIO'S Restaurants Retail Data Systems, located in Marietta, Georgia, is the single approved supplier for the POS system We have the right to appoint additional suppliers or different suppliers for this POS system or other POS systems we may designate in the future Neither our affiliates nor we derive revenue from your purchase of the POS system, although we reserve the right to do so in the future We may require you to maintain support service contracts and/or maintenance service contracts and implement and periodically make upgrades and changes to the POS system, computer hardware and software, and credit card, debit card and other non-cash payment systems We may designate the vendor(s) for these support service contracts and maintenance service contracts

**<u>Real Estate Broker</u>** We must approve the site for your Restaurant and the site must meet our then-current site criteria If you will occupy the Restaurant under a lease or sublease, you must, before executing the lease or sublease, submit the lease or sublease to us for our review to ensure the lease or sublease contains the terms that we require, which are described in the Development Agreement We may designate a national real estate broker(s) that franchisees must use to locate sites for UNCLE MADDIO'S Restaurants The designated national real estate broker(s) may identify a local real estate broker(s) to be used in connection with the site search

**<u>Insurance</u>** You must obtain and maintain, at your own expense, the minimum insurance coverage we require, and you must meet the other insurance-related obligations in the Franchise Agreement The types of insurance includes comprehensive general liability insurance with coverages for products liability, contractual liability, personal and advertising injury, fire damage, medical expenses and liquor liability, workers' compensation insurance, comprehensive crime and employee dishonesty insurance, business interruption and extra expense insurance, and personal property insurance The cost of coverage will vary depending on the insurance carrier's charges, terms of payment and your history You should check with your insurance agent and determine whether you are protected by our minimum insurance requirements You may desire to obtain a greater amount of insurance than what we require All insurance policies must name us as an additional insured party

**<u>Maintenance, Service and Support Contracts</u>** We may require you to maintain maintenance contracts or service contract on all equipment and machinery designated by us (the costs may vary based on the items and the contract you select) and we will have the right to designate the vendor(s) for those contracts We may also require you to maintain a contract(s), or participate in any of our contracts, with third-party(ies) offering customer service, customer loyalty, shopper experience, food safety or other service programs designed to audit, survey, evaluate or inspect business operations We have the right to specify the third party(ies) and the required level of participation in these programs You will be responsible for the cost of maintaining these contracts and/or participating in these programs You are required to pay $4,200 annually for the use and support of the POS System, which includes support for loyalty and gift card programs, online ordering, and help desk support

**<u>Request for Supplier Approval</u>** If (i) you wish to purchase any item from a supplier (manufacturer or distributor) we have not previously approved or an item that does not comply with our standards and specifications and (ii) the item has not been designated by us to be exclusively supplied by a designated supplier(s), you must first submit to us a written request for approval We will establish a procedure for submitting these requests We will require the proposed supplier to provide us with certain financial and operational information and other information regarding the supplier and the items to be approved In addition, the proposed supplier must permit our representatives to inspect its facilities (e g business offices and/or manufacturing facilities, as applicable) Before we approve a supplier, we will evaluate the economic terms of a possible relationship and ensure that the proposed supplier meets our requirements We reserve the right, at our option, and at the proposed supplier's expense, to inspect or re-inspect the facilities, equipment, and raw materials of any supplier, at any time The proposed supplier or you must pay, in advance, a fee not to exceed the reasonable cost of any evaluation, testing, and inspections we undertake Within a reasonable time frame after we receive the completed request and after we complete any evaluation and inspection or testing (not to exceed 90 days), we will notify you in writing of our approval or disapproval of the proposed supplier or item Generally, we will respond to your requests for supplier approval within a reasonable time period not to exceed 90 days We are not required to approve any supplier or item not meeting our standards and specifications We may deny approval for any reason, including our determination to limit the number of approved suppliers You must not use, offer for sale or sell any of the proposed supplier's products or any other product that does not meet our standards or specifications until you receive our written approval of the proposed supplier or item

We may revoke our approval of particular goods or services, or of the supplier that supplies them, if we determine, in our sole discretion, that they no longer meet our standards or specifications If you receive a written notice of revocation from us, you must stop selling disapproved products and/or stop purchasing from the disapproved supplier

**Rebates**

We and our affiliates have the right to receive payments or other benefits like rebates, discounts, and allowance from an authorized suppliers based upon their dealings with you and other franchisees and we may use the monies we receive without restriction for any purpose we deem appropriate or necessary Suppliers may pay us based upon the quantities of products the System purchased from them These fees will usually be based upon an amount per case or an amount per pound

We may receive fees from a supplier as a condition of our approval of that supplier We may negotiate supply arrangements with suppliers for the benefit of franchisees We and our affiliates have the right to receive payments from authorized suppliers based upon their dealings with you and other franchisees, and we may use the monies we receive without restriction for any purpose we deem appropriate or necessary Suppliers may pay us based upon the quantities of products the System purchases from them These fees will usually be based upon an amount per case or an amount per pound Currently, there are no suppliers who contribute money to our System, except as noted below

Dr Pepper/Seven Up, Inc , and Dining Alliance pay us a rebate and other incentives based on franchisee purchases and, currently, our practice is to contribute those amounts to the Advertising Fund (defined in Item 11) Also, we signed a beverage marketing agreement with The Coca-Cola Company ("**Coca-Cola**") for the supply of fountain beverages to the System (the "**Beverage Marketing Agreement**") Under the Beverage Marketing Agreement, all UNCLE MADDIO'S Restaurants operating under the System must only offer Coca-Cola beverage products The amount of money paid by Coca-Cola under the Beverage Marketing Agreement is based on a number of factors, including a dollar amount per gallon consumed System-wide The Beverage Marketing Agreement is structured so funds are paid by Coca-Cola directly to us and the Beverage Marketing Agreement requires us to use monies received under the Beverage Marketing Agreement for the benefit of the System Currently, our practice is to deposit those amounts in the Advertising Fund

During the fiscal year ended December 31, 2015, we received rebates and incentives equal to \$110,084 34, which represented 6 5% of our total revenue of \$1,680,688 20

**Refurbishments** In addition to all your other obligations in the Franchise Agreement and Operations Manual related to repairing and maintaining the Restaurant, but not more often than once every 5 years, unless sooner required by your lease, you must refurbish the premises of the Restaurant at your expense, to conform to the restaurant, trade dress, color schemes and presentation of the Marks in a manner consistent with the then-current image for new UNCLE MADDIO'S Restaurants ("**Refurbishments**") Before beginning any refurbishment project, you must submit to us the proposed scope of work for our review and approval Refurbishments may include structural changes, installation of new equipment and signs, remodeling, redecoration and modifications to existing improvements We are unable to estimate your costs for future Refurbishments which will vary from Restaurant to Restaurant based on a number of factors like (i) the market where your franchise is located, (ii) the size of your Restaurant, (iii) when your Restaurant was last refurbished, if applicable, (iv) the amount of System changes since the last refurbishment, and (v) the overall condition of your Restaurant site and equipment

## 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 or Schedule in Development Agreement | Section or Exhibit in Franchise Agreement | Item in Disclosure Document |
|---|---|---|---|---|
| a | Site selection and acquisition/lease | Sections 7 and 8 and Schedule B | Section 3 1 | Items 7, 11 and 12 |
| b | Pre opening purchases/leases | Sections 7 and 8 | Sections 3 1, 9 and 10 | Items 7 and 8 |
| c | Site development and other pre opening requirements | Sections 2 1, 6, 7, and 8 | Sections 1,3 1, 3 2, 10 and 11 1 | Items 6, 7, 8 and 11 |
| d | Initial and ongoing training | None | Sections 1,2,9, 13 and 14 | Items 7, 11 and 15 |
| e | Opening | Sections 6 and 8 and Schedule A | Sections 1,3 1,11 1 and 13 | Items 6, 7 and 11 |
| f | Fees | Sections 4 and 5 | Sections 2 2, 4, 5, 6 2, 6 3, 11, 14, 21 4 and 22 1 | Items 5, 6, 7 and 11 |
| g | Compliance with standards and policies/Operating Manuals | Section 8 | Sections 8, 9 and 15 | Items 8, 11, 13, 14 and 16 |
| h | Trademarks and proprietary information | Section 11 | Sections 8, 9, and 15 | Items 11, 13 and 14 |
| i | Restrictions on products/services offered | None | Sections 9 and 25 | Items 8 and 16 |
| j | Warranty and customer service requirements | None | None | Not Applicable |
| k | Territorial development and sales quotas | Sections 1, 2 and 6 and Schedule A | None | Items 1, 5, 6 and 12 |
| l | Ongoing product/service purchases | None | Section 9 | Item 8 |

| Obligation | Section or Schedule in Development Agreement | Section or Exhibit in Franchise Agreement | Item in Disclosure Document |
|---|---|---|---|
| m Maintenance, appearance and remodeling requirements | Section 8 | Sections 2 2, 9 and 19 4 | Items 7, 11 and 17 |
| n Insurance | None | Section 18 2 | Items 6, 7 and 8 |
| o Advertising | None | Sections 9 and 11 | Items 6, 7, 11 and 12 |
| p Indemnification | None | Section 18 1 | Item 6 |
| q Owner's participation/ management/staffing | None | Sections 9 and 14 1 | Item 15 |
| r Records/reports | None | Sections 6 1 and 6 2 | Item 6 |
| s Inspections/audits | Section 8 | Sections 6 3 and 9 | Item 6 |
| t Transfer | Section 13 | Section 19 | Items 6 and 17 |
| u Renewal | None | Section 2 2 | Items 6 and 17 |
| v Post termination obligations | Sections 12 4 and 14 | Sections 20 and 22 | Items 14, 15 and 17 |
| w Non competition covenants | Sections 14 1, 14 2, 14 4, 14 5 and Schedule C | Sections 20 1, 20 2, 20 4, and 20 5 and Exhibit B | Items 14, 15 and 17 |
| x Dispute resolution | Section 21 | Section 31 | Item 17 |
| y Personal Guaranty | Section 16 and Schedule E | Section 26 and Exhibits K-1 and K-2 | Item 15 |
| z Confidential Information | Sections 14 3, 14 4 and 14 5 and Schedule C | Sections 7, 20 3, 20 4 and 20 5 and Exhibit B | Items 11, 14 and 15 |

## ITEM 10
## FINANCING

Neither we nor any affiliate offers, directly or indirectly, any financing to you We do not guarantee any of your notes, leases or obligations

## ITEM 11
## FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM, AND TRAINING

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

__Pre-Opening Obligations__ Before you open your Restaurant, we or a third party designated by us will

(a) Assist you in selecting and analyzing a lease, sublease or purchase agreement for your Restaurant site We do not choose the site, but may give you support and guidance (See Development Agreement, Section 7 )

(b) Provide you with a set of standard architectural plans and specifications for a prototype UNCLE MADDIO'S Restaurant We must approve any and all changes or revisions proposed to the site and construction plans and specifications which do not conform to the current brand standards for image and operational flow (See Development Agreement, Section 8 )

(c) License you the Marks necessary to commence the franchised business (See Franchise Agreement, Section 1 )

(d) Loan you one copy of the Operations Manual which contains mandatory and suggested specifications, standards, and procedures The Operations Manual may be provided to you in text and/or electronic format The Operations Manual is confidential and proprietary and remains our property We have the right to modify the Operations Manual as we deem appropriate, although the modifications will not alter your status and rights under the Franchise Agreement Attached to this disclosure document as Exhibit E is a copy of the Table of Contents of the Operations Manual (See Franchise Agreement, Section 7 )

(e) Provide you with grand opening assistance from our personnel, including planning and developing a grand opening promotional program (See Franchise Agreement, Sections 11 1 and 13 )

(f) Give you periodic guidance (as we deem necessary) about the development, opening and operation of the Restaurant, including advice regarding equipment selection and layout and employee selection and training (See Development Agreement, Section 9 and Franchise Agreement, Section 12 )

(g) Before you commence operating the Restaurant, provide initial training for the 2 individuals that (i) will assume primary responsibility for managing your Restaurant and (ii) will devote full time and best efforts to the management operation of your Restaurant (the "**Managers**") and you (or one of your owners if you are an entity) (See Franchise Agreement, Section 14 1 )

**Post-Opening Obligations** During the operation of your Restaurant, we will

(a) Give you periodic guidance (as we deem necessary) about (i) the methods and procedures to be utilized at the Restaurant, (ii) advertising and promotion, (iii) recipes, food formulas and specifications, (iv) bookkeeping and accounting, (v) purchasing and inventory control, (vi) inspections, and (vii) new developments and improvements to the System (See Development Agreement, Section 9 and Franchise Agreement, Section 12 )

(b) Notify you of changes to, or the creation of, Restaurant standards and specifications and approved or designated suppliers, or the termination of existing approved or designated suppliers (See Franchise Agreement, Sections 7 and 8 )

(c) Refrain from operating or granting a third party the right to operate an UNCLE MADDIO'S Restaurant in the Franchise Territory (See Item 12 of this disclosure document and Franchise Agreement, Section 3 )

(d) Give you access to advertising and promotional materials we develop (See Franchise Agreement, Section 11 2 )

(e) Provide additional training for your managers (See Franchise Agreement, Section 14 3 )

<u>**Advertising**</u> We have established an advertising fund (the "**Advertising Fund**") You must participate in the Advertising Fund by contributing the amount we designate (up to 2% of Net Sales) and we will provide advertising materials and services to you through the Advertising Fund, which we will control All affiliate-owned Restaurants or Restaurants we own will also contribute to the Advertising

Fund on an equal percentage basis with all franchised Restaurants The Advertising Fund is established as a separate banking account and monies received for the Advertising Fund are accounted for separately from our other funds There is no fiduciary or trust relationship created by our administering the Advertising Fund We may cause the Advertising Fund to be incorporated or operated through a separate entity if we deem appropriate (See Franchise Agreement, Section 11 2 ) We anticipate all of our franchisees will contribute to the Advertising Fund, although there is no prohibition against us charging higher or lower rates for future franchisees (See Franchise Agreement, Section 11 2 ) We also may forgive, waive, settle or compromise claims by or against the Advertising Fund We may defer or reduce a franchisee's contribution based on the peculiarities of a particular territory or circumstance, existing business practices or other factors that we deem to be important to the operation of any UNCLE MADDIO'S Restaurant or the System If we terminate the Advertising Fund, we will distribute all unused monies to the contributors in proportion to their respective contributions during a pre-determined period

We use the Advertising Fund to create, among other things, promotional advertising, marketing programs, market research and marketing and advertising activities We direct all advertising programs developed with funds from the Advertising Fund and have sole discretion over the creative concepts, materials, media used, media placement, and allocation of these programs Any advertising program or campaign we develop may include dissemination of advertising through print, radio, television, point-of-purchase materials, or other media This coverage may be local, regional or national in scope We may employ an advertising agency or other agency to assist in the development, production and dissemination of advertising materials, or we may hire personnel to perform these functions We have no obligation to spend any amount on advertising in the area where your Restaurant is located (See Franchise Agreement, Section 11 2 ) In fact, we have no obligation to spend monies collected for the Advertising Fund to benefit all franchisees or to ensure the monies are used proportionately or equivalent to a franchisee's contributions to the Advertising Fund

We may charge all costs of the formulation, development and placement of advertising and promotional materials to the Advertising Fund These costs will include the proportionate share of our employees who devote time and render services for advertising and promotion or the administration of the Advertising Fund, including administrative costs, salaries, overhead expenses related to administering the Advertising Fund and its programs In any fiscal year, we may spend more or less than the aggregate of contributions to the Advertising Fund in that year The Advertising Fund may borrow from third party lenders to cover deficits, and any lenders will receive interest on the borrowed funds Any amounts that remain in the Advertising Fund at the end of each fiscal year will be applied toward the next year's expenses We assume no liability or obligations to you or any franchisee for collecting amounts due to the Advertising Fund or to administering or maintaining the Advertising Fund Currently, we do not intend to audit the Advertising Fund If we prepare financial statements for the Advertising Fund, we will make them available to you, however, on request, we will provide you with information on how the Advertising Fund's monies were spent We will not use funds from the Advertising Fund for advertising that is principally a solicitation for the sale of franchises (See Franchise Agreement, Section 11 2 )

The Advertising Fund was established in October 2013 However, we did not begin collecting Advertising Fund fees from franchisees until March 2014 Prior to March 2014, the only Advertising Fund revenue came from the Beverage Marketing Agreement with Coca-Cola (see Item 8) During our fiscal year ended December 31, 2015, Advertising Fund expenditures were as follows

| Item | 2015 Expenditure | 2015 Percentage of Total |
|---|---|---|
| Production | $110,954 36 | 37% |
| Media Placement | $71,383 47 | 24% |
| Administrative | $93,733 20 | 31% |

| Item | 2015 Expenditure | 2015 Percentage of Total |
|---|---|---|
| Other (promotional items) | $24,955 24 | 8% |
| **Total** | $301,066 27 | **100 %** |

We do not restrict where you can conduct your advertising and other franchisees will not be precluded from advertising in your Franchise Territory just like you will not be restricted from advertising in someone else's exclusive territory We or our affiliates may advertise within your Franchise Territory for the sale of products and supplies You must participate in any promotional and advertising programs that we establish No advertising or promotion may be conducted by you over the Internet/worldwide web or through other forms of electronic media, whether within or outside your Franchise Territory, without our express prior written consent, which we can withhold for any or no reason (See Franchise Agreement, Section 11 5 ) We may use collection agents and bring legal proceedings to collect amounts owed to the Advertising Fund We have no liability or obligation to you for maintaining any cooperative and each cooperative will be organized and governed in the form and manner that we determine in advance We may change, dissolve or merge any cooperative

Although we can establish a cooperative in a marketing area and require you to participate, as of the date of this disclosure document, we have not done so If we establish an advertising cooperative in a designated marketing area where you are located, you must participate and abide by any rules and procedures adopted by the cooperative and approved by us (See Franchise Agreement, Section 11 4 ) All affiliate-owned Restaurants or Restaurants we own will become a member of the advertising cooperative for their marketing area and contribute to the applicable advertising cooperative in accordance with the rules and procedures for the advertising cooperative Each of our marketing areas will encompass a group of franchisees located in a geographically-defined local, regional or national marketing area You will contribute to your respective cooperative, but not more than 2% of your Net Sales, the exact amount to be set by us Amounts contributed by you to a cooperative will be credited against monies you are otherwise required to spend on local market advertising (See Item 6 of this disclosure document) We have the right to draft your bank account for your advertising cooperative contributions and to pass those funds on to your cooperative

Members of the advertising cooperative will be responsible for administration of their respective advertising cooperative, as stated in the by-laws and any payment agreements that may govern the cooperative The by-laws and governing agreements will be made available for review by the cooperative's members We have the right to require a cooperative to prepare annual or periodic financial statements for review Each cooperative will maintain its own funds, however, we have the right to review the cooperative's finances, if we so choose Funds used by the cooperative will consist only of contributions made by the members as described above The funds will be spent on regional advertising and marketing as approved by a majority of the members who vote as more specifically set out in the by-laws governing the cooperative We maintain the right to approve all of a cooperative's marketing programs and advertising materials Upon 30 days written notice to affected franchisees, we may terminate or suspend a cooperative's program or operations We may form, change, dissolve or merge any advertising cooperative

Any advertising or marketing materials not prepared or previously approved by us must be submitted to us at least 2 weeks before any publication or run date for approval All advertising and promotion must be factually accurate and must not detrimentally affect the Marks or the System We may grant or withhold our approval of any advertising or marketing materials, in our sole discretion We will provide you with written notification of our approval or disapproval within a reasonable time If we do not notify you of our approval or disapproval within 10 days of our receipt of the materials, the materials will be deemed approved You must discontinue your use of any unapproved advertising within five days of your receipt of our request if we subsequently request you to do so (See Franchise Agreement, Section 11 5)

**<u>Advertising Council</u>** We currently do not have a franchisee advertising council

**<u>Local Market Advertising</u>** You must spend a reasonable amount each month for local market advertising but in no event will the aggregate amount spent in the months of each calendar quarter be less than 2% of the total Net Sales for such calendar quarter As noted above, contribution to an advertising cooperative will count toward your local market advertising requirement We have the right to require that you provide us with proof that these funds were spent You will be able to designate a portion of the monies otherwise spent on local market advertising towards the funds required by the cooperative All affiliate-owned Restaurants must spend money for local market advertising on an equal percentage basis with all franchised Restaurants

**<u>Website</u>** We currently operate a website related to the System at www unclemaddios com (the "**Website**") We have the right to designate a successor Website Subject to the terms of the Franchise Agreement and Operations Manual, we may make available to you a sub-page on the Website that will be located at a sub-domain of the Website to be specified by us (the "**Subpage**") You will be permitted to upload content onto the Subpage solely to promote, and provide customers information related to, your Restaurant You may only upload content onto the Subpage in accordance with terms of the Franchise Agreement and any guidelines, directives or specifications (collectively, "**Subpage Standards**") issued by us The Subpage may not contain content which references any other Restaurants other than your Restaurant You may not upload, publish, display, or otherwise include or use any content on the Subpage without receiving our approval Once we approve the initial content of the Subpage, you must submit any changes to us before you make any changes We may, at any time, cease to make the Subpage available to you or the public Upon the termination or expiration of the Franchise Agreement for any reason or a default under the Franchise Agreement for any reason, you may not upload, content, onto, or otherwise use, the Subpage shall immediately cease and we may cease to make the Subpage available to you

**<u>Grand Opening</u>** You must develop and implement a grand opening promotion approved by us for your Restaurant You must spend a minimum of $15,000 for the grand opening promotion

**<u>Operations Manual</u>** Exhibit E to this disclosure document is a table of contents of our Operations Manual The total number of pages in our Operations Manual is 312 pages

**<u>Computer Hardware and Software</u>** You must purchase an electronic POS system from one of our designated sources (see Item 8) or from some other source designated by us The main functions of the POS system are to collect and manage information about the various sales transactions at your Restaurant For example, you will likely use the POS system to post all product and service sales, keep inventory control, post sales tax, refunds and credits, and maintain customer information We have the right to electronically and manually access the information that the POS system generates You must cooperate with us in helping us access this information You must supply the appropriate communications devices in order to permit the POS system to operate You may be required to establish Internet access through a reputable Internet service provider

The currently approved POS system is the Brink system Retail Data Systems is the approved supplier for the POS system We estimate that your costs for the POS system and computer hardware and software will be $12,000 to $15,000 We are not contractually obligated to provide any maintenance, repairs, upgrades or updates Our designated vendors may do so from time, but you will need to contact them to determine what services (e g maintenance services) they provide and the cost of those services

You are contractually required at your expense to upgrade and update the POS system to remain in compliance with our standards and specifications We estimate that the cost of support service for the computer system is around $4,200 per year, but you will need to contact a vendor to determine the scope of the services they offer and the actual cost of those services There are no contractual limitations on the frequency and cost of this requirement If we require the POS system to be accessible by us via modem or otherwise, we will have the right at any time to poll your system to retrieve and compile information concerning your Restaurant In other words, we will have independent access to your sales information and data produced by your POS system There are no contractual limitations on our right to access this information and data (See Franchise Agreement, Section 10 ) In addition to the POS system, we may require in the future that you install other computer systems meeting our standards and specifications The computer systems would be used to assist you in the operation of your Restaurant You would be responsible for all costs associated with any computer systems including accessing the Internet We would have the right to access the information generated by the computer systems, without limitation At this time, any additional computer systems would be at your discretion

**Site Selection** Each proposed site for a Restaurant established under your Development Agreement must be located in your Area of Responsibility Within our discretion, we may consider sites proposed by you outside your Area of Responsibility provided a proposed site is not in another franchisee's area of responsibility The proposed site for your Restaurant must be accepted by us along with any applicable lease, sublease or purchase agreement The national real estate broker(s) we have designated for the System, and any local real estate broker identified by the national real estate broker(s), will assist you in selecting and evaluating the site for your Restaurant You will interface directly with this broker The site for your Restaurant may be leased or owned by you Our approval of a site will be based on the information you give us to review on our Site Submittal Form, including site and leasing plans The information we need should include (i) square footage, (ii) traffic patterns, flow, and total count, (iii) density and income level of the surrounding population, (iv) land and building costs, (v) zoning patterns, (vi) surrounding educational and recreational facilities, (vii) terms of the lease, if any, (viii) the distance from competing businesses, including other UNCLE MADDIO'S Restaurants, and (ix) other factors having a substantial bearing on the proposed site (See Development Agreement, Section 7 ) In addition, you must submit for acceptance by us proposed site and construction plans and any modification to our specifications you propose The construction of the premises must be completed according to our specifications If you lease the premises, you and the landlord must enter into a lease with certain lease terms (see Item 8) If we do not accept a site, you must propose a new site If we and you are unable to agree upon a site for a Restaurant and, as a result, you fail to meet your Development Schedule, we may terminate your Development Agreement Acceptance of a location does not imply or guarantee the success or profitability of the site While there is no contractual limit on the time it takes us to approve or disapprove your proposed site and lease, once we have all the necessary documentation for review, we typically take 30 days to approve or disapprove the proposed site and lease and we will send you our decision in writing

**Start-up Time** We expect that you will open your Restaurant within 9 months after you sign the Franchise Agreement The factors that affect this timing are financing, building permits, zoning, local ordinance issues, and delayed installation of equipment, fixtures, and signs If you do not commence operation of the Restaurant within 9 months after the effective date of the Franchise Agreement, we may terminate the Franchise Agreement

**Conferences and Meetings** Although we are not obligated under the Franchise Agreement, we may hold periodic conferences, management meetings or refresher courses to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, and the like These conferences may be held at our Atlanta, Georgia location or any other place that we may designate and may last 1 or 3 days We may charge you a fee to attend these meetings or conferences, which we expect will not be more than

$500 per person You must pay your own travel and accommodation expenses (See Franchise Agreement, Sections 14 3 and 14 4 )

**Training** Below is a description of our initial training program as of the issuance date of this disclosure document Training programs are subject to change as procedures and processes change You must send a minimum of two managers to become certified through the training program for each Restaurant that you operate We will train the two managers that (i) will assume primary responsibility for managing the Restaurant and (ii) will devote full time and best efforts to the management and operation of the Restaurant We may permit additional managers of your Restaurant to attend the initial training program, and, if we do, you will be responsible for all costs and expenses incurred by us in providing the training to these additional managers Additionally, even if you (or one of your owners if you are an entity) will not act as a manager, you (or one of your owners if you are an entity) must attend our initial training program for 2 weeks Your designated managers must successfully complete the training program to become certified managers, as determined by us, before the Restaurant opens for business In addition, we may require you and your managers and employees to attend additional training programs and you may be charged a reasonable fee for the additional training Our current training fee is $300 per person per day

The initial training program instructional materials include various training aids and manuals including the employee handbook, vendor manuals, POS vendor manual, marketing manual, business publications, and the Operations Manual

The initial training program will last approximately 4 weeks and will be comprised of Integrity Brands University, classroom training and in-Restaurant training in an approved facility in Atlanta, Georgia, or at another training facility that we will designate If you (or one of your owners if you are an entity) will not act as a manager, the initial training program will not exceed 2 weeks Training will be conducted as often as we deem necessary, but at least monthly See Item 7 of this disclosure document for a discussion of your costs and expenses associated with the initial training program (See Franchise Agreement, Section 14 1 )

| **TRAINING PROGRAM** | | | |
|---|---|---|---|
| **Subject** | **Hours of Classroom Training** | **Hours of On-the-Job Training** | **Location** |
| Position Training | 11 | 88 | Atlanta, GA |
| Human Resources | 3 | 1 | Atlanta, GA |
| Administrative | 2 | 2 | Atlanta, GA |
| Food Safety | 2 | 2 | Atlanta, GA |
| Shift Management | 6 | 88 | Atlanta, GA |
| Food Cost, Labor Cost Analysis, Inventory Procedures | 4 | 4 | Atlanta, GA |
| POS System | 3 | 6 | Atlanta, GA |
| Marketing | 3 | 2 | Atlanta, GA |
| Franchise Support/Compliance | 2 | 2 | Atlanta, GA |
| **TOTALS** | **42** | **204** | |

Leanne Cavallaro is our training instructor and she has 5 years of industry experience and she has been with us since September 2015

## ITEM 12
## TERRITORY

**Development Agreement** The Development Agreement will specify an Area of Responsibility within which you will focus your development efforts Although you will receive an Area of Responsibility, you will not receive an exclusive territory for the development program You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or from competitive brands that we control You may establish a Restaurant at any location within your Area of Responsibility provided that we consent to the location, which may be granted or withheld in our sole discretion, the location is in a state where we are permitted to sell UNCLE MADDIO'S Restaurant franchises, and the location is not located in another franchisee's franchise territory We will notify you of those areas which have been assigned to franchisees, either as exclusive territories or areas of responsibility We do not intend to grant a large number of franchise territories, although we intend on occasion to grant other franchisees areas of responsibility within which they will concentrate their development efforts An area of responsibility is a geographic territory within which we expect you to concentrate your development efforts You will have no exclusive territorial rights, protected territory or other rights to exclude, control or impose conditions on the location or development of other or future franchises under the Marks or on our activities, except as may be provided in an applicable Franchise Agreement If you fail to meet your Development Schedule, we may terminate your Development Agreement

**Franchise Agreement** You will receive the right to operate an UNCLE MADDIO'S Restaurant only at a site we accept, in our sole discretion The site will be designated in the Franchise Agreement Your Franchise Territory will be negotiated by you and us before your execution of the Franchise Agreement and specifically described in the Franchise Agreement In negotiating the Franchise Territory, we may examine population, traffic flow, presence of businesses, location of competitors (including other UNCLE MADDIO'S Restaurant franchisees), demographic and other market conditions There is no minimum territory that we grant to our franchisees Each territory is assessed individually based on factors such as whether the Restaurant is urban or suburban and the population

Although you will receive a Franchise Territory as noted above, you will not receive an exclusive territory for your franchise You may face competition from other franchisees, from outlets that we own or from other channels of distribution or from competitive brands that we control As long as you are in compliance with the Franchise Agreement, we will not operate an UNCLE MADDIO'S Restaurant within your Franchise Territory, and we will not authorize anyone else to do so You will operate your Restaurant only from the accepted site, and you must receive our permission before you relocate your Restaurant Should it become necessary to relocate your Restaurant from the site we have accepted on account of condemnation or destruction of the site, we will authorize you to relocate to a site acceptable to us that is within the Franchise Territory, is reasonably suited for an UNCLE MADDIO'S Restaurant, does not infringe on the territorial rights of any other UNCLE MADDIO'S Restaurant, and is reasonably distant from other UNCLE MADDIO'S Restaurants provided that (a) your new Restaurant is open and operating within 180 days after you discontinue operation of the relocated Restaurant at the former site, all in accordance with our then-current standards at that time, and (b) you reimburse us for our costs and expenses incurred in connection with the relocation (including legal fees and time spent by our employees) It shall be your responsibility to apply for relocation of you Restaurant from the site on account of condemnation or destruction of the site in order to avoid termination of the Franchise

Agreement for failure to operate. We have not established any other set of conditions or criteria under which we evaluate or approve relocation requests.

You may solicit customers and advertise your Restaurant anywhere you choose. There are no restrictions on you, any of our other franchisees, or us to prevent any soliciting or advertising in someone else's franchise territory. No party is obligated to pay compensation to any other party for soliciting customers from the other franchisee's franchise territory. In addition, you must provide Catering within a reasonable distance from your Restaurant, but not more than 10 miles, provided the deliveries are made by ground transportation. Subject to this maximum mileage requirement, you must request our approval to provide Catering in another franchisee's franchise territory, and other UNCLE MADDIO'S Restaurant franchisees must also request our approval to provide the same services in your Franchise Territory. You may not ship products within or without your Franchise Territory.

If you desire to sell and serve products at a Special Event located outside your Franchise Territory, you must submit a written request to us for our prior approval. If we grant you permission to sell and serve Products at a Special Event that is located outside your Franchise Territory, or perform Catering more than 10 miles from your Restaurant, we will revoke our permission for you to hold the Special Event or Catering if we permit someone to open a Restaurant within the area in which your Special Event or Catering is taking place.

Additionally, if we determine the selling and serving of products at a Special Event in your Territory is desirable, we may send you a Request for Notice. If we send you a Request for Notice and you desire to sell and serve Products at the Special Event, you must send us a signed Notice of Intent to Serve within 5 business days after receipt by you of the Request for Notice. If you do not send us a Notice of Intent to Serve within 5 business days after the date of receipt by you of the Request for Notice and proof of authorization to sell and serve Products at such Special Event as required by the Operations Manual, you will be deemed to have waived your right to sell and serve Products at the Special Event. If you waive the right to sell and serve Products at any Special Event, we may sell and serve products or grant another franchisee (or licensee) the right to sell and serve products at the Special Event. If you desire to sell and serve products at a Special Event outside your Territory, you must submit (according to the procedures that we may specify from time to time) such notices and information to us related to the Special Event, in the form and manner, and at such times, that we may reasonably request.

If we allow you to operate a food truck (or any other mobile unit) at Special Events or otherwise, you must comply with all written standards, specifications and procedures prescribed by us in the Operations Manual or otherwise in writing related to the use and operation of a food truck (or other type of mobile unit). We reserve the right to charge initial and/or recurring fees in the event that we allow you to operate a food truck (or other mobile unit) in connection with your UNCLE MADDIO'S Restaurant. You will not have any exclusive rights related to the use or operation of a food truck (or other mobile unit) in your Territory, except for Special Events that we authorize in writing.

**<u>Our Reserved Rights</u>**. We and our affiliates have reserved the right to establish anywhere franchises and/or company-owned or affiliate-owned restaurants or outlets selling similar products and providing similar services (including within your Franchise Territory and Area of Responsibility) under names and symbols other than the Marks, even if these restaurants or outlets are near your Restaurant. Nevertheless, as of the date of this disclosure document, we have no present plans to exercise any of these rights. We also reserve the right to operate, for ourselves or others, businesses using the Marks to distribute products or offer services that may be similar to or different from those found in UNCLE MADDIO'S Restaurants, both within and outside your Franchise Territory and Area of Responsibility, so long as we do not do so through the operation of an UNCLE MADDIO'S Restaurant.

We also reserve the exclusive right to sell products identified with the Marks both within and outside your Franchise Territory and Area of Responsibility through any distribution channel or method (whether at retail or wholesale), including sales through catalogs, mass merchandise, grocery stores, club stores, convenience stores, Internet (or any other existing or future form of electronic commerce), Special Events (subject to your rights related to certain Special Events), food trucks (or other mobile units), and delivery services, except through the operation of an UNCLE MADDIO'S Restaurant, even if you sell these products at your Restaurant As one example, we have the right to sell UNCLE MADDIO'S food products through a nationwide retail chain even if the chain has facilities located within your Franchise Territory and Area of Responsibility Except for any Special Events and Catering activities you may conduct, you have no right to sell and serve any products from any location other than your Restaurant and you have no right to sell products through the Internet or worldwide web, through mail order or catalogs, or through mobile units or any other form of distribution channel or method

We may own, acquire, establish, and/or operate and license others to establish and operate, UNCLE MADDIO'S Restaurants and other businesses using the Marks, the System or any variation of the System, at non-traditional venues, special or limited purpose facilities, limited access or captive audience facilities, and other types of institutional accounts (which include airports and other public transportation facilities, casinos, parks, stadiums, business, industrial and military complexes, educational facilities, hospitals and other health care facilities, theaters, museums, art centers, and amusement centers) (collectively, "**Institutional Facilities**") at any location within or outside the Franchise Territory or Area of Responsibility

We will provide written notice to you of our intent to establish, or franchise or license another to establish, a business under the Marks at any an Institutional Facility within your Franchised Territory, unless the foodservice rights at the Institutional Facility are held by the owner or a contract feeder, or in our reasonable judgment are not readily available to independent franchisees If, within 30 days of our notice, you obtain or demonstrate your ability (in our reasonable judgment) to obtain the right to establish an UNCLE MADDIO'S Restaurant at the Institutional Facility instead of the business proposed by us, we will not unreasonably withhold our consent for you to establish an UNCLE MADDIO'S Restaurant at the Institutional Facility

We have affiliates that operate and/or franchise competitive restaurant concepts and these concepts may be operated in close proximity to your Restaurant You have no right to use the Marks in connection with any business other than an UNCLE MADDIO'S Restaurant We may give, donate, or contribute products to charitable and community organizations and events for fund raising and other events and use the products for promotions and product demonstrations in your Franchise Territory or Area of Responsibility, and offer products for sampling by consumers and organizations for product testing, promotions and demonstrations in your Franchise Territory and Area of Responsibility

We have the right to engage in any other activities not expressly prohibited in the Franchise Agreement and Development Agreement You may face competition from other franchisees, from Restaurants that we own, or from other channels of distribution or competitive brands we may control You have no right of first refusal or similar rights to acquire additional franchises or establish additional UNCLE MADDIO'S Restaurants We have not established any minimum sales quota and do not require any certain level of volume or market penetration in order for you to maintain your Franchise Territory and Area of Responsibility We may reduce the size or configuration, or both, of your Franchise Territory and Area of Responsibility as population in it increases We will not alter your Franchise Territory and Area of Responsibility until you give us your written consent within the timeframe we request, typically 30 days Any rights that are not specifically granted to you under the Franchise Agreement are retained by us Other restaurant concepts owned now or in the future by us or our affiliates may be established in close proximity to your Restaurant

## ITEM 13
## TRADEMARKS

Under the Franchise Agreement, we grant you the non-exclusive right to operate your Restaurant under the name "UNCLE MADDIO'S PIZZA®" and to use the other Marks we authorize you to use We have registered the following Marks on the Principal Register of the United States Patent and Trademark Office ("**USPTO**")

| Mark | Registration No | Registration Date | Owner |
|---|---|---|---|
| UNCLE MADDIO'S PIZZA® and Design | 3,881,517 | 11/23/10 | Us |
| UNCLE MADDIO'S PIZZA® | 3,881,516 | 11/23/10 | Us |
| SERVED WITH LOVE | 4,564,082 | 07/08/14 | Us |
| GET YOUR CRAVE ON (application) | 86,608,431 | Filing Date April 24, 2015 | Us |
| UNCLE MADDIO'S PIZZA (STYLIZED/DESIGN) | 86,795,023 | Filing Date October 21, 2015<br><br>Published for Opposition April 19, 2016 | Us |
| UNCLE MADDIO'S PIZZA (STYLIZED/DESIGN) | 86,795,056 | Filing Date October 21, 2015<br><br>Published for Opposition April 19, 2016 | Us |

There are no agreements currently in effect which significantly limit our rights to use or license the use of our Marks in a manner material to the franchise There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, and, except as summarized below, there are no pending infringements, opposition or cancellation proceedings, or material litigation involving the principal trademarks All affidavits and renewals required by the PTO where necessary have been filed

On October 30, 2009, Mazzio's Corporation ("**Oklahoma Company**") and us entered into a settlement agreement (the "**Settlement Agreement**") related to the use of the name "MADDIO'S PIZZA JOINT" (the "**Old Marks**") by us Oklahoma Company objected to the use of the Old Marks because Oklahoma Company was currently franchising and operating restaurants under the trademarks MAZZIO'S and MAZZIO'S PIZZA (collectively, "**Oklahoma Marks**") Oklahoma Company is located at 4441 S 72nd East Avenue, Tulsa, Oklahoma and has restaurants in Arkansas, Georgia, Illinois, Iowa, Kansas, Mississippi, Missouri, Oklahoma, Tennessee, and Texas The restaurants that the Oklahoma Company franchises and operates sell Italian food (including pizza) The Oklahoma Marks are registered on the Principal Register of the USPTO Under the Settlement Agreement, (a) Oklahoma Company agreed (i) that the registered Marks shown above are not confusingly similar to the Oklahoma Marks and (ii) not to contest our applications for and use of the registered Marks shown above, and (b) we agreed (i) not to interfere with Oklahoma Company's use and enjoyment of the Oklahoma Marks, (ii) not to open any additional restaurants up under the System using the Old Marks, (iii) to cease using the Old Marks at the TM MADDIO'S Restaurant within 6 months of opening the second MADDIO'S Restaurant under the System, (iv) to abandon all applications for the Old Marks filed with the USPTO, and (v) to let any state trademark registrations for the Old Marks lapse The TM MADDIO'S Restaurant ceased using the Old Marks in May 2010

You must follow the Franchise Agreement, the Operations Manual and our specifications when you use the Marks The Marks are the only Marks you may use to identify the Restaurant You may not use any Mark as part of any corporate or trade name or as part of any domain name or electronic address you maintain on the Internet, the worldwide web, or any other similar proprietary or common carrier electronic delivery system unless we expressly authorize you to do so in writing You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us Your use of the Marks and any goodwill is to our exclusive benefit and you retain no rights in the Marks other than a license to use the Marks during the terms of the Franchise Agreement You are not permitted to make any changes of any kind in or to the use of the Marks unless we permit

You must notify us immediately when you learn about an infringement of or challenge to your use of a Mark We will take the action we think appropriate We have the right to exclusively control any litigation, USPTO proceeding, or other proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark

You must not directly or indirectly contest our right to the Marks, trade secrets or business techniques that are part of our business We have no contractual obligation to protect or indemnify you against claims of infringement regarding your use of the Marks, but we might do so when your rights require protection In that case, if you cooperate with us, we would pay all cost, including attorneys' fees and court costs, associated with any litigation required to defend or protect your authorized use of the Marks We will not pay any of your attorneys' fees if you hire your own attorney

You must modify or discontinue the use of a Mark if we instruct you to do so If this happens, you must bear the tangible costs of compliance (i e changing signs) and we do not have to reimburse you for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute Mark We may develop or acquire additional Marks and make them available for your use

Except as disclosed in this Item 13, we are not aware of any superior rights or infringing uses that could materially affect your use of the Marks

## ITEM 14
## PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents, pending patents or registered copyrights that are material to your UNCLE MADDIO'S franchise

We claim common law rights and copyright protection in a number of items you will use in the operation of your UNCLE MADDIO'S Restaurant, including our Operations Manual, and in certain other materials and information related to the System, like our marketing materials, specifications, architectural drawings, Restaurant designs, marketing techniques, advertising programs, advertising strategies, supplier lists, expansion plans, and other information we create or use We have not registered any of these copyrighted materials with the United States Registrar of Copyrights, although we may do so

All materials or information of any kind that are designated "confidential" orally or in writing or which, under the circumstances surrounding disclosure, ought to be treated as confidential, are deemed confidential and are loaned to you only under and during the term of the Franchise Agreement and Development Agreement All confidential materials and the information contained in them must be treated by you as confidential and you must use your best efforts to keep them confidential during and after the terms of the Franchise Agreement and Development Agreement as provided in each agreement This means that you cannot make copies in any medium of any confidential information or use any confidential information outside of the scope of the Franchise Agreement or Development Agreement or disclose any confidential information to any third party or other persons identified by us as not having authorization to receive disclosure of confidential information You may disclose confidential information contained in the Operations Manual only to your employees who have a business need to have access to the confidential information, but only if you first secure from them an agreement to maintain the confidentiality of the confidential information disclosed

All copyrighted materials and confidential information are owned exclusively by us Your right to use copyrighted materials and confidential information is derived solely from the Franchise Agreement and Development Agreement and is limited to the conduct of the business under and in compliance with the Franchise Agreement and Development Agreement and all applicable specifications, standards, and operating procedures we prescribe during the term of the Franchise Agreement and Development Agreement Any unauthorized use of our copyrighted materials or any unauthorized use or disclosure of confidential information will constitute an infringement of our rights in and to the copyrighted materials and confidential information

We may claim copyright protection in certain techniques we create, and may patent certain processes and equipment we develop If we do, we will notify you and, if the copyrights and patents are material to your obligations under the Franchise Agreement, we will authorize you to use them at no additional charge Any modifications or improvements that you make to the System will be deemed a works made for hire which shall be owned exclusively by us We do not have to compensate you for your modification or improvement You must promptly notify us of any unauthorized use of our copyrighted materials or any unauthorized use or disclosure of confidential information, including by your employees

You must notify us of any challenge to your right to use or the ownership of any copyrighted materials or confidential information We are not required to protect or defend our copyrights, although we intend to do so when it is in the best interests of the System We have the exclusive right to control any copyright litigation We have the right to keep all sums obtained in settlement or as a damages award in any proceeding or litigation without any obligation to share any portion of the settlement sums or damages award with you While we are not required to participate in your defense or to indemnify you for damages or expenses you incur if you are a party to any administrative or judicial proceeding involving our confidential information or other information in which we claim common law rights and copyright protection, we may reimburse you for your liability and reasonable costs in connection with defending our confidential information and other information in which we claim common law rights and copyright protection

We will have the right at any time, on notice to you, to make additions to, deletions from, and changes in any item in which we claim common law copyright or registered copyright protection including the Operations Manual You must adopt and use all additions, deletions, and changes as we direct, at your expense

The Development Agreement and Franchise Agreement require that your owners, holding at least a 10% equity interest in you, sign written agreements (a) to protect and not disclose confidential information to which you and they have access, and (b) not to compete with you, us, and other franchisees See Items 14 and 17 for a description of these obligations We have the right to require your other employees who have access to our confidential information to execute a noncompetition, non-solicitation and/or nondisclosure agreement in the form(s) prescribed by us from time to time We have the right to take legal action against you if there has been an unauthorized use of our confidential information or trade secrets through you or your employees

There is currently no litigation pending involving the copyrighted materials or confidential information We do not know of any effective material determinations of the U S Copyright Office or any court regarding any of the copyrighted materials or confidential information There are no agreements in effect that significantly limit our right to use or license the copyrighted materials or confidential information

We do not know of any superior rights or infringing uses that could materially affect your use of our confidential information or copyright materials

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

You must maintain direct responsibility over the Restaurant, however, we do not require that you personally supervise the day-to-day operations of the Restaurant or attend our initial training program We may require that at least one equity owner have some restaurant operational experience During operations hours, a Manager who (i) satisfies the minimum qualifications and experience requirements in the Operations Manual and (ii) has successfully completed the initial training program described in Section 14 1 of the Franchise Agreement, must at all times be at your Restaurant We must confirm each Manager as meeting the minimum requirements for a Manager of an UNCLE MADDIO'S Restaurant The Managers must directly supervise and be responsible for the day-to-day management and proper operation of your Restaurant, and the Managers may not assist in any business which competes with your Restaurant The Managers must invest their full time and attention and devote their best efforts to the on-premises management of the Restaurant The Managers cannot have an interest or business relationship with any of our business competitors The Managers need not have an ownership interest in a corporate, limited liability company, or partnership franchisee If the Managers are not already bound by the Franchise Agreement, we may require them to sign a noncompetition, non-solicitation and/or nondisclosure agreement in the form(s) prescribed by us This noncompetition, non-solicitation and/or nondisclosure agreement will prohibit them from directly or indirectly engaging in activities that compete with the operations of your Restaurant or any other UNCLE MADDIO'S Restaurant, disclosing our confidential and proprietary information and trade secrets, and soliciting our employees and employees of other UNCLE MADDIO'S Restaurant franchisees We also may require those employees who have received our confidential and proprietary information to enter into the same noncompetition, non-solicitation and/or nondisclosure agreement

The Development Agreement and Franchise Agreement require you to have your owners holding at least a 10% equity interest in you, to sign written agreements (a) to protect and not disclose confidential information to which you and they have access, and (b) not to compete with you, us, and other franchisees See Items 14 and 17 for a description of these obligations We may (i) regulate the forms of agreements required above to protect confidential information and not compete and (ii) require that we be named as a third-party beneficiary of those agreements with independent enforcement rights

We may also require each of your owners holding at least a 10% equity interest in you, to personally guarantee your obligations to us under the Development Agreement and the Franchise Agreement The guarantees are contained in the guaranty provisions found in the Development Agreement and the Franchise Agreement, respectively

## ITEM 16
## RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must conduct the business operated at your Restaurant as required by the Operations Manual and the Franchise Agreement You must offer and sell only those products and services approved by us Further, you must offer all goods and services that we designate as required for all franchisees These required goods and services include Italian food products and various beverages We have the right to add additional authorized goods and services that you must offer This means that we have the right to require you to carry the required menu items that we dictate and that we determine are appropriate for UNCLE MADDIO'S Restaurants There are no limits on our right to make modifications to our approved menu, whether by a change in the Operations Manual or through an amendment to the Franchise Agreement or by another form of written directive We will not restrict you from soliciting any customers, no matter who they are or where they are located However, you may only sell products to consumers for consumer purposes (and not for resale) You may not sell products at wholesale In addition, you must provide Catering within a reasonable distance from your Restaurant not to exceed 10 miles from your Restaurant, provided the deliveries are made by ground transportation Subject to this maximum mileage requirement, you may provide Catering in the Franchise Territories of other UNCLE MADDIO'S Restaurant franchisees, and other UNCLE MADDIO'S Restaurant franchisees may provide the same services in your Franchise Territory You may not ship products within or without your Franchise Territory You may not have or use, or permit the presence or use of, video game machines or vending machines or any similar device or machine at the Restaurant unless we consent in writing

## 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**

**Development Agreement**

| Provision | Section in Development Agreement | Summary |
|---|---|---|
| a Length of the franchise term | Section 3 | Expires the date after operations of the final Restaurant to be established are required to begin as provided on the Development Schedule |
| b Renewal or extension of the term | None | None |
| c Requirements for you to renew or extend | None | None |

| Provision | Section in Development Agreement | Summary |
|---|---|---|
| d Termination by franchisee | Section 12 1 | You can terminate only if we fail to cure a default under the Development Agreement within 90 days (or 150 days in some instances) after you give us written notice of termination |
| e Termination by franchisor without cause | None | None |
| f Termination by franchisor with "cause" | Sections 12 2 and 12 3 | We can terminate only if you default or if certain events (described in (g) and (h) below) occur In some instances, you will have an opportunity to cure the default |
| g "Cause" defined – curable defaults | Section 12 3 | Failure to comply with any provisions of the Development Agreement not covered in "h" below You have 30 days (or 60 days in some instances) after we give you written notice to cure the default |
| h "Cause" defined – non-curable defaults | Section 12 2 | Insolvency, bankruptcy, liquidation, reorganization, general assignment for benefit of creditors, failure to pay us or any creditor, supplier or lessor of any of your Restaurants any sums due after written notification, failure to comply with Development Schedule, conviction of a felony or crime involving moral turpitude, making of material misrepresentations, unauthorized transfer, unauthorized use or disclosure of confidential information, failure to comply with non-competition and non-solicitation provisions, failure to comply with any applicable law, dissolution, default under the Franchise Agreement or any other agreement between you and us, or receipt of three default notices within a 12 month period |
| i Franchisee's obligations on termination/non renewal | Sections 12 4 and 14 | No investment in competitive business, no solicitation of employees, no disclosure of confidential information, and strictly comply with non-compete prohibition |
| j Assignment of contract by franchisor | Section 13 1 | No restriction on our right to assign |
| k "Transfer" by franchisee – defined | Section 13 2 | Includes transfer of Development Agreement, any interest in Development agreement, or any equity interest in you if you are an entity or any equity interest in any owners of you if they are an entity |
| l Franchisor approval of transfer by franchisee | Sections 13 2 and 13 3 | We have the right to approve all transfers |

| Provision | Section in Development Agreement | Summary |
|---|---|---|
| m Conditions for franchisor approval of transfer | Section 13 4 | Transferee qualifies, transferee assuming obligations under Development Agreement and/or entering into new Development Agreement and any other agreements we require, terms and conditions of transfer are satisfactory to us, you are not in default under the Development Agreement, any Franchise Agreement or any other agreement between you and us, signing of a general release, transfer fee paid, we decline to exercise our right of first refusal, and the Marks not being used in any advertisement for any prohibited transfer |
| n Franchisor's right of first refusal to acquire franchisee's business | Section 15 | We can match any offer for the transfer of your business or any ownership interest |
| o Franchisor's option to purchase franchisee's business | None | None |
| p Death or disability of franchisee | Sections 13 3 and 13 4 | Franchise must be assigned by estate to an approved buyer |
| q Non competition covenants during the term of the franchise | Sections 14 1, 14 2, 14 4 and 14 5 | No involvement in competitive business and no solicitation of any employee of ours or employee of any of our franchisees |
| r Non competition covenants after the franchise is terminated or expires | Sections 14 1, 14 2, 14 4 and 14 5 | For one year, no involvement in competitive business located within a 3 mile radius of any UNCLE MADDIO'S Restaurant and no solicitation of any employee of ours or employee of any other UNCLE MADDIO'S franchisee Competitive business includes any business operating, franchising or licensing a restaurant or food establishment (including establishments that deliver food) where 20% or more of the sales of such business are from pizza sales |
| s Modification of the agreement | Section 30 | Generally, no modifications are allowed unless agreed to in writing |
| t Integration/merger clause | Section 30 | Only the terms of the Development Agreement are binding (subject to state law) Any representations or promises outside of the disclosure document and Development Agreement may not be enforceable |
| u Dispute resolution by arbitration or mediation | Section 21 2 | Except for certain claims, disputes must be settled by arbitration Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office |

| Provision | Section in Development Agreement | Summary |
|---|---|---|
| v Choice of forum | Sections 21 1 and 21 2 | Litigation must be held in the federal or state court for the district where our principal executive office is located (subject to state law) Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office |
| w Choice of law | Section 21 1 | Georgia law applies, except for federal law and with respect to covenants restricting competition which may be governed by the laws of the state in which the principal place of business is located (subject to state law) |

**Franchise Agreement**

| Provision | Section in Franchise Agreement | Summary |
|---|---|---|
| a Length of the franchise term | Section 2 1 | 10 years |
| b Renewal or extension of the term | Section 2 2 | If you meet the requirements, you can renew for one additional consecutive 10 year term, after that you will have no right to renew the Franchise Agreement "Renewal" may require you to sign a contract with materially different terms and conditions than your original contract |
| c Requirements for franchise to renew or extend | Section 2 2 | You must provide written notice of election to renew, not be in default of the Franchise Agreement or any other agreement relating to the Restaurant, sign the then-current form of Franchise Agreement, pay a renewal fee, refurbish the Restaurant, if required, complete any required retraining program, sign a general release, and maintain ownership or leasehold interest in the Restaurant location or secure a suitable alternative Terms of the then-current form of Franchise Agreement may differ materially from any and all of those contained in the Franchise Agreement attached to this Disclosure Agreement but the royalty fee and advertising fees will remain the same |
| d Termination by franchisee | Section 21 1 | You can terminate only if we fail to cure a default under the Franchise Agreement within 90 days (or 150 days in some instances) after you give us written notice of termination |
| e Termination by franchisor without cause | None | None |

| Provision | Section in Franchise Agreement | Summary |
|---|---|---|
| f Termination by franchisor with cause | Sections 21 2 and 21 3 | We can terminate only if you default or if certain events (described in (g) and (h) below) occur In some instances, you will have an opportunity to cure the default |
| g "Cause" defined – curable defaults | Section 21 3 | Failure to comply with our standards and procedures or any term of the Franchise Agreement not covered in "h" below, including failure to submit required reports, failure to relocate, failure to comply with any of the terms and conditions of any other agreement entered into by you in connection with your Restaurant, failure to maintain required insurance, and failure to restore Restaurant to full operation if it is rendered inoperable by casualty You have 30 days (or 60 days in some instances) after we give you written notice to cure the default |
| h "Cause" defined – non-curable defaults | Section 21 2 | Insolvency, bankruptcy, liquidation, reorganization, general assignment for benefit of creditors, failure to pay us or any creditor, supplier or lessor of the Restaurant any sums due after written notification, conviction of a felony or crime involving moral turpitude, operation of the Restaurant as a safety hazard, making of material misrepresentations, unauthorized transfer, failure to comply with non-competition and non-solicitation provisions, unauthorized use of any Mark or disclosure of confidential information, failure to comply with any applicable law, unauthorized seizures, failure to maintain possession of the Restaurant premises, knowingly maintaining false books or records, denying us access to your books or records, understatement of fees by more than 5%, receipt of three default notices within a 12 month period, or dissolution |

| Provision | Section in Franchise Agreement | Summary |
|---|---|---|
| i Franchisee's obligations on termination/non renewal | Sections 20, 21 4, and 22 | Obligations include payment of lost profits, complete de-identification of Restaurant, payment of amounts due, return confidential materials, cancel assumed name registration, transfer telephone and fax numbers and Internet listings, no investment in competitive business, no solicitation of employees, follow any procedures in the Operations Manual related to discontinuing operations of the Restaurant, and offer us the right to purchase the Restaurant We may assume the Restaurant's management |
| j Assignment of contract by franchisor | Section 19 1 | No restriction on our right to assign |
| k "Transfer" by franchisee – defined | Section 19 2 | Includes transfer of Franchise Agreement, any interest in Franchise Agreement, any assets of Restaurant, or any equity interest in you if you are an entity or any equity interest in any owners of you if they are an entity |
| l Franchisor approval of transfer by franchisee | Sections 19 2 and 19 3 | We have the right to approve all transfers but will not unreasonably withhold approval |
| m Conditions for franchisor approval of transfer | Sections 19 2 and 19 3 | Transferee qualifies, transferee assuming obligations under Development Agreement and/or entering into new Development Agreement, Franchise Agreement and any other agreements we require, terms and conditions of transfer are satisfactory to us, you are not in default under the Development Agreement, Franchise Agreement or any other agreement between you and us, signing of a general release, fee paid, we decline to exercise our right of first refusal, and the Marks not being used in any advertisement for any prohibited transfer |
| n Franchisor's right of first refusal to acquire franchisee's business | Section 23 | We can match any offer for the transfer of your business or any ownership interest |
| o Franchisor's option to purchase franchisee's business | Section 22 3 | Upon expiration or termination of the Franchise Agreement, you must offer us the right to purchase the Restaurant |
| p Death or disability of franchisee | Section 19 3 | Franchise must be assigned by estate to an approved buyer |
| q Non competition covenants during the term of the franchise | Sections 20 1, 20 2, 20 4, and 20 5 | No involvement in competitive business and no solicitation of any employee of UNCLE MADDIO'S or employee of any other UNCLE MADDIO'S franchisee |

| Provision | Section in Franchise Agreement | Summary |
|---|---|---|
| r Non competition covenants after the franchise is terminated or expires | Sections 20 1, 20 2, 20 4 and 20 5 | For one year, no involvement in competitive business located within a 3 mile radius of any UNCLE MADDIO'S Restaurant and no solicitation of any employee of ours or employee of any other UNCLE MADDIO'S franchisee Competitive business includes any business operating, franchising or licensing a restaurant or food establishment (including establishments that deliver food) where 20% or more of the sales of such business are from pizza sales |
| s Modification of the agreement | Sections 7, 8 1 and 40 | Generally, no modifications are allowed unless agreed to in writing We may revise the Operations Manual and you must comply with each requirement |
| t Integration/merger clause | Section 40 | Only the terms of the Franchise Agreement are binding (subject to state law) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable |
| u Dispute resolution by arbitration or mediation | Section 31 2 | Except for certain claims, disputes must be settled by arbitration Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office |
| v Choice of forum | Sections 31 1 and 31 2 | Litigation must be held in the federal or state court for the district where our principal executive office is located (subject to state law) Arbitration must occur in the office of the American Arbitration Association closest to our principal executive office |
| w Choice of law | Section 31 1 | Georgia law applies, except for federal law and with respect to covenants restricting competition which may be governed by the laws of the state in which the Restaurant is located (subject to state law) |

Applicable state law may require additional disclosures related to the information in this disclosure document These additional disclosures appear in Exhibit F attached to this disclosure document

## ITEM 18
## PUBLIC FIGURES

We do not use any public figures to promote our franchise

## ITEM 19
## FINANCIAL PERFORMANCE REPRESENTATION

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 performance at a particular location or under particular circumstances

As of December 31, 2015, there were 42 Uncle Maddio's Pizza Stores operating in the United States This financial performance representation concerns a subset of our system's existing Stores, specifically, only those that have been open for at least one full calendar year as of December 31, 2015 Twenty-five of all Uncle Maddio's Pizza Stores were open for at least one full calendar year as of December 31, 2015 (the "Covered Stores") All of the financial performance representations in this Item relate to the results for Covered Stores during the period from January 1, 2015 through December 31, 2015

**Table 1 Reporting Stores**
**Average Sales and Cost Information - Reporting Stores**

We received complete financial performance data (including cost information) from 13 out of the 25 Covered Stores (the "Reporting Stores") All Reporting Stores are in the Top 50% of Covered Stores No Covered Stores in the Third Quartile or Fourth Quartile reported complete cost information to us Out of all the Reporting Stores, based on the amount of sales, 6 were in the First Quartile of Covered Stores (Top 25% of Average Sales), and 7 were in the Second Quartile of Covered Stores (Top 26-50% of Average Sales) We used the actual financial performance data of the Reporting Stores to arrive at the information on certain selected expenses

The following represents the average sales achieved by the 13 Reporting Stores (the First and Second Quartile of Stores) owned and operated by our franchisees during the calendar year 2015

| | **First Quartile (Top 25%)** | **Second Quartile (Top 26-50%)** |
|---|---|---|
| Average Sales | $1,139,144 | $918,874 |

| **Average Sales** | **# and % of the 13 Stores which attained or surpassed* the average** |
|---|---|
| $1,139,144 | 2 of 13, or 15% |
| $918,874 | 6 of 13, or 46% |

The following Table 2 presents the average Cost of Goods and Labor Costs for the 13 Reporting Stores that are all within the Top 50% of Average Sales volume in 2015

**Table 2 Certain Cost Information**

| Cost of Goods | # and % of the 13 Stores which attained or surpassed* the average | Labor Costs | # and % of the 13 Store which attained or surpassed* the average |
|---|---|---|---|
| 29 78% | 5 of 13, or 38% | 24 83% | 9 of 13, or 70% |

* For Cost of Goods and Labor Costs, "surpassed" means lower than the average Cost of Goods Sold includes food, beverages and paper products Labor costs include all payroll-related costs and expenses hourly and management payroll, bonuses, and payroll taxes

Average Sales - Covered Stores

In 2015, the average sales for all Covered Stores were $754,943 and the median was $918,874 Thirteen, or 50% of the 25 Covered Stores, exceeded the average sales We obtained this information from the POS System

You should use the above information only as a reference in conducting your own analysis We strongly urge you to consult with your financial advisor or personal accountant concerning the financial analysis that you should make in determining whether or not to purchase an Uncle Maddio's Pizza franchise

Your individual financial results may differ from the result stated in this Item Some Uncle Maddio's Pizza Stores have sold the amounts and achieved the costs in this Item There is no assurance you will sell as much

**The information contained in this Item 19 does not reflect actual or probable sales and expenses that you will realize.** Your results may differ from these results used in this financial performance representation Performance varies from store to store and the information above cannot be used to predict future performance of any particular store Sales volumes may vary for a variety of factors, including hours of operation, location, size of store, local popularity, traffic patterns, competition from other restaurant concepts, visibility, quality of operation, reputation and local and national economic conditions Cost of Goods and Labor Costs may vary significantly based on any number of factors, including higher food and distribution costs and the cost and availability of qualified labor

Other than the preceding financial performance representation, Integrity Brands, LLC does not make any financial performance representations We also do not authorize our employees or representatives to make any such representations either orally or in writing If you are purchasing an existing Store, however, we may provide you with the actual records of that Store 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 Matt Andrew at (404) 392-0707 or matt@unclemaddios com, the Federal Trade Commission, and the appropriate state regulatory agencies

## ITEM 20
## OUTLETS AND FRANCHISEE INFORMATION

**Table No 1**
**Systemwide Outlet Summary**
**For Years Ending December 31, 2013, December 31, 2014, and December 31, 2015**

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|---|---|---|---|---|
| Franchised | 2013 | 6 | 17 | +11 |
| | 2014 | 17 | 28 | +11 |
| | 2015 | 28 | 41 | +13 |
| Company Owned | 2013 | 1 | 1 | 0 |
| | 2014 | 1 | 0 | -1 |
| | 2015 | 0 | 1 | +1 |
| **Total Outlets** | **2013** | **7** | **18** | **+11** |
| | **2014** | **18** | **28** | **+10** |
| | **2015** | **28** | **42** | **+14** |

**Table No 2**
**Transfers of Outlets from Franchisees to New Owners**
**For Years Ending December 31, 2013, December 31, 2014, and December 31, 2015**

| State | Year | Number of Transfers |
|---|---|---|
| All States | 2013 | 0 |
| | 2014 | 0 |
| | 2015 | |
| **Totals** | **2013** | |
| | **2014** | |
| | **2015** | |

**Table No 3**
**Status of Franchised Outlets**
**For Years Ending December 31, 2013, December 31, 2014, and December 31, 2015**

| 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 |
|---|---|---|---|---|---|---|---|---|
| Alabama | 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2015 | 2 | 2 | 0 | 0 | 0 | 0 | 4 |
| Arkansas | 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |

| 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 |
|---|---|---|---|---|---|---|---|---|
| Colorado | 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2015 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| Florida | 2013 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2015 | 2 | 1 | 0 | 0 | 0 | 0 | 3 |
| Georgia | 2013 | 5 | 7 | 0 | 0 | 0 | 0 | 12 |
| | 2014 | 12 | 3 | 0 | 0 | 0 | 1 | 14 |
| | 2015 | 14 | 3 | 0 | 0 | 1 | 1 | 15 |
| Kentucky | 2013 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 0 | 1 | 0 |
| Maryland | 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2015 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| Nebraska | 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2015 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| New Jersey | 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2015 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| North Carolina | 2013 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 1 | 0 | 0 | 0 | 0 | 2 |
| | 2015 | 2 | 2 | 0 | 0 | 0 | 0 | 4 |
| North Dakota | 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 2 | 0 | 0 | 0 | 0 | 2 |
| | 2015 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Pennsylvania | 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2015 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| South Carolina | 2013 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 2 | 0 | 0 | 0 | 0 | 3 |
| Tennessee | 2013 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Texas | 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Virginia | 2013 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | 2014 | 0 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2015 | 1 | 0 | 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 |
|---|---|---|---|---|---|---|---|---|
| **Totals** | **2013** | **6** | **11** | **0** | **0** | **0** | **0** | **17** |
| | **2014** | **17** | **12** | **0** | **0** | **0** | **1** | **28** |
| | **2015** | **28** | **16** | **0** | **0** | **1** | **2** | **41** |

**Table No 4**
**Status of Company-Owned Outlets**
**For Years Ending December 31, 2013, December 31, 2014, and December 31, 2015**

| State | Year | Outlets at Start of Year | Outlets Opened | Outlets Reacquired From Franchisee | Outlets Closed | Outlets Sold to Franchisee | Outlets at End of the Year |
|---|---|---|---|---|---|---|---|
| Georgia | 2013 | 1 | 0 | 0 | 0 | 0 | 1 |
| | 2014 | 1 | 0 | 0 | 0 | 1 | 0 |
| | 2015 | 0 | 0 | 1 | 0 | 0 | 1 |
| **Total** | **2013** | **1** | **0** | **0** | **0** | **0** | **1** |
| | **2014** | **1** | **0** | **0** | **0** | **1** | **0** |
| | **2015** | **0** | **0** | **1** | **0** | **0** | **1** |

**Table No 5**
**Projected Openings as of December 31, 2015**

| State | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlet In The Next Fiscal Year (2016) | Projected New Company-Owned Outlet In the Next Fiscal Year (2016) |
|---|---|---|---|
| Alabama | 0 | 3 | 0 |
| Arkansas | 0 | 0 | 0 |
| Colorado | 0 | 1 | 0 |
| Florida | 2 | 5 | 0 |
| Georgia | 0 | 0 | 1 |
| Kentucky | 1 | 1 | 0 |
| Nebraska | 0 | 1 | 0 |
| New Jersey | 0 | 1 | 0 |
| North Carolina | 0 | 1 | 0 |
| North Dakota | 0 | 0 | 0 |
| Pennsylvania | 0 | 0 | 0 |
| South Carolina | 0 | 0 | 0 |
| Tennessee | 0 | 1 | 0 |

| State | Franchise Agreements Signed But Outlet Not Opened | Projected New Franchised Outlet In The Next Fiscal Year (2016) | Projected New Company-Owned Outlet In the Next Fiscal Year (2016) |
|---|---|---|---|
| Texas | 0 | 0 | 0 |
| Virginia | 0 | 1 | 0 |
| **Totals** | 3 | 14 | 1 |

Exhibits G lists the names of all current franchisees with their addresses and telephone numbers as of the date of this disclosure document

Exhibit H lists the name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of 2 franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance 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

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system

There are currently no trademark-specific franchisee organizations associated with the System

## ITEM 21
## FINANCIAL STATEMENTS

Our audited Financial Statements for the for the periods ended December 31, 2015, December 31, 2014 and December 31, 2013 are attached as Exhibit I Our unaudited Balance Sheet and Statement of Income as of April 30, 2016 are also attached as Exhibit I

## ITEM 22
## CONTRACTS

The following agreements are attached as exhibits to this disclosure document

(a) Market Development Agreement – Exhibit B
(b) Franchise Agreement -- Exhibit C
(c) Franchisee Participation Agreement for Coca-Cola -- Exhibit D
(d) State Specific Addenda and Riders -- Exhibit F
(e) Form of Release - Exhibit J
(f) Form of Guarantee Provisions for Marketing Development Agreement - Exhibit K-1
(g) Form of Guarantee Provisions for Franchise Agreement - Exhibit K-2
(h) Form of Franchisee Disclosure Questionnaire – Exhibit M

## ITEM 23
## RECEIPT

Exhibit N to this disclosure document are detachable Receipts acknowledging your receipt of this disclosure document Please return one Receipt to us and retain the other for your records If you are missing these Receipts, please contact us at the following address or telephone number

Integrity Brands, LLC
3575 Piedmont Road, NE, Building 15, Suite 250
Atlanta, Georgia 30305
(404) 929-6654

**EXHIBIT A TO THE DISCLOSURE DOCUMENT**

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**STATE AGENCIES AND ADMINISTRATORS FOR SERVICE OF PROCESS**

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If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws There may be states in addition to those listed below in which we have appointed an agent for service of process There also may be additional agents appointed in some of the states listed below

Our registered agent in the State of Georgia is

Matthew R Andrew
3575 Piedmont Road, NE, Building 15, Suite 250
Atlanta, Georgia 30305
(404) 929-6654

| STATE | STATE REGULATORY AGENCY | AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY |
|---|---|---|
| California | Department of Business Oversight<br>*Los Angeles*<br>320 West 4th Street<br>Suite 750<br>Los Angeles, CA 90013-2344<br>(213) 576-7500<br>*Sacramento*<br>1515 K Street<br>Suite 200<br>Sacramento, CA 95814-4052<br>(916) 445-7205<br>*San Diego*<br>1350 Front Street, Room 2034<br>San Diego, CA 92101-3697<br>(619) 525-4233<br>*San Francisco*<br>One Sansome Street, Suite 600<br>San Francisco, CA 94104-4428<br>(415) 972-8565 | |
| Hawaii | Department of Commerce and Consumer Affairs<br>Business Registration Division<br>Commissioner of Securities<br>P O Box 40<br>Honolulu, Hawaii 96810<br>(808) 586-2744 | Commissioner of Securities<br>Department of Commerce and Consumer Affairs<br>Business Registration Division<br>Securities Compliance Branch<br>335 Merchant Street, Room 203<br>Honolulu, Hawaii 96813 |
| Illinois | Franchise Bureau<br>Office of Attorney General<br>500 South Second Street<br>Springfield, IL 62706<br>(217) 782-4465 | |
| Indiana | Franchise Section<br>Indiana Securities Division<br>Secretary of State<br>Room E-111<br>302 W Washington Street<br>Indianapolis, Indiana 46204<br>(317) 232-6681 | |
| Maryland | Office of the Attorney General<br>Securities Division<br>200 St Paul Place<br>Baltimore, MD 21202-2020<br>(410) 576-7042 | Maryland Securities Commissioner<br>200 St Paul Place<br>Baltimore, Maryland 21202-2020 |

| STATE | STATE REGULATORY AGENCY | AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY |
|---|---|---|
| Michigan | Michigan Attorney General's Office<br>Consumer Protection Division<br>Attn Franchise Section<br>525 W Ottawa Street<br>Williams Building, 1st Floor<br>Lansing, MI 48933<br>(517) 373-7117 | |
| Minnesota | Minnesota Department of Commerce<br>Market Assurance Division<br>85 7th Place East, Suite 500<br>St Paul, Minnesota 55101-2198<br>(651) 296-6328 | |
| New York | Attention Barbara Lasoff<br>Office of the New York State Attorney General<br>Investor Protection Bureau of Franchise<br>120 Broadway, 23rd Floor<br>New York, NY 10271-0332<br>(212) 416-8236 | Attention Uniform Commercial Code<br>New York Department of State<br>One Commerce Plaza<br>99 Washington Avenue, 6th Floor<br>Albany, NY 12231-0001<br>(518) 473-2492 |
| North Dakota | Office of Securities Commissioner<br>Fifth Floor<br>600 East Boulevard<br>Bismarck, ND 58505-0510<br>(701) 328-4712 | |
| Oregon | Department of Consumer & Business Services<br>Division of Finance and Corporate Securities<br>Labor and Industries Building<br>Salem, Oregon 97310<br>(503) 378-4140 | |
| Rhode Island | Department of Business Regulation<br>Securities Division<br>1511 Pontiac Avenue<br>John O Pastore Complex–69-1<br>Cranston, RI 02920-4407<br>(401) 462-9527 | |
| South Dakota | Division of Securities<br>124 S Euclid, Suite 104<br>Pierre, SD 57501<br>(605) 773-4823 | |

| STATE | STATE REGULATORY AGENCY | AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY |
|---|---|---|
| Virginia | State Corporation Commission<br>1300 East Main Street<br>9th Floor<br>Richmond, VA 23219<br>(804) 371-9051 | Clerk<br>State Corporation Commission<br>1300 East Main Street, 1st Floor<br>Richmond, VA 23219 |
| Washington | Department of Financial Institutions<br>Securities Division<br>P O Box 9033<br>Olympia, WA 98507-9033<br>(360) 902-8760 | Department of Financial Institutions<br>150 Israel Road SW<br>Tumwater, WA 98501 |
| Wisconsin | Division of Securities<br>Department of Financial Institutions<br>Post Office Box 1768<br>Madison, Wisconsin 53701<br>(608) 266-2801 | |

# EXHIBIT B TO THE DISCLOSURE DOCUMENT

## FORM OF

## MARKET DEVELOPMENT AGREEMENT

**INTEGRITY BRANDS, LLC**

**MARKET DEVELOPMENT AGREEMENT**

THIS MARKET DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into this ____ day of ________, 201__ (the "Effective Date"), by and between INTEGRITY BRANDS, LLC, a Georgia limited liability company with its principal office at 3575 Piedmont Road, NE, Building 15, Suite 250, Atlanta, Georgia 30305 ("Franchisor"), and _______________________, a ____________________________ with (its principal office) (his/her residence) at _______________________________ ("Developer"), who agree as follows

**W I T N E S S E T H**

WHEREAS, Franchisor at a substantial expenditure of time, effort and money has developed (and is further refining) a system (the "System") of developing, opening, operating and promoting fast casual restaurants offering fresh Italian food, other food products and beverages, and related restaurant services under the name "Uncle Maddio's Pizza" ("Uncle Maddio's Restaurants" or "Restaurants")

WHEREAS, Developer has applied to Franchisor for, and Franchisor desires to grant to Developer, the right to establish and operate a specified number of Uncle Maddio's Restaurants in accordance with a specified development schedule, all in accordance with the terms and conditions contained herein

NOW, THEREFORE, for and in consideration of the covenants and agreements hereinafter set forth, it is mutually understood, agreed and covenanted as follows

## 1 GRANT OF DEVELOPMENT RIGHTS

During the term of this Agreement, Franchisor hereby grants to Developer, subject to the terms and conditions contained herein, the right to establish and operate the number of Uncle Maddio's Restaurants set forth on the development schedule (the "Development Schedule") attached hereto as Schedule A Each Uncle Maddio's Restaurant to be established hereunder shall be located in the non-exclusive area described in Schedule A (the "Area of Responsibility") Within Franchisor's discretion, Franchisor may consider sites proposed by Developer outside the Area of Responsibility which will count toward the Development Schedule if approved by Franchisor The operation of any Uncle Maddio's Restaurant established pursuant to this Agreement shall be governed by an individual Integrity Brands, LLC Franchise Agreement to be entered into between Franchisor and Developer in accordance with Section 9 below (each, a "Franchise Agreement")

## 2 TERRITORIAL PROTECTION AND RESERVATION OF RIGHTS

2 1 <u>No Territorial Protection</u> Developer may establish the Restaurants required to be developed hereunder at any location within the Area of Responsibility provided that Franchisor, in its sole discretion,

consents in writing to the location, the location is in a state where Franchisor is permitted to sell Uncle Maddio's Restaurant franchises, and the location is not located in a territory in which any other Uncle Maddio's Restaurant franchisee has exclusive rights or a right of first refusal Developer acknowledges and agrees that by virtue of this Agreement and the Area of Responsibility, Developer does not have exclusive territorial rights, protected territory, or other rights to exclude, control or impose conditions on the location or development of other or future Uncle Maddio's Restaurants or on Franchisor's activities, except as may be provided in an applicable Franchise Agreement

2 2 <u>Reservation of Rights</u> Franchisor retains the right, in its sole discretion, to i) establish and operate, and grant to other franchisees or licensees the right to establish and operate, an Uncle Maddio's Restaurant or any other business using the name "Uncle Maddio's Pizza" and all other trade names, trademarks, service marks, commercial symbols, logos, emblems, signs, slogans and insignia developed for use with the System from time to time (collectively, the "Marks"), the System or any variation of the Marks or the System, in any location (including inside the Area of Responsibility) and on any terms and conditions that Franchisor deems appropriate, (ii) develop, use and franchise anywhere the rights to any trade names, trademarks, service marks, commercial symbols, logos, emblems, signs, slogans, insignia, patents or copyrights not designated by Franchisor as Marks, for use with similar or different franchise systems for the sale of similar or different products or services than those constituting a part of the System, without granting Developer any rights therein, (iii) offer, ship, sell and provide products or services identified by the Marks or other trademarks, service marks, commercial symbols or emblems to customers located anywhere through any distribution channel or method, including catalogs, mass merchandise, grocery stores, club stores, convenience stores, Internet (or any other existing or future form of electronic commerce), special events and delivery services within and outside the Area of Responsibility, irrespective of the proximity to any Restaurant established hereunder without compensation to Developer, (iv) own, operate, franchise or license anywhere, even in close proximity to any Restaurants developed hereunder, restaurants of any other type whatsoever operating under marks other than the Marks, and (v) engage in any other activity, action or undertaking that Franchisor is not expressly prohibited from taking under this Agreement

## 3 TERM

Unless earlier terminated in accordance with the terms and conditions set forth herein, this Agreement shall commence as of the Effective Date and shall automatically expire, without any action on the part of either party being necessary, on the date after operations of the final Restaurant to be developed hereunder are required to commence as set forth on the Development Schedule

## 4 DEVELOPMENT FEE

Developer shall pay to Franchisor a development fee in an amount set forth on Schedule A (the "Development Fee") The Development Fee shall be paid in accordance with the payment schedule set forth on Schedule A Developer acknowledges and agrees that the Development Fee is paid as consideration for Franchisor granting Developer the right to establish, open and operate the number of Uncle Maddio's Restaurants set forth on the Development Schedule, and that the Development Fee is fully earned by Franchisor at the time this Agreement is signed and shall not be refundable for any reason The Development Fee shall equal the total of all initial franchise fees (the "Franchise Fees") due under each of the Franchise Agreements covering the cumulative number of Uncle Maddio's Restaurants to be developed hereunder Provided that a Restaurant is established in accordance with the Development Schedule, that portion of the Development Fee applicable to the Franchise Fee due under the Franchise Agreement for such Restaurant shall be credited towards the payment of such Franchise Fee In the event a Restaurant is not established in accordance with the Development Schedule, that portion of the Development Fee that would have otherwise been credited towards the payment of the Franchise Fee shall be forfeited and retained by Franchisor If for any reason this Agreement terminates before all or a portion of the Development Fee has been applied to the Franchise Fees, Franchisor will retain the unapplied portion of the Development Fee to compensate itself for its time, effort and foregone opportunities

## 5 FRANCHISE FEES

As long as Developer is in compliance with the Development Schedule, the amount of the Franchise Fee for each Restaurant to be established hereunder is $30,000 However, the Development Fee will be credited against Franchise Fees as provided for in Section 4 above Each Franchise Fee associated with a Restaurant, to the extent any is due and no Development Fee credit is available, will be paid upon the execution and delivery of the Franchise Agreement covering such Restaurant

## 6 DEVELOPMENT SCHEDULE

Developer must (i) establish and open the specified minimum number of Restaurants on or before each of the dates specified on the Development Schedule and (ii) maintain the specified minimum number of Restaurants in continuous operation as specified on the Development Schedule Developer's failure to comply with the foregoing requirements shall constitute a default under this Agreement Developer understands that time is of the essence with respect to its obligations to comply with the Development Schedule Developer acknowledges and understands that this Agreement requires it to open Restaurants in the future pursuant to the Development Schedule Developer further acknowledges and understands that the estimated investment requirement and fees and expenses set forth in Franchisor's franchise disclosure document are subject to increase and change over time, and that future Restaurants developed hereunder will most likely require a greater initial investment and increased operating capital than those detailed in the franchise disclosure document provided to Developer in connection with the execution of this Agreement

## 7 SITE SELECTION AND ACCEPTANCE

7 1 Site Selection and Acceptance Using the national real estate broker(s) designated by Franchisor (and any local real estate broker(s) identified by the national real estate broker(s) or selected by the Developer), Developer is responsible for locating proposed sites for the Uncle Maddio's Restaurants to be established hereunder Franchisor, in its sole discretion, may counsel and offer advice to Developer with respect to such site selection, provided, however, in no event shall Franchisor be liable to Developer in connection with providing advice or any such assistance Upon Developer's selection of a proposed site for a Restaurant, Developer shall promptly submit to Franchisor such site, demographic and other data and information about the proposed site as reasonably requested by Franchisor, utilizing Franchisor's site submittal form and any other such forms as may be required by Franchisor, and a copy of any letter of intent, lease, sublease or purchase agreement to be entered into in connection with the acquisition of such site Franchisor shall either accept or reject the proposed site utilizing its then-current site selection policies and procedures As a condition of accepting a proposed site to be leased or subleased, the lease or sublease for the proposed site must contain the provisions in Section 7 2 below In addition, Developer acknowledges and agrees that Franchisor's acceptance of a proposed site may be conditioned upon Developer meeting certain other requirements (including, without limitation, the negotiation of additional terms and conditions satisfactory to Franchisor to any lease, sublease or purchase agreement for the proposed site), and if Developer does not, or is unable to meet such requirements within a reasonable time, the site will be deemed rejected Franchisor has the right to reject any proposed site should Developer be in default of this Agreement, any Franchise Agreement entered into pursuant to this Agreement or any other agreement between Developer and Franchisor To be effective, any acceptance of a proposed site by Franchisor must be in writing Developer acknowledges and agrees that Franchisor will use its business experience to assess whether a site meets the Franchisor's site criteria to reject any proposed site, in which event, Developer may not develop a Restaurant at the rejected site, but must locate another proposed site for the Restaurant and submit it to Franchisor for acceptance in accordance with this Section 7 1

7 2 If FRANCHISEE will occupy the Accepted Location under a lease/sublease, either Franchisee or Developer shall, prior to the execution thereof, submit such lease/sublease to Franchisor The party signing the Lease and the Landlord must execute the Lease Rider attached hereto as Schedule B

7 3 <u>Disclaimer</u> The acquisition in any manner of any proposed site, whether by option, purchase, lease or otherwise, prior to written acceptance by Franchisor shall be at the sole risk and responsibility of Developer and shall not obligate Franchisor in any way to accept such site or enter into a Franchise Agreement with Developer for the operation of an Uncle Maddio's Restaurant at such site Developer understands and agrees that Franchisor's approval of a site (including any lease, sublease, or purchase agreement) for a Restaurant is not an assurance or a guarantee by Franchisor of the suitability of such site for an Uncle Maddio's Restaurant or the success of any particular Uncle Maddio's Restaurant established at such site Developer acknowledges and agrees that the suitability of a site and the success of any Restaurant depends on many factors outside the control of either Franchisor or Developer (including, without limitation, such factors as interest rates, unemployment rates, demographic trends and the general economic climate) and further principally depends on Developer's efforts in the operation of the Restaurant In no event shall Franchisor be liable to Developer in connection with providing any assistance or advice with respect to the selection of a site In no event shall Franchisor be obligated to loan money, guarantee leases, subleases or purchase agreements, provide financing or otherwise become directly involved and/or obligated to Developer or to any third party in respect of such site Selection or development of any Restaurant, these activities and undertakings, financially and otherwise, shall be the exclusive responsibility of Developer

## 8 CONSTRUCTION OF THE ACCEPTED SITE

Upon Franchisor's written acceptance of a proposed site in accordance with Section 7 1 above, Developer shall proceed promptly to enter into the accepted lease, sublease or purchase agreement for the accepted site and obtain all necessary zoning, building and other governmental or regulatory approvals and permits required for the establishment of the Restaurant Before commencing with the construction of the Uncle Maddio's Restaurant to be established at the approved site, Developer shall, at its expense, furnish to Franchisor for Franchisor's written approval, a proposed site and construction plans and specifications for the Uncle Maddio's Restaurant which, if accepted, shall not thereafter be modified, altered or changed without Franchisor's prior written consent In addition, Developer shall furnish Franchisor with such information relating to the construction of the Restaurant and development of the site as Franchisor may from time to time request, which may include, without limitation, copies of all commitments and plans for construction and financing, the contact name, address and telephone number for any lenders and contractors, and a copy of any construction or financing agreements Developer shall commence construction of the Uncle Maddio's Restaurant in accordance with the accepted site and construction plans and specifications as soon as possible and shall complete construction thereof, including the acquisition and installation of all equipment specified by Franchisor, and have the Restaurant ready to open for business within four months after Franchisor's execution of the Franchise Agreement for the Restaurant Franchisor and its agents shall have the right to inspect the construction site at any reasonable time without prior notice To the extent applicable, Developer agrees to give Franchisor written notice (i) at least 10 days prior to the pouring of the concrete slab for the Restaurant and (ii) immediately after completion of the electrical and mechanical rough-ins to enable Franchisor to inspect the construction site at such times Developer shall correct, upon Franchisor's request and at Developer's expense, any deviation from any approved site or construction plans or specifications Franchisor assumes no responsibility for the quality of any construction because of any inspections made by it or any reports or recommendations made as a result of such inspections

## 9 COUNSELING AND ADVISORY SERVICES

During the term of this Agreement, Franchisor may, in its sole discretion, upon request of Developer, furnish counseling and advisory services to Developer with respect to the development, construction and operation of the Uncle Maddio's Restaurants to be established hereunder, including consultation and advice regarding the following (i) parking and building layouts, (ii) traffic planning, (iii) construction and financing of the Restaurant and other improvements, (iv) equipment selection and layout, (v) employee selection and training, (vi) advertising and promotion, (vii) bookkeeping and accounting, and (viii) purchasing and inventory control These counseling and advisory services shall occur at Developer's offices, via telephone or email In

Franchisor's sole discretion, Franchisor shall provide such assistance at no expense to Developer In no event shall Franchisor be liable to Developer in connection with providing or failing to provide such services

## 10 FRANCHISE AGREEMENTS

Within 10 days after Franchisor approves the proposed site, Developer must (a) sign and deliver to Franchisor two copies of Franchisor's Franchise Agreement, in the same form attached as an exhibit to Franchisor's Franchise Disclosure Document (the "Franchise Agreement"), for the Restaurant, together with any ancillary agreements required by the Franchise Agreement and (b) pay Franchisor the applicable Franchise Fee as required therein but consistent with Section 5 above Once Franchisor has received the signed Franchise Agreement, the Franchise Fee and all ancillary items it requires in satisfactory form, Franchisor will countersign the Franchise Agreement and return one fully signed copy to Developer Developer understands that any obligation or liability Developer incurs with respect to the proposed Restaurant or location before Franchisor has approved it in writing and sent Developer the countersigned Franchise Agreement is at Developer's sole risk, and will be Developer's sole responsibility Developer shall comply with Franchisor's then-current franchising policies and procedures for execution of each Franchise Agreement Franchisor shall be under no obligation to execute a Franchise Agreement unless Developer has complied in a timely manner with all of the terms and conditions of this Agreement and has satisfied all requirements set forth herein to the execution of the Franchise Agreement In addition, Franchisor shall be under no obligation to execute a Franchise Agreement if Developer is in breach or default of any other Franchise Agreement, Market Development Agreement or any other agreement between Franchisor and Developer If any Franchise Agreement contemplated by this Agreement is executed by Franchisor, it shall supersede this Agreement and govern the relationship between the parties hereto with respect to the Restaurant that is the subject matter of such Franchise Agreement

## 11 NO RIGHT TO OPERATE OR USE TRADEMARKS

Developer acknowledges and agrees that (i) until a Franchise Agreement has been entered into for a specific Restaurant, Developer shall not have, nor be entitled to exercise, any of the rights, powers and privileges granted by the Franchise Agreement, including, without limitation, the right to use the Marks or the System, (ii) the execution of this Agreement shall not be deemed to grant any such rights, powers or privileges to Developer, and (iii) Developer may not under any circumstances commence operations of any Uncle Maddio's Restaurant prior to Franchisor's execution of a Franchise Agreement for that particular Restaurant

## 12 TERMINATION

12 1 <u>Termination by Developer</u> Developer may terminate this Agreement if Developer is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure such material breach within 90 days after written notice thereof is delivered to Franchisor Notwithstanding the foregoing, if the breach is curable but is of a nature which cannot reasonably be cured within such 90 day period and Franchisor has commenced and is continuing to make good faith efforts to cure such breach, Franchisor shall be given an additional 60 day period to cure the same, and this Agreement shall not terminate In the event of termination by Developer, all post-termination obligations of Developer described herein shall not be waived but shall be strictly adhered to by Developer

12 2 <u>Termination by Franchisor without a Cure Period</u> Franchisor may immediately terminate this Agreement upon written notice to Developer, without opportunity to cure, if

(i) Developer files a petition under any bankruptcy or reorganization law, becomes insolvent, or has a trustee or receiver appointed by a court of competent jurisdiction for all or any part of its property,

(ii) Developer seeks to effect a plan of liquidation, reorganization, composition or arrangement of its affairs, whether or not the same shall be subsequently approved by a court of competent jurisdiction, it being understood that in no event shall this Agreement or any right or interest hereunder be deemed an asset in any insolvency, receivership, bankruptcy, composition, liquidation, arrangement or reorganization proceeding,

(iii) Developer has an involuntary proceeding filed against it under any bankruptcy, reorganization, or similar law and such proceeding is not dismissed within 60 days thereafter,

(iv) Developer makes a general assignment for the benefit of its creditors,

(v) Developer fails to pay when due any amount owed to Franchisor or its affiliates or subsidiaries , whether under this Agreement or not, and Developer does not correct such failure within 10 calendar days after written notice thereof is delivered to Developer,

(vi) Developer fails to pay when due any amount owed to any creditor, supplier or lessor of any Restaurant developed hereunder or any taxing authority for federal, state or local taxes (other than amounts being bona fide disputed through appropriate proceedings) and Developer does not correct such failure within 10 calendar days after written notice is delivered thereof to Developer,

(vii) Developer fails to establish and open Restaurants in accordance with the Development Schedule,

(viii) Developer fails to maintain in continuous operation the minimum cumulative number of Restaurants required by the Development Schedule to be in operation during the applicable time period,

(ix) Developer or any of Developer's owners are convicted of or plead no contest to a felony, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation of the System and the goodwill associated with the Marks,

(x) Developer makes a material misrepresentation to Franchisor at any time, before or after the Effective Date,

(xi) Developer makes an unauthorized Transfer of this Agreement, the franchise, any Restaurant, or an ownership interest in Developer,

(xii) Developer or any Bound Party (as defined below) breaches or fails to comply fully with Section 14 below,

(xiii) Developer fails to comply with any federal, state or local law or regulation applicable to the operation of the franchise (including any failure to comply with the Anti Terrorism Laws (as defined below) as set forth in Section 32 2 below),

(xiv) Developer is dissolved either voluntarily or involuntarily,

(xv) Developer commits a breach or default under any Franchise Agreement or any other agreement between Developer and Franchisor and the breach or default is not cured during the time period required under such Franchise Agreement or other agreement, regardless of whether Franchisor in fact terminates such Franchise Agreement or other agreement, or

(xvi) Developer has received at least three default notices from Franchisor within a 12 month period, even if such default is subject to a right to cure or is cured after notice is delivered to Developer

12 3 Termination by Franchisor with a Cure Period Franchisor shall have the right to terminate this Agreement upon 30 days written notice if Developer fails to comply with any other provisions of this Agreement and such failure remains uncured in Franchisor's sole discretion, provided, however, if the breach is curable but is of a nature which cannot reasonably be cured within such 30 day period and Developer has commenced and is continuing to make good faith efforts to cure such breach, Developer shall be given an additional 30 day period to cure the same, and this Agreement shall not terminate

12 4 Effect of Expiration or Termination Upon the expiration or termination of this Agreement for any reason, any and all rights granted to Developer hereunder shall be extinguished immediately, and Developer shall not be relieved of any of its obligations, debts or liabilities hereunder All rights and licenses granted to Developer hereunder to develop Restaurants shall revert to Franchisor and Franchisor shall have the right to develop, or license others to develop, Restaurants Developer shall have no further rights to develop further Restaurants and Developer shall immediately cease all use of the Marks, except as permitted under the terms of a fully executed Franchise Agreement, which is in effect at the time of the termination or expiration With respect to such then-effective Franchise Agreements, Developer shall retain its interest as a franchisee thereunder, provided that Developer is not in default under such Franchise Agreements Developer shall pay all sums due to Franchisor or its affiliates Upon the termination or expiration of this Agreement, Developer shall also undertake the following (i) strictly comply with the post-termination/post-expiration covenant not to compete set forth herein, and (ii) continue to abide by those restrictions pertaining to the use of Franchisor's confidential information and proprietary information as set forth herein The expiration and termination of this Agreement will be without prejudice to the rights of Franchisor against Developer and the expiration or termination will not relieve Developer of any of its obligations to Franchisor existing at the time of such expiration or termination, or terminate those obligations of the Developer which by their nature survive the expiration or termination of this Agreement

## 13 ASSIGNMENT

13 1 Assignment by Franchisor This Agreement may be unilaterally assigned by Franchisor and shall inure to the benefit of its successors and assigns Developer agrees and affirms that Franchisor may sell itself, its assets, the Marks and/or the System to a third party, may go public, may engage in private placement of some or all of its securities, may merge, acquire other corporations, or be acquired by another corporation, and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring Developer further agrees and affirms that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or noncompetitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Uncle Maddio's Restaurants operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which Developer acknowledges may be proximate to any of its Restaurants With regard to any of the above sales, assignments and dispositions, Developer expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, the Marks (or any variation thereof) and the System and/or the loss of association with or identification of Integrity Brands, LLC under this Agreement If Franchisor assigns its rights in this Agreement, nothing in this Agreement shall be deemed to require Franchisor to remain in the Uncle Maddio's Restaurant Business or to offer or sell any products or services to Developer

13 2 Assignment by Developer Developer shall not subfranchise, sell, assign, transfer, merge, convey or encumber (each, a "Transfer") this Agreement or any of its rights or obligations hereunder, or suffer or permit any such Transfer of this Agreement or its rights or obligations hereunder to occur by operation of law or otherwise without the prior express written consent of Franchisor In addition, if Developer is a corporation, limited liability company, partnership, business trust, or similar association or entity, the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, may not Transfer their equity interests in such corporation, limited liability company, partnership, business trust, or similar association or entity, without the prior written consent of Franchisor Furthermore, in the event that any

shareholder, member, partner, investor or other equity holder of Developer (the "Equity Holder") is a corporation, limited liability company, partnership, business trust, or similar association or entity, the interests of the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, in such Equity Holder, may not be Transferred, without the prior written consent of Franchisor Notwithstanding anything to the contrary in this Agreement, Franchisor shall have the right to approve or disapprove a Transfer under this Section 13 2 in its sole discretion Any Transfer in violation of this Section shall be void and of no force and effect

13 3 Death or Disability of Developer Upon Developer's death or Disability (as such term is hereinafter defined), this Agreement or the ownership interest of any deceased or disabled shareholder, partner, member or other equity holder of the Developer or an Equity Holder must be Transferred to a party approved by Franchisor Any Transfer, including, without limitation, transfers by devise or inheritance or trust provisions, shall be subject to the same conditions for Transfers set forth in Section 13 4 below Franchisor shall not unreasonably withhold its consent to the Transfer of this Agreement or any ownership interest to the deceased or disabled Developer's or Equity Holder's spouse, heirs or members of his or her immediate family, provided all requirements of Section 13 4 have been complied with (except payment of the transfer fee, which shall not apply to such Transfers) A "Disability" shall have occurred with respect to Developer if Developer, or, if Developer is a corporation, partnership or limited liability company, its controlling shareholder, partner, member or other equity holder, is unable to actively participate in its activities as Developer hereunder for any reason for a continuous period of six months As used in this Section 13 3, "Developer" may include a disabled or deceased controlling shareholder, partner or member where the context so requires

13 4 Approval of Assignment Franchisor's approval of any Transfer is, in all cases, contingent upon the following (i) the purchaser and/or the controlling persons of the purchaser having a satisfactory credit rating, being of good moral character, having business qualifications satisfactory to Franchisor, and being willing to enter into an agreement in writing to assume and perform all of Developer's duties and obligations hereunder and/or enter into a new Market Development Agreement for the Area of Responsibility, if so requested by Franchisor, and agreeing to enter into any and all agreements with Franchisor that are being required of all new market developers, including a guarantee provision or agreement and any other agreement which may require payment of different or increased fees from those paid under this Agreement, (ii) the terms and conditions of the proposed transfer (including, without limitation, the purchase price) being satisfactory to Franchisor, (iii) all monetary obligations (whether hereunder or not) of Developer to Franchisor or Franchisor's affiliates or subsidiaries being paid in full, (iv) Developer not being in default hereunder or any other agreement between Developer and Franchisor, including any Franchise Agreement, (v) Developer and its owners executing a general release of any and all claims against Franchisor and its affiliates, subsidiaries, members, managers, officers, directors, employees and agents, in a form satisfactory to Franchisor, (vi) Developer paying to Franchisor a transfer fee of $5,000 plus reimbursement for all legal, training and other expenses incurred by Franchisor in connection with the Transfer, (vii) Developer first offering to sell such interest to Franchisor pursuant to Section 15 of this Agreement and the same having been declined in the manner therein set forth and (viii) the Marks not being used in any advertising for any Transfer prohibited by Sections 13 2 and 13 3 hereof

13 5 Removal of General Partner If Developer is a limited partnership, Developer may not remove or appoint, or permit the limited partners to remove or appoint, a new or successor general partner without the prior written consent of Franchisor (even if such appointment is due to the resignation, death or disability of the General Partner)

## 14 RESTRICTIVE COVENANTS

14 1 Covenants Not to Compete

(i) Non-Competition during Term In addition to and not in limitation of any other restrictions on Developer contained herein, Developer and Developer's spouse, and, if Developer is not an individual, its shareholders, members, partners and managers, as applicable, and their spouses (each, a "Bound Party"), agree that they will not, during the term of this Agreement, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business (as defined below), regardless of location or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business, regardless of location

(ii) Post-Term Non-Competition In addition to and not in limitation of any other restrictions on Developer contained herein, Developer and the Bound Parties agree that they will not, for one year following the effective date of termination or expiration of this Agreement for any reason, or following the date of a Transfer by Developer, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business which, in either case, is located or operating within the Areas of Responsibility on Schedule A, or within a three mile radius of any Uncle Maddio's Restaurant

(iii) General For purposes of this Agreement, the term "Competitive Business" means any business that derives 20% or more of its sales (including delivery sales) from pizza sales, or any business granting franchises or licenses to others to operate such a business Neither Developer nor the other Bound Parties will be prohibited from owning securities in a Competitive Business if they are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of the number of shares of that class of securities which are issued and outstanding The parties acknowledge that the covenants contained in Section 14 1 are based on the reason and understanding that Developer and the Bound Parties will possess knowledge of Franchisor's business and operating methods and confidential information, disclosure and use of which would prejudice the interest of Franchisor and its franchisees Developer further understands and acknowledges the difficulty of ascertaining monetary damages and the irreparable harm that would result from breach of these covenants If any part of this restriction is found to be unreasonable in time or distance, such time or distance may be reduced by appropriate order of the court to that deemed reasonable Franchisor shall, as a matter of course, receive injunctive relief to enforce such covenants in addition to any other relief to which it may be entitled at law or in equity Franchisor shall receive such injunctive relief without the necessity of posting bond or other security, such bond or other security being hereby waived

14 2 Non-Solicitation of Employees Developer and the Bound Parties agree that while this Agreement is in effect and for one year after expiration or termination of this Agreement for any reason, or following the date of a Transfer by Developer, they will not, directly or indirectly, solicit or attempt to solicit, or otherwise interfere with or disrupt the employment relationship between Franchisor and any of its employees or between any other Uncle Maddio's Restaurant franchisee and its employees

14 3 Trade Secrets and Confidential Information

(i) Developer acknowledges and agrees that in connection with the operation of Uncle Maddio's Restaurants and the System, Franchisor has developed at a great expense competitively sensitive proprietary and confidential information which are not commonly known by or available to the public This proprietary and confidential information does not include any information that (a) is commonly known by or available to the public, (b) has been voluntarily disclosed to the public by Franchisor, (c) been independently developed or lawfully obtained by Developer, or (d) has otherwise entered the public domain through lawful means All information which comprises the System including the information and data contained in any of Franchisor's operations manuals will be presumed to be confidential information of Franchisor

(ii) Developer and each Bound Party agree that while this Agreement remains in effect such party will not, directly or indirectly, disclose or publish to any party, or copy or use for such party's own benefit, or for the benefit of any other party, any of Franchisor's proprietary or confidential information, except as required to carry out Developer's obligations under this Agreement or as Franchisor has otherwise expressly approved in writing All proprietary and confidential information of Franchisor is the sole and exclusive property of Franchisor Developer and each Bound Party agree that the restriction contained in the preceding sentence will remain in effect with respect to the confidential information for five years following termination or expiration of this Agreement for any reason, provided, however, if the confidential information rises to the level of a trade secret, then such restriction shall remain in effect until such time as the information does not constitute a trade secret Developer also agrees that it and all of its employees and agents will take appropriate steps to protect Franchisor's confidential information from any unauthorized disclosure, copying or use At any time upon Franchisor's request, and in any event upon termination or expiration of this Agreement, Developer will immediately return any copies of documents where there are materials containing confidential information and will take appropriate steps to permanently delete and render unusable any confidential information stored electronically

14 4 <u>Agreements of Certain Bound Parties</u> Developer shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Section 14 (including covenants applicable upon the termination of a person's relationship with Developer as modified to apply to an individual) from all Bound Parties Every covenant required by this Section 14 4 shall be in a form approved by Franchisor, including specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them

14 5 <u>Agreements by Other Third Parties</u> As a condition to Franchisor's execution of this Agreement, Developer, if requested by Franchisor, shall cause each of its management and supervisory employees and other employees to whom disclosures of confidential information are made to execute a noncompetition, non-solicitation and/or nondisclosure agreement in the form(s) prescribed by Franchisor from time to time

14 6 <u>Reasonable Restrictive Covenants</u> Developer acknowledges and agrees that (a) Developer and the others individuals and entities required to comply with this Section 14 have received an advantage through the specialized training provided under this Agreement, the knowledge of the day-to-day operations of an Uncle Maddio's Restaurant and access to Franchisor's standards, the Operations Manual, the System, Franchisor's confidential information and Franchisor's trade secrets, and (b) the covenants and restrictions in this Section 14 (i) are reasonable, appropriate and necessary to protect Franchisor's standards, the System, Franchisor's confidential information, Franchisor's trade secrets, other franchisees operating under the System, the goodwill of the System, relationships with Franchisor's prospective and existing customers, and Franchisor's legitimate interests, and (ii) do not cause undue hardship on Developer or any of the other individuals and entities required by this Section 14 to comply with the covenants and restrictions

## 15 OWNERSHIP OF DEVELOPER

If Developer is a Business Entity, like a corporation, limited liability company, partnership, then Developer must complete Franchisor's standard Principal Owner's Statement, a copy of which is attached as na Exhibit to its Franchise Disclosure Document and requires the legal organization of Developer, the names and addresses of each person or entity owning a 10% or greater interest in Developer (the "Principal Owners") and the percentage of such interest owned by such person or entity Developer agrees to notify Franchisor in writing whenever there is any change in the organizational structure or ownership interest of Developer At Franchisor's request, Developer shall provide to Franchisor a copy of all Developer's governing and/or organizational documents and any amendments thereto Franchisor may require each Principal Owner to execute the Guarantee Provision in the form attached as an exhibit to the Franchisor's Franchise Disclosure Document

## 16 SUCCESSORS AND THIRD PARTY BENEFICIARIES

This Agreement and the covenants, restrictions and limitations contained herein shall be binding upon and shall inure to the benefit of Franchisor and its successors and assigns and shall be binding upon and shall inure to the benefit of Developer and its permitted heirs, successors and assigns Nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party hereto This Agreement is, however, intended to bind the Bound Parties to the extent set forth in this Agreement

## 17 CONSTRUCTION

All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, and any other gender, as the context or sense of this Agreement or any provision hereof may require, as if such words had been fully and properly written in the appropriate number and gender All covenants, agreements and obligations assumed herein by Developer shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Developer, if more than one person is so named Except where this Agreement expressly obligates Franchisor not to unreasonably withhold its approval of any of Developer's actions or requests, Franchisor has the absolute right, in its sole and arbitrary discretion, to refuse any request Developer makes or to withhold its approval of any of Developer's proposed or effected actions that require Franchisor's approval

## 18 INTERPRETATION AND HEADINGS

The parties agree that this Agreement should be interpreted according to its fair meaning Developer waives to the fullest extent possible the application of any rule which would construe ambiguous language against Franchisor as the drafter of this Agreement The words "include," "includes" and "including" when used in this Agreement will be interpreted as if they were followed by the words "without limitation" References to section numbers and headings will refer to sections of this Agreement unless the context indicates otherwise Captions and section headings are used herein for convenience only They are not part of this Agreement and shall not be used in construing it

## 19 NOTICES

Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally, by certified, express or registered mail, or by an overnight delivery service (e g , Federal or Airborne Express), postage prepaid, addressed to the party to be notified at the respective address first above written, or at such other address or addresses as the parties may from time to time designate in writing Notices shall be deemed delivered on the date shown on the return receipt or in the delivery service's records as the date of delivery or on the date of first attempted delivery, if actual delivery cannot for any reason be made

## 20 GOVERNING LAW AND ENFORCEMENT

20 1 GOVERNING LAW ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U S C §1 ET SEQ ) EXCEPT TO THE EXTENT PROVIDED BY THE FEDERAL ARBITRATION ACT AS REQUIRED HEREBY, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U S C §1051 ET SEQ ) OR OTHER APPLICABLE FEDERAL LAW, THE TERMS OF THIS AGREEMENT SHALL BE INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA WITHOUT REGARD TO ITS CONFLICTS OF LAWS PROVISIONS, PROVIDED, HOWEVER, THAT THE LAW OF THE STATE OF DEVELOPER'S PRINCIPAL PLACE OF BUSINESS SHALL APPLY TO THE CONSTRUCTION AND ENFORCEMENT OF THE OBLIGATIONS SET FORTH IN SECTIONS 14 1 AND 14 2 HEREOF, WITHOUT REGARD TO ITS CONFLICTS OF LAWS FOR ACTIONS THAT ARE NOT SUBJECT TO MANDATORY ARBITRATION UNDER SECTION 21 2, THE DEVELOPER HEREBY SUBMITS AND IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS FOR THE DISTRICT HERE FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE IS LOCATED ON THE DATE OF FILING OF THE ACTION AND AGREES NOT TO RAISE, AND HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION

BASED UPON *FORUM NON CONVENIENS* OR ANY OTHER OBJECTION IT MAY NOW HAVE OR HEREAFTER HAVE TO SUCH JURISDICTION OR VENUE FURTHER, NOTHING HEREIN CONTAINED SHALL BAR FRANCHISOR'S RIGHT TO OBTAIN INJUNCTIVE RELIEF AGAINST THREATENED CONDUCT THAT WILL CAUSE IRREPARABLE HARM, UNDER THE USUAL EQUITY RULES INCLUDING THE APPLICABLE RULES FOR OBTAINING SPECIFIC PERFORMANCE, RESTRAINING ORDERS AND PRELIMINARY INJUNCTIONS

20 2 ARBITRATION EXCEPT TO THE EXTENT FRANCHISOR SEEKS INJUNCTIVE OR OTHER EQUITABLE RELIEF TO ENFORCE PROVISIONS OF THIS AGREEMENT, AND EXCEPT FOR CONTROVERSIES, CLAIMS OR DISPUTES BASED ON DEVELOPER'S FAILURE TO PAY ANY FEES DUE HEREUNDER WHEN DUE, DEVELOPER'S VIOLATION OF ANY HEALTH OR SAFETY LAW, OR DEVELOPER'S USE OF THE MARKS, ALL CONTROVERSIES, CLAIMS OR DISPUTES BETWEEN FRANCHISOR AND DEVELOPER ARISING OUT OF OR RELATING TO (I) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER, (II) THE RELATIONSHIP BETWEEN DEVELOPER AND FRANCHISOR, OR (III) THE SCOPE AND VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND DEVELOPER (INCLUDING THE SCOPE AND VALIDITY OF THE ARBITRATION OBLIGATIONS UNDER THIS SECTION, WHICH FRANCHISOR AND DEVELOPER ACKNOWLEDGE IS TO BE DETERMINED BY AN ARBITRATOR AND NOT A COURT) SHALL BE DETERMINED BY ARBITRATION WITH THE AMERICAN ARBITRATION ASSOCIATION ("AAA") AT THE OFFICE OF THE AAA CLOSEST TO FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF SUBMISSION OF THE MATTER TO THE AAA THE ARBITRATORS SHALL HAVE NO AUTHORITY TO SELECT A HEARING LOCALE OTHER THAN AS DESCRIBED IN THIS SECTION 21 2 EXCEPT AS THIS SECTION 21 2 OTHERWISE PROVIDES, SUCH ARBITRATION SHALL BE CONDUCTED BEFORE THREE ARBITRATORS (UNLESS THE PARTIES AGREE TO ONE ARBITRATOR) CHOSEN AS FOLLOWS FRANCHISOR AND DEVELOPER SHALL EACH SELECT ONE ARBITRATOR THESE TWO ARBITRATORS SHALL MUTUALLY AGREE ON ONE OTHER ARBITRATOR TO ACT AS THE THIRD ARBITRATOR THE DECISION OF THE ARBITRATORS SHALL BE FINAL AND BINDING UPON ALL PARTIES CONCERNED SUCH DECISION SHALL BE RENDERED WITHIN 30 DAYS OF THE CLOSE OF THE ARBITRATION HEARING RECORD THE ARBITRATION PROCEEDING SHALL BE CONDUCTED AT THE OFFICE OF THE AAA CLOSEST TO FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF SUBMISSION OF THE MATTER TO THE AAA IN ANY ARBITRATION PROCEEDING, FRANCHISOR AND DEVELOPER AGREE THAT EACH MUST SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTERCLAIM (AS DEFINED BY THE THEN CURRENT RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES ANY CLAIM NOT SUBMITTED OR FILED AS REQUIRED IS FOREVER BARRED THE ARBITRATOR MAY NOT CONSIDER ANY SETTLEMENT DISCUSSIONS OR OFFERS THAT MIGHT HAVE BEEN MADE BY EITHER PARTY FRANCHISOR RESERVES THE RIGHT, BUT HAS NO OBLIGATION, TO ADVANCE DEVELOPER'S SHARE OF THE COSTS OF ANY ARBITRATION PROCEEDING IN ORDER FOR SUCH ARBITRATION PROCEEDINGS TO TAKE PLACE AND BY DOING SO WILL NOT BE DEEMED TO HAVE WAIVED OR RELINQUISHED FRANCHISOR'S RIGHT TO SEEK THE RECOVERY OF THOSE COSTS IN ACCORDANCE WITH SECTION 22 THE ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THE ARBITRATION PROCEEDING MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY IN THIS SECTION OR SECTION 24, IF ANY COURT OR ARBITRATOR DETERMINES THAT ALL OR ANY PART OF THE PRECEDING SENTENCE IS UNENFORCEABLE WITH RESPECT TO A DISPUTE THAT OTHERWISE WOULD BE SUBJECT TO ARBITRATION UNDER THIS SECTION 21 2, THEN ALL PARTIES AGREE THAT THIS ARBITRATION CLAUSE SHALL NOT APPLY TO THAT DISPUTE AND THAT SUCH DISPUTE SHALL BE RESOLVED IN A JUDICIAL PROCEEDING IN ACCORDANCE WITH THIS SECTION 21 (EXCLUDING THIS SECTION 21 2) THE FEDERAL RULES OF CIVIL PROCEDURE, AS THEY

RELATE TO PRETRIAL DISCOVERY, AND THE FEDERAL RULES OF EVIDENCE SHALL APPLY TO THE ARBITRATION IN ALL OTHER RESPECTS, THE RULES OF THE AAA AND THE UNITED STATES ARBITRATION ACT SHALL CONTROL JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATION MAY BE ENTERED IN ANY COURT HAVING COMPETENT JURISDICTION THEREOF

20 3 DAMAGES AND TIMING OF CLAIMS THE PARTIES AGREE THAT NEITHER PARTY SHALL HAVE THE RIGHT TO RECEIVE OR COLLECT PUNITIVE OR EXEMPLARY DAMAGES FROM THE OTHER PARTY ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN DEVELOPER AND FRANCHISOR, OR THE OPERATION OF THE FRANCHISE AND THE RESTAURANT BROUGHT BY ANY PARTY TO THIS AGREEMENT AGAINST ANOTHER PARTY TO THIS AGREEMENT, SHALL BE COMMENCED WITHIN ONE YEAR FROM THE DISCOVERY OF THE FACTS GIVING RISE TO ANY SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE BARRED, PROVIDED, HOWEVER, THAT THIS TIME LIMITATION SHALL NOT APPLY TO ANY UNPERFORMED FINANCIAL OBLIGATION OF DEVELOPER TO FRANCHISOR. THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MAY BE SHORTER THAN OTHERWISE ALLOWED BY LAW DEVELOPER AND THE BOUND PARTIES AGREE THAT THEIR SOLE RECOURSE FOR CLAIMS ARISING BETWEEN THE PARTIES SHALL BE AGAINST FRANCHISOR AND ITS SUCCESSORS AND ASSIGNS DEVELOPER AND THE BOUND PARTIES AGREE THAT THE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS OF FRANCHISOR AND ITS AFFILIATES SHALL NOT BE PERSONALLY LIABLE NOR NAMED AS A PARTY IN ANY ACTION BETWEEN FRANCHISOR AND DEVELOPER AND ANY BOUND PARTY

**21 COSTS AND ATTORNEYS' FEES**

If Franchisor incurs any expenses in connection with Developer's failure to pay any amounts it owes when due or otherwise to comply with this Agreement, Developer agrees to reimburse Franchisor for any of the costs and expenses which Franchisor incurs, including, without limitation, reasonable accounting, attorneys', arbitrators' and related fees

**22 WAIVER**

No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Developer shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or a different kind, nor shall any delay or omission of Franchisor to exercise any right arising from any such default affect or impair Franchisor's rights as to such default or any future default

**23 SEVERABILITY**

If any term, restriction or covenant of this Agreement is deemed invalid or unenforceable, all other terms, restrictions and covenants and the application thereof to all persons and circumstances subject hereto shall remain unaffected to the extent permitted by law, and if any application of any term, restriction or covenant to any person or circumstance is deemed invalid or unenforceable, the application of such terms, restriction or covenant to other persons and circumstances shall remain unaffected to the extent permitted by law

**24 RELATIONSHIP OF THE PARTIES**

It is the express intention of the parties hereto that Developer is and shall be an independent contractor under this Agreement, and no partnership, joint venture, fiduciary relationship or other special relationship shall exist between Developer and Franchisor This Agreement does not constitute Developer as the agent, legal representative or employee of Franchisor for any purpose whatsoever, and Developer is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, Franchisor or in any way to bind Franchisor Developer agrees not to incur or contract for any debt or obligation on behalf of Franchisor, or commit any act, make any representation or advertise in any manner which may adversely affect any right of Franchisor, or be detrimental to the good name and reputation of Franchisor or any other developers of Franchisor

## 25 DELEGATION BY FRANCHISOR

Franchisor shall have the right to delegate performance of any or all of its obligations and duties hereunder Developer hereby agrees to such delegation

## 26 REVIEW OF AGREEMENT

Developer acknowledges that it has had a copy of the Franchisor's franchise disclosure document for at least 14 calendar days before signing any franchise or related agreement, or at least 14 calendar days before the payment of any consideration to Franchisor Developer has had the opportunity to have this Agreement and the business offered hereunder reviewed by professionals of Developer's choosing prior to executing this Agreement

## 27 NO RIGHT OF SET OFF

Developer agrees that it will not set off or withhold payment of any amounts it owes Franchisor on the grounds of Franchisor's alleged nonperformance of any of Franchisor's obligations under this Agreement or for any other reason Developer agrees that all such claims will, if not otherwise resolved, be submitted to arbitration as provided in Section 21 2

## 28 CUMULATIVE RIGHTS

The rights granted hereunder are cumulative, and no exercise or enforcement by either party of any right or remedy hereunder will preclude the exercise or enforcement of any other right or remedy to which either Franchisor or Developer are entitled

## 29 ENTIRE AGREEMENT

This Agreement and any addendum, schedule or exhibit attached hereto contains the entire agreement between the parties hereto relating to the development of the Restaurants and the franchised business and no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, have been made or relied upon by the parties other than those set forth herein No agreement altering, changing, waiving or modifying any of the terms and conditions of this Agreement shall be binding upon either party unless and until the same is made in writing and executed by all interested parties This Agreement may not be amended or supplemented by a course of conduct Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Developer to waive reliance on any representation that Franchisor made in its most recent disclosure document (including its exhibits, schedules and amendments) that Franchisor delivered to Developer or Developer's representative

## 30 COUNTERPARTS

This Agreement may be signed in multiple counterpart copies, each of which will be deemed an original

## 31 DEVELOPER'S ACKNOWLEDGMENTS

31 1 <u>Success Depends on Developer and No Warranties</u> Developer assumes sole responsibility for the operation of the business franchised hereunder and acknowledges that, while Franchisor may furnish advice

and assistance to Developer from time to time during the term of this Agreement, Franchisor has no legal or other obligation to do so except as specifically set forth herein In addition, Developer acknowledges that Franchisor does not guarantee the success or profitability of the business franchised hereunder in any manner whatsoever and shall not be liable therefor, in particular Developer understands and acknowledges that the success and profitability of the business franchised hereunder depend on many factors outside the control of either Franchisor or Developer (such as interest rates, unemployment rates, demographic trends and the general economic climate) and there are significant risks in any business venture, but principally depend on Developer's efforts in the operation of the business and the primary factor in Developer's success or failure in the business franchised hereunder will be Developer's own efforts IN ADDITION, DEVELOPER ACKNOWLEDGES AND AGREES THAT FRANCHISOR AND ITS REPRESENTATIVES HAVE MADE NO REPRESENTATIONS OR WARRANTIES TO DEVELOPER OTHER THAN OR INCONSISTENT WITH THE MATTERS SET FORTH IN THIS AGREEMENT, AND THAT DEVELOPER HAS UNDERTAKEN THIS VENTURE SOLELY IN RELIANCE UPON THE MATTERS SET FORTH HEREIN AND DEVELOPER'S OWN INDEPENDENT INVESTIGATION OF THE MERITS OF THIS VENTURE

31 2 Anti-Terrorism Laws

(i) Developer and its owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws In connection with such compliance, Developer and its owners certify, represent, and warrant that none of their property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that Developer and its owners are not otherwise in violation of any of the Anti-Terrorism Laws

(ii) "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States ("Executive Order 13224"), the Terrorism Sanctions Regulation (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, and any other government agency with jurisdiction over the parties to this Agreement and/or their actions) addressing or in any way relating to terrorist acts and/or acts of war

(iii) Developer and its owners certify that none of them, their respective employees, agents, bankers, affiliates or anyone associated with them is listed in the Annex to Executive Order 13224 Developer agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex (A copy of the Annex can be accessed on the internet at the following address http //www treasury gov/offices/enforcement/ofac/sanctions/terrorism html )

(iv) Developer certifies that it has no knowledge or information that, if generally known, would result in (a) Developer, (b) Developer's owners, employees, agents, bankers or affiliates or (c) anyone associated with Developer to be listed in the Annex to executive Order 13224

(v) Developer is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws

(vi) Any misrepresentation under this Section or any violation of the Anti- Terrorism Laws by Developer or Developer's owners, agents, bankers, employees and affiliates shall constitute grounds for immediate termination of this Agreement and any other agreement Developer has entered with Franchisor or an affiliate of Franchisor, in accordance with Section 12 2(xiii) above

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date

| | |
|---|---|
| **FRANCHISOR** | **DEVELOPER** |
| **INTEGRITY BRANDS, LLC** | If an Individual |
| By ______________________ | Signature ______________________ |
| Name ______________________ | Printed Name ______________________ |
| Title ______________________ | If other than an Individual |
| | [INSERT ENTITY NAME] |
| | By ______________________ |
| | Name ______________________ |
| | Title ______________________ |

Schedule A

Area of Responsibility, Development Schedule, Development Fee and Payment Schedule

The Area of Responsibility Per Section 1 ______________________________________________
______________________________________________________________________________
______________________________________________________________________________

Development Schedule Developer agrees to (i) have open and operating at least the following minimum, cumulative number of Restaurants by the date specified below and Developer and (ii) pay the Development Fee in accordance with the schedule set forth below

| Cumulative Number of restaurant to be Developed | Open Restaurant Date By | Payment Schedule for Development Fee | Restaurant Address (If Known) | Store Number (If Assigned) |
|---|---|---|---|---|
| 1 | | $______ upon signing this Agreement | | |
| 2 | | $________ upon ____________ | | |
| 3 | | $________ upon ____________ | | |
| 4 | | $________ upon ____________ | | |
| 5 | | $________ upon ____________ | | |
| 6 | | $________ upon ____________ | | |
| 7 | | $________ upon ____________ | | |
| 8 | | $________ upon ____________ | | |
| 9 | | $________ upon ____________ | | |
| 10 | | $________ upon ____________ | | |

**Total Development Fee Per Section 4 $______________________________**

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Schedule A as of ________________, 20__

| | |
|---|---|
| **FRANCHISOR** | **DEVELOPER** |
| **INTEGRITY BRANDS, LLC** | If an Individual |
| By ______________________ | Signature ______________________ |
| Name ______________________ | Printed Name ______________________ |
| Title ______________________ | If other than an Individual |
| | [INSERT ENTITY NAME] |
| | By ______________________ |
| | Name ______________________ |
| | Title ______________________ |



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Schedule B

**ADDENDUM TO LEASE AGREEMENT**

**THIS ADDENDUM TO LEASE AGREEMENT** (this "**Addendum**") is effective as of _______________ (the "**Effective Date**"), and is being signed simultaneously with the Lease (the "**Lease**") dated ____________________, 20___ between ________________________ (the "**Franchisee**" or "**Tenant**") and _________________________________ (the "**Landlord**") for the real property commonly known as __________________________________________________________________ (the "**Premises**")

1 **Incorporation and Precedence** This Addendum is incorporated into the Lease and supersedes any conflicting provisions in it Capitalized terms not otherwise defined in this Addendum have the meanings as defined in the Lease

2 **Background** The Tenant will operate an Uncle Maddio's® Restaurant at the Premises under a Franchise Agreement dated _________, 20___ (the "**Franchise Agreement**") with Integrity Brands, LLC (the "**Franchisor**") By entering into a franchise relationship with the Franchisor, the Tenant has agreed to grant the Franchisor a security interest in the Lease, all of the furniture, fixtures, inventory and supplies located in the Premises as collateral for (a) the payment of any obligation, liability or other amount owed by the Tenant or its affiliates to the Franchisor under the Franchise Agreement The Franchise Agreement also requires that the Lease contain certain provisions that the Tenant is requesting the Landlord to include

3 **Term** The initial of the Lease, or the initial term together with any renewal terms (for which the rent shall be set forth in the Lease) shall be for not less than ten (10) years

4 **Use of Premises** The Lease shall restrict Tenant's the use of the Premises solely to the operation of the Uncle Maddio's Restaurant in accordance with the terms of the Franchise Agreement

5 **Marks** The Tenant has the right to display the trademarks and service marks set forth on Exhibit "A" to this Addendum and incorporated by reference herein in accordance with the specifications required by the Franchisor (including, without limitation, signage on buildings or pylons, banners, flags, windows, walls, doors and similar displays (collectively, "**Signage**")) Banners may include "coming soon," "now hiring," "now open," etc , subject only to the provisions of applicable law, for the term of the Lease

6 **Easement.** The Landlord grants to the Tenant during the term of the Lease a non-exclusive right and easement over that portion of the property as may be required by the Tenant to improve, renovate, repair, replace and maintain the Premises or replace its Signage or its panel on the pylon sign for the property The Tenant has the right to change or alter the Signage at any time during the term of the Lease provided the Signage is in compliance with all applicable governmental codes and regulations The Signage may include (a) signage on the exterior front wall of the Premises, (b) signage on another exterior portion of the Premises, (c) a separate pylon sign on the property, (d) separate signage on the property, (e) a panel on the pylon sign for the property, and (f) other Signage which may be required by the Franchisor or agreed upon by the Landlord and the Tenant

7 **Access to Premises** During the term of the Lease, the Landlord and Tenant acknowledge and agree that the Franchisor will have unrestricted access to the Premises to make modifications necessary to protect the Marks and they System, or to cure any default under the Franchise Agreement for such Restaurant

8 **Copies of Reports** The Landlord agrees to provide copies of all revenue and other information and data in Landlord's possession related to the operation of the Tenant's Uncle Maddio's Restaurant on a timely basis as the Franchisor may request, during the term of the Lease

9 **Notice of Default** The Landlord will give written notice to the Franchisor (concurrently with the giving of such notice to the Tenant or separately if no such notice to Tenant is required) of any alleged defaults under, breaches or violations of the Lease by the Tenant (a "**Default**") Landlord will deliver such

notice by certified mail, return receipt requested, or by nationally recognized overnight courier service, at the following address or to such other address as the Franchisor may provide to Landlord from time to time

Integrity Brands, LLC
3575 Piedmont Road, NE
Building 15, Suite 520
Atlanta, Georgia 30305
Attention Franchise Administrator

Such notice will grant the Franchisor the right, but not the obligation, to cure any Default, if the Tenant fails to do so, within 15 days after the later of (a) the expiration of the period in which the Tenant may cure the Default under the Lease, or (b) the Franchisor's receipt of the notice of Tenant's Default

10 **Franchisor's Assumption of Lease** In the event of a default of the Lease by Tenant or the default of the Franchise Agreement by Tenant, Franchisor shall, without the landlord's further consent, have a continuing right of entry into the site and Restaurant, the right to operate an Uncle Maddio's Restaurant therein, and, upon written notice by the Franchisor, the right, but not the obligation, to assume Developer's interests under the existing terms, conditions and covenants of the Lease If Franchisor gives Landlord written notice that it will assume the Lease, (the "**Assignment Notice**"), (i) the Franchisor will become the lessee of the Premises and will be liable for all obligations under the Lease arising after the date of the Assignment Notice and (ii) the Landlord will recognize the Franchisor as the lessee of the Premises effective as of the date of the Assignment Notice After Franchisor assumes the Lease, Franchisor may assign the Lease or sublet the site to a third party which will operate an Uncle Maddio's Restaurant at the site

11 **Default Under Franchise Agreement** Any Default under the Lease which is not cured by Tenant within any applicable cure period also constitutes grounds for termination of the Franchise Agreement

12 **Non-Disturbance** So long as the Lease term continues and the Tenant is not in Default under the Lease, the Tenant's use, possession and enjoyment of the Premises will not be interfered with by any lender of the Landlord or any other person The Landlord agrees to use its best efforts to obtain prior to commencement of the Lease any documents necessary to ensure the foregoing, including a Subordination, Non-Disturbance and Attornment Agreement or similar agreement

13 **Franchisor Consent Required** Neither the Landlord nor the Tenant will cancel, terminate, assign, extend, modify or amend the Lease including, without limitation, the Franchisor's rights under this Addendum, without the Franchisor's prior written consent

14 **Benefits and Successors** The benefits of this Addendum inure to the Franchisor and to its successor and assigns, and the Franchisor is a third-party beneficiary of this Addendum with full right, power and authority to enforce its terms

15 **Remaining Provisions Unaffected** Those parts of the Lease that are not expressly modified by this Addendum remain in full force and effect

Intending to be bound, the Landlord and the Tenant sign and deliver this Addendum effective on the Effective Date, regardless of the actual date of signature

| **Landlord** | **Tenant** |
|---|---|
| ______________________________ | ______________________________ |
| Address ______________________ | Address ______________________ |
| Phone,_______________________ | Phone _______________________ |
| By ___________________________ | By ___________________________ |
| Name _________________________ | Name _________________________ |
| Title _________________________ | Title _________________________ |

**EXHIBIT "A"**

**Marks**

**EXHIBIT C TO THE DISCLOSURE DOCUMENT**

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**FORM OF**

**FRANCHISE AGREEMENT**

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**INTEGRITY BRANDS, LLC**
**FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (this "Agreement") is made and entered into this _____ day of _____________, 201__ (the "Effective Date"), by and between INTEGRITY BRANDS, LLC, a Georgia limited liability company with its principal office at 3575 Piedmont Road, NE, Building 15, Suite 250, Atlanta, Georgia 30305 ("Franchisor"), and ____________________________________, a ____ ______________________________with (its principal office) (his/her residence) at ______________ ______("Franchisee")

**WITNESSETH.**

WHEREAS, Franchisor at a substantial expenditure of time, effort and money has developed (and is further refining) a system of developing, opening, operating and promoting fast casual restaurants offering fresh-Italian food, other food products and beverages, and related restaurant services under the name "UNCLE MADDIO'S PIZZA" ("Uncle Maddio's Restaurants" or "Restaurants") (the "System"), and

WHEREAS, the distinguishing features of the System, include, but are not limited to, the name "UNCLE MADDIO'S PIZZA" and all such other trade names, trademarks, service marks, logos, emblems, insignia and signs developed for use with the System from time to time (collectively, the "Marks"), specially designed fixtures, equipment, facilities, containers, and other items used in serving and dispensing food products, products, methods, procedures, recipes, distinctive food products and the formula and quality standards therefor, and instructional materials and training courses, all of which may be changed, improved and further developed by Franchisor from time to time, and

WHEREAS, Franchisor has acquired knowledge and experience in the composition, distribution, advertising and sale of food products by Restaurants using the System and with respect to the style of the facilities and signs used by Uncle Maddio's Restaurants, and

WHEREAS, Uncle Maddio's Restaurants and the products sold therein have a reputation for quality that has been acquired and is being maintained by requiring all franchisees of the System to maintain high standards of quality and service, and

WHEREAS, Franchisee recognizes the value and benefits to be derived from utilizing the System and being associated with Franchisor, the Marks and other distinctive features of the System, and now desires to obtain a franchise from Franchisor to use the System and to operate an Uncle Maddio's Restaurant at an approved location, and Franchisor is willing to grant Franchisee the right to operate an Uncle Maddio's Restaurant, all subject to the terms and conditions hereinafter set forth

NOW, THEREFORE, for and in consideration of the covenants and agreements hereinafter set forth, it is mutually understood, agreed and covenanted as follows

1 **GRANT OF FRANCHISE**

During the term of this Agreement, Franchisor hereby grants to Franchisee the non-exclusive right and license, and Franchisee undertakes the obligation, to develop and operate an Uncle Maddio's Restaurant and to use solely in connection therewith, the Marks and the System in accordance with the terms and conditions of this Agreement only at the Franchised Site (defined below) Franchisee agrees to use the Marks and System, as they are changed, improved and further developed by Franchisor from time to time Unless otherwise agreed to by Franchisor, Franchisee has 9 months from the Effective Date to complete the initial management training as required by Section 14 1 and to commence operation of the Restaurant Franchisee must obtain Franchisor's written approval prior to commencing operation of the Restaurant

2 **TERM AND RENEWAL**

2 1 Initial Term Unless terminated earlier in accordance with the terms and conditions set forth herein, this Agreement and the license granted hereunder shall have an initial term of 10 years commencing as of the Effective Date (the "Initial Term")

2 2 Renewal Upon the expiration of the Initial Term, Franchisee shall have the right to renew the franchise granted hereunder for an additional 10 year period provided that all of the following conditions are met

(i) Franchisee gives Franchisor written notice of its election to renew the franchise not less than 6 months prior to the expiration of the Initial Term,

(ii) Franchisee is not, when notice is given, and does not become prior to the expiration of the Initial Term, in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor or its subsidiaries or affiliates or with any other creditor or supplier of the Restaurant or lessor or sublessor of the Franchised Site, and Franchisee shall have fully and faithfully performed all of its obligations under this Agreement and all such other agreements throughout their terms,

(iii) Franchisee shall execute, at Franchisor's option, Franchisor's then-current form of Franchise Agreement, which Franchise Agreement shall supersede in all respects the terms and conditions of this Agreement and will include the same Royalty Fees and Advertising Fees (as such terms are hereinafter defined) provided for under this Agreement and other adjustments based on the renewal conditions in this Section,

(iv) Franchisee shall pay a renewal fee to Franchisor in the amount of $5,000,

(v) Franchisee shall complete, at its own expense and to Franchisor's satisfaction, all maintenance, refurnishing, renovation, modernizing and remodeling of the Restaurant as Franchisor shall reasonably require so as to reflect the current image and standards of Uncle Maddio's Restaurants,

(vi) Franchisee shall be current in the payment of all obligations to Franchisor and to any of its affiliates and subsidiaries as well as lessors, vendors and suppliers of the Restaurant,

(vii) Prior to renewal, Franchisee and/or Franchisee's supervisory and operational manager(s) shall at Franchisee's expense, attend and successfully complete to Franchisor's reasonable satisfaction any retraining program Franchisor may require,

(viii) Franchisee and its owners execute a general release, in a form satisfactory to Franchisor, of any and all claims it may have against Franchisor, including any affiliates or subsidiaries, and its and their officers, directors, shareholders, managers, members, partners, employees and agents, and

(ix) Franchisee provides Franchisor with evidence that Franchisee has the right to remain in possession of the Franchised Site or to secure and develop a suitable alternative site acceptable to Franchisee for the renewal term

## 3 FRANCHISED SITE AND TERRITORY

3 1 Site Selection and Acceptance Using the national real estate broker(s) designated by Franchisor (and any local real estate broker(s) identified by the national real estate broker(s) or selected by the Franchisee), Franchisee is responsible for locating proposed sites for the Uncle Maddio's Restaurants to be established hereunder Franchisor, in its sole discretion, may counsel and offer advice to Franchisee with respect to such site selection, provided, however, in no event shall Franchisor be liable to Franchisee in connection with providing advice or any such assistance Upon Franchisee's selection of a proposed site for a Restaurant, Franchisee shall promptly submit to Franchisor such site, demographic and other data and information about the proposed site as reasonably requested by Franchisor, utilizing Franchisor's site submittal form and any other such forms as may be required by Franchisor, and a copy of any letter of intent, lease, sublease or purchase agreement to be entered into in connection with the acquisition of such site Franchisor shall either accept or reject the proposed site utilizing its then-current site selection policies and procedures Franchisee acknowledges and agrees that Franchisor's acceptance of a proposed site may be conditioned upon Franchisee meeting certain other requirements (including, without limitation, the negotiation of additional terms and conditions satisfactory to Franchisor to any lease, sublease or purchase agreement for the proposed site), and if Franchisee does not, or is unable to meet such requirements within a reasonable time, the site will be deemed rejected Franchisor has the right to reject any proposed site should Franchisee be in default of this Agreement, or any Franchise Agreement entered into pursuant to this Agreement or any other agreement between Franchisee and Franchisor To be effective, any acceptance of a proposed site by Franchisor must be in writing Franchisee acknowledges and agrees that Franchisor will use its business experience to assess whether a site meets the Franchisor's site criteria to reject any proposed site, in which event, Franchisee may not open a Restaurant at the rejected site, but must locate another proposed site for the Restaurant and submit it to Franchisor for acceptance in accordance with this Section 3 1

3 2 Franchised Site The rights granted to Franchisee hereunder shall be non-exclusive and shall be restricted to the operation of a single Uncle Maddio's Restaurant to be located at the address and location set forth on Exhibit A attached hereto (the "Franchised Site") During the term of this Agreement, the Franchised Site shall be used exclusively to operate an Uncle Maddio's Restaurant In connection with the execution of the any lease or sublease for the Franchised Site, Franchisee must execute, and cause the lessor and/or sublessor of the Franchised Site to execute, the Lease Addendum attached hereto as Exhibit B, in addition to complying with any other obligations and conditions contained in the Development Agreement relating to the lease or sublease of the Franchised Site and the development and construction of the Restaurant The rights granted to Franchisee are for the specific Franchised Site and cannot be transferred to any other location, except (i) for Special Events (defined below) in accordance with the terms and conditions stated in this Agreement and in the Operations Manual (defined below), including without limitation guidelines and requirements relating to insurance

coverage and any vehicle used for Special Events activities, or (ii) as provided in written approval by Franchisor Should it become necessary to relocate the Restaurant from the Franchised Site on account of condemnation or destruction of the Franchised Site, Franchisor will grant Franchisee authority to do so at a site acceptable to Franchisor that is within the Franchise Territory (defined below), is reasonably suited for an Uncle Maddio's Restaurant, does not infringe on the territorial rights of any other Uncle Maddio's Restaurant, and is reasonably distant from other Uncle Maddio's Restaurants provided that (a) the new Restaurant is open and operating within 180 days after Franchisee's discontinuing operation of the relocated Restaurant at the former Franchised Site, all in accordance with Franchisor's then-current standards at that time, and (b) Franchisee reimburse Franchisor for Franchisor's costs and expenses incurred in connection with the relocation (including legal fees and time spent by our employees) It shall be Franchisee's responsibility to apply for relocation of Restaurant from the Franchised Site on account of condemnation or destruction of the Franchised Site in order to avoid termination of the Franchise Agreement for failure to operate

3 3 Area Protection Franchisor will not establish for itself or grant a franchise to any other party to establish an Uncle Maddio's Restaurant within the area specified on Exhibit A attached hereto (the "Franchise Territory") Notwithstanding anything herein to the contrary, if any disagreement arises regarding the area comprising the Franchise Territory, then Franchisor's decision as to the definition of the Franchise Territory shall be final and binding Except as expressly provided in the first sentence of this Section 3 2, Franchisee acknowledges that the franchise granted under this Agreement is non-exclusive and Franchisee has no territorial protection and Franchisee has no right to exclude, control or impose conditions on the location or development of other or future franchises under the Marks, or on any sales or distribution of products under the Marks or other business activities of Franchisor or any other party licensed to use the Marks

3 4 Reservation of Rights Franchisor retains the right, in its sole discretion, to

(i) Establish and operate, and grant to other franchisees or licensees the right to establish and operate, an Uncle Maddio's Restaurant or any other business using the Marks, the System or any variation of the Marks and the System, in any location outside the Franchise Territory, on any terms and conditions that Franchisor deems appropriate,

(ii) Develop, use and franchise anywhere (including within the Franchise Territory) the rights to any trade names, trademarks, service marks, commercial symbols, emblems, signs, slogans, insignia, patents or copyrights not designated by Franchisor as Marks, for use with similar or different franchise systems for the sale of similar or different products or services than those constituting a part of the System, without granting Franchisee any rights therein,

(iii) Offer, ship, sell and provide products or services identified by the Marks or other trademarks, service marks, commercial symbols or emblems to customers located in the Franchise Territory through any distribution channel or method, including catalogs, mass merchandise, grocery stores, club stores, convenience stores, Internet (or any other existing or future form of electronic commerce), Special Events (subject to the terms of Section 9 2 below), food trucks (or other types of mobile units), and delivery services, irrespective of the proximity to the Restaurant without compensation to Franchisee, provided, however, that any such sales will not be made from an Uncle Maddio's Restaurant located in the Franchise Territory,

(iv) Establish and operate, and grant to other franchisees or licensees the right to establish and operate, Uncle Maddio's Restaurants and other businesses using the

Marks, the System or any variation of the System, at non-traditional venues, special or limited purpose facilities, limited access and captive audience facilities, and other types of institutional accounts (which shall include, without limitation, include airports and other public transportation facilities, casinos, parks, stadiums, business, industrial and military complexes, educational facilities, hospitals and other health care facilities, theaters, museums, art centers, and amusement centers) (collectively, "Institutional Facilities") at any location within or outside the Franchised Territory Franchisor shall provide written notice to Franchisee of Franchisor's intent to establish, or franchise or license another to establish, a business under the Marks at any such Institutional Facility within the Franchised Territory, unless the foodservice rights at such Institutional Facility are held by the owner or a contract feeder, or in the reasonable judgment of Franchisor are not readily available to independent franchisees If, within 30 days of such notice, Franchisee obtains or demonstrates Franchisee's ability (in the reasonable judgment of Franchisor) to obtain the right to establish an Uncle Maddio's Restaurant at such Institutional Facility in lieu of the business proposed by Franchisor, Franchisor shall not unreasonably withhold its consent for Franchisee to establish such Uncle Maddio's Restaurant at such Institutional Facility,

(v) Own, operate, franchise or license anywhere, even in close proximity to the Restaurant licensed hereunder, restaurants of any other type whatsoever operating under marks other than the Marks,

(vi) Give, donate or contribute to charitable and community organizations and events for fund raising and other events and use the products for promotions and product demonstrations in the Franchised Territory, and to offer products for sampling by consumers and organizations for product testing, promotions and demonstrations in the Franchised Territory, and

(vii) Engage in any other activity, action or undertaking that Franchisor is not expressly prohibited from taking under this Agreement

3 5 Catering Services Franchisee must provide catering services within a reasonable distance from the Franchised Site not to exceed 10 miles, within or without the Franchise Territory, but solely in connection with providing such catering services and provided such services are made by ground transportation Subject to the foregoing maximum mileage restriction, Franchisee must request our approval to provide catering services in the protected territories of other Uncle Maddio's Restaurant franchisees and other Uncle Maddio's Restaurant franchisees must also request our approval to provide the same services in the Franchise Territory Catering services must be conducted in accordance with the terms and conditions stated in this Agreement, the Operations Manual, and any other terms and conditions set forth by Franchisor

3 6 Special Events Franchisee may engage in, off the Franchised Site, special events where the products will be prepared and cooked at the site (which may include the use of a food truck), including specialty parties, festivals, fairs, street food and food truck events, and business events ("Special Events"), provided that (i) Special Events must be approved by Franchisor in writing and shall be conducted within the Territory, and (ii) Special Events activities must be conducted in accordance with the terms and conditions stated in this Agreement, the Operations Manual, and any other terms and conditions placed on Franchisor's approval These Special Events rights are subject to the obligations in Section 9 2 below and, as provided in Section 9 2 below, Franchisee's Special Events rights in the Territory are not exclusive Notwithstanding anything to the contrary contained herein, Franchisee may not use or operate a food truck (or other mobile unit) without Franchisor's prior written approval, which

may be granted or withheld in Franchisor's sole discretion If Franchisor allows Franchisee to operate a food truck (or other mobile unit) in connection with Special Events or otherwise, Franchisee shall comply with all written standards, specifications, and procedures prescribed by Franchisor in the Operations Manual or other written directives regarding the use and operation of a food truck (or other mobile unit) Franchisor reserves the right to charge Franchisee initial and/or recurring fees in the event that Franchisor allows Franchisee to operate a food truck (or other mobile unit) in connection with Franchisee's Uncle Maddio's Restaurant Except as provided in Section 9 2 below for Special Events, Franchisee shall not have any exclusive rights related to the general use or operation of a food truck in the Territory

3 7 No Delivery Services Except for catering services, delivery services is not authorized and Franchisee shall not market or offer delivery services for the Products without Franchisor's prior written approval Franchisee may not operate a food truck or other mobile unit without Franchisor's prior written approval, which may be granted or withheld in Franchisor's sole discretion

## 4 INITIAL FRANCHISE FEE

Upon the execution of this Agreement, Franchisee shall pay to Franchisor an initial franchise fee in an amount set forth on Exhibit A (the "Franchise Fee") In the event the Development Agreement requires the payment of a development fee by Franchisee to Franchisor, there shall be credited toward the payment of the Franchise Fee all or a portion of those development fees in the manner and to the extent provided for in the Development Agreement Franchisee acknowledges and agrees that the Franchise Fee is paid as consideration for Franchisor granting Franchisee the right to develop, open and operate the Restaurant using the Marks and the System, and that the Franchise Fee is fully earned by Franchisor at the time this Agreement is executed, and the Franchise Fee shall not be refundable for any reason

## 5 ROYALTY FEE; METHOD OF PAYMENT, LATE PAYMENT

5 1 Royalty Fee In addition to all other amounts required to be paid hereunder, during the term hereof, Franchisee agrees to pay to Franchisor for the rights granted hereunder a royalty fee equal to 5% of the Net Sales (as such term is hereinafter defined) of the Restaurant (the "Royalty Fee") Payment of the Royalty Fee shall be made on or before the first Wednesday in each bi-weekly reporting period (as such periods are determined by Franchisor from time to time) and be based upon Net Sales of the Restaurant for the preceding bi-weekly period

5 2 Definition of Net Sales Net Sales shall mean the gross sales of the Restaurant, catering services, delivery services and Special Events (whether such sales are evidenced by cash, check, credit, charge account or otherwise), less (i) sales tax collected on such sales and paid to the state, (ii) any approved allowable discounts, (iii) employee meals, and (iv) charitable donations Gross sales means the amount actually received or receivable from all sales of every kind and nature from the Restaurant, catering services, delivery services and Special Events, including but not limited to, the sale of food, beverages and services, whether sold for consumption on or off the premises, and receipts from food catering, delivery services and any insurance proceeds and/or condemnation awards received for loss of sales or business, all whether on a cash or charge basis, paid or unpaid, collected or uncollected

5 3 Automated Bank Draft Franchisee understands and agrees that Franchisor reserves the right and may require, in its sole discretion, that all Royalty Fees, Advertising Fees, Advertising Cooperative (as defined below) contributions and other fees or contributions required to be paid to Franchisor or any Advertising Cooperative hereunder must be paid by automated bank draft or other reasonable means necessary to ensure payment of such fees are received by Franchisor or the appropriate Advertising Cooperative Franchisee agrees to comply with Franchisor's payment instructions (including executing any documents required by Franchisor for automated bank draft/debit or other reasonable

means) Franchisee shall not change Franchisee's banking information for drafts/debits from Franchisor or withdraw Franchisor's approval for bank drafts/debits from Franchisee's account without designating replacement information and/or replacement approval

5 4 Late Payments and Insufficient Funds All overdue payments for Royalty Fees, Advertising Fees and other fees required to be paid hereunder shall bear interest from the date due at the rate specified by Franchisor from time to time, up to the highest rate permitted by the law, but in no event shall such rate exceed 18% per annum Interest shall accrue on all late payments regardless of whether Franchisor exercises its right to terminate this Agreement as provided for herein In addition to its right to charge interest as provided herein, Franchisor may charge Franchisee a $100 00 late payment fee for all such overdue payments and a $100 00 insufficient funds fee for each check, automated bank draft payment, or other payment method that is not honored by Franchisee's financial institution Franchisee acknowledges that Franchisor has the right to set-off amounts Franchisee owes Franchisor against any amounts Franchisor may owe Franchisee

5 5 Application of Payments Notwithstanding designation by Franchisee to the contrary, all payments made by Franchisee hereunder will be applied by Franchisor at its discretion to any of Franchisee's past due indebtedness

## 6 RECORDS, REPORTS AND AUDITS

6 1 Bookkeeping and Recordkeeping Franchisee agrees to establish a bookkeeping and recordkeeping system conforming to the requirements prescribed from time to time by Franchisor, relating, without limitation, to the use and retention of daily sales slips, coupons, purchase orders, purchase invoices, payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, payroll records, journals and general ledgers In establishing and maintaining Franchisee's bookkeeping and recordkeeping system, Franchisee shall use all form documents established by Franchisor in the Operations Manual or otherwise Franchisee acknowledges and agrees that if Franchisor is required or permitted by statute, rule, regulation or any other legal requirement to disclose any information regarding Franchisee or the operation of the Restaurant, including, without limitation, earnings or other financial information, Franchisor shall be entitled to disclose such information In addition, Franchisee hereby expressly permits Franchisor to disclose any such information to potential purchasers and/or investors (and their employees, agents, and representatives) of Franchisor in connection with the sale or transfer of any equity interests or assets of Franchisor or any merger, reorganization or similar restructuring of Franchisor

6 2 Reporting Franchisee must provide Franchisor with those financial reports required by Franchisor from time to time All such reports shall be prepared (i) using any form documents established by Franchisor as set forth in the Operations Manual or otherwise and (ii) in accordance with the generally accepted accounting principles of the United States, to the extent applicable Franchisee's current reporting obligations include the following

(i) A statement of relevant Net Sales in the form required by Franchisor to be delivered with each payment of the Royalty Fee and Advertising Fee no later than 5 00 p m on each Wednesday,

(ii) A monthly unaudited balance sheet and profit and loss statement in a form satisfactory to Franchisor covering Franchisee's business for the prior month and fiscal year to date, all of which shall be certified by Franchisee as true and correct and delivered to Franchisor no later than the 21st day of each month,

(iii) Annual financial statements compiled or reviewed by an independent certified public accountant in a form satisfactory to Franchisor, which shall include a statement of income and retained earnings, a statement of cash flows, and a balance sheet of Franchisee, all for the fiscal year then ended If Franchisee does not, in the ordinary course, obtain financial statements compiled or reviewed by an independent certified public accountant, then Franchisee may provide internally prepared financial statements which shall be certified as true and correct by Franchisee or Franchisee's principal executive officer or chief financial officer if Franchisee is a partnership, corporation or limited liability company Franchisor shall have the right at any time to require audited annual statements to be provided to it, at Franchisee's expense,

(iv) An annual copy of Franchisee's signed 1120 or 1120S tax form (including all supporting schedules) as filed with the Internal Revenue Service (or any forms which take the place of those forms), and all other federal, state and local sales and use and income tax reports Franchisee is required to file, all to be delivered within 30 days after filing,

(v) A statement of local market advertising expenditures made pursuant to Section 11 3 below for each calendar quarter and fiscal year to date, in a form satisfactory to Franchisor, along with invoices documenting such expenditures (if required by Franchisor), to be delivered within 15 days after the end of each calendar quarter,

(vi) Insurance certificates upon the annual renewal of the policies and all health and safety inspection reports, and

(vii) Any other data, information and supporting records reasonably requested by Franchisor

All reports or other information required to be submitted under this Section 6 2 shall be submitted to the attention of Franchisor's franchise department If any of the reports or other information required to be given to Franchisor in accordance with this Section are not received by Franchisor by the required deadline, Franchisor may charge Franchisee a late submission fee equal to $500 00

6 3 Audit Franchisee shall allow representatives of Franchisor to inspect Franchisee's books and records at all reasonable times in order to verify Net Sales that Franchisee reports as well as to verify Franchisee's advertising expenditures required by Section 11 3 below and any other matters relating to this Agreement and the operation of the Restaurant Franchisor may require Franchisee to submit to Franchisor, or Franchisor's representatives, copies of Franchisee's books and records for any offsite inspection that Franchisor or Franchisor's representatives conduct to audit the Restaurant If an inspection reveals that Net Sales of Franchisee have been understated, Franchisee shall immediately pay to Franchisor the amount of Royalty Fees and Advertising Fees overdue, unreported or understated, together with interest as prescribed in Section 5 4 above All inspections shall be at the expense of Franchisor, provided, however, if the inspection results in a discovery of a discrepancy in the Net Sales reported by Franchisee of 5% or more, then Franchisee shall pay or reimburse Franchisor for any and all reasonable expenses incurred by Franchisor in connection with the inspection, including, but not limited to, attorneys' and accounting fees and travel expenses, room and board and compensation of Franchisor's employees, as well as interest on the amounts owed at the highest legal rates allowed from the date payment was due

## 7 OPERATIONS MANUAL

During the term of this Agreement, Franchisor will loan to Franchisee one copy of, or provide Franchisee with electronic access to, Franchisor's confidential operations manual (the "Operations Manual"), which may consist of printed manuals, computerized documents or software, information provided on the internet or an extranet, audiotapes, videotapes, or any other medium Franchisor adopts periodically for use with the System and designates as part of the Operations Manual The Operations Manual will contain information and specifications concerning the standards and specifications of the System, the development and operation of the Restaurant and any other information and advice Franchisor may periodically provide to its franchisees Franchisor may update and change the Operations Manual periodically to reflect changes in the System and the operating requirements applicable to Uncle Maddio's Restaurants, and Franchisee expressly agrees to comply with each requirement within such reasonable time as Franchisor may require, or if no time is specified, within 30 days after receiving notification of the requirement Franchisee shall at all times ensure that its copy of the Operations Manual and any other confidential materials supplied by Franchisor to Franchisee are kept current and up to date Franchisee must keep any printed Operations Manual in a secure location at the Restaurant, and must restrict employee access to the Operations Manual on a need to know basis, and take reasonable steps to prevent unauthorized disclosure or copying of any information in any printed or computerized Operations Manual If Franchisor and Franchisee have any disagreement about the most current contents of the Operations Manual, Franchisor's master copy of the Operations Manual will control Upon the expiration or termination of this Agreement for any reason, Franchisee must return all copies of the Operations Manual to Franchisor, and upon Franchisor's request, certify to Franchisor that Franchisee has not kept any copies in any medium The Operations Manual is confidential, copyrighted and Franchisor's exclusive property

## 8 MODIFICATION AND IMPROVEMENTS TO THE SYSTEM

8 1 <u>Modification by Franchisor</u> Franchisee recognizes and agrees that from time to time hereafter, Franchisor may change, modify or improve the System, including, without limitation, modifications to the Operations Manual, the menu and format, the processes and systems to support the business, the menu items and other product ingredients, the products offered for sale, the required equipment, the signage, the presentation and usage of the Marks, and the adoption and use of new, modified or substituted Marks or other proprietary materials Franchisor will endeavor to provide Franchisee with 30 days' notice prior to mandating any change in ingredients not necessitating an immediate change to allow Franchisee to use its inventory of ingredients that are no longer approved Franchisee agrees to accept, use and/or display for the purposes of this Agreement any such changes, modifications or improvements to the System, including, without limitation the adoption of new, modified or substituted Marks, as if they were part of the System as of the Effective Date, and Franchisee agrees to make such expenditures as such changes, modifications or improvements to the System may require For purposes of this Agreement, all references to the System shall include such future changes, modifications and improvements

8 2 <u>Modification by Franchisee</u> If Franchisee develops any new modification, concept, process, improvement or slogan in the operation or promotion of the Restaurant or to the System, the same shall be deemed a work made for hire, and Franchisee shall promptly notify Franchisor of, and provide Franchisor with all necessary information, regarding such modification, concept, process, improvement or slogan, without compensation to Franchisee Franchisee acknowledges that any such modification, concept, process, improvement or slogan shall become Franchisor's sole and exclusive property and that Franchisor may use or allow other franchisees to use the same in connection with the System or the operation of Uncle Maddio's Restaurants, without compensation to Franchisee

## 9 OBLIGATIONS OF FRANCHISEE

9 1 Obligations Franchisee recognizes the mutual benefit to Franchisee, Franchisor and other franchisees of the System of the uniformity of the appearance, services, products and advertising of the System and acknowledges and agrees that such uniformities are necessary for the successful operation of Uncle Maddio's Restaurants Franchisee also acknowledges and agrees that products and services sold under the Marks and at Uncle Maddio's Restaurants have a reputation for excellence This reputation has been developed and maintained by Franchisor, and Franchisee acknowledges and agrees that it is of the utmost importance to Franchisor, Franchisee, and all other franchisees of the System that such reputation be maintained To this end, Franchisee covenants and warrants with respect to the operation of the Restaurant that Franchisee and its employees and agents will comply with all of the requirements of the System and the Operations Manual and will throughout the term of this Agreement

(i) Operate the Restaurant and prepare and sell all products and services sold therein in accordance with the specifications, standards, business practices and policies of Franchisor now in effect or hereafter promulgated, and comply with all requirements of Franchisor, the System and the Operations Manual as they are now or hereafter established, including, without limitation, any health, sanitation and cleanliness standards and specifications Franchisor and its duly authorized representatives shall have the right, if they so elect, at all reasonable times, to enter and inspect the Restaurant to ensure that Franchisee is complying with such specifications, standards, business practices, policies and requirements and to test any and all equipment, systems, products and ingredients used in connection with the operation of the Restaurant If requested by Franchisor, Franchisee shall give Franchisor electronic or remote access to Franchisee's video monitoring system to give Franchisor real time inspection capabilities If Franchisee in any way shall fail to maintain the standards of quality for the products and services as established by Franchisor from time to time, Franchisor shall notify Franchisee in writing of the failure and give Franchisee 10 days in which to cure such failure If Franchisee fails to cure such failure within such 10 day period, Franchisor shall, in addition to any other remedy available to it, have the right to assign to the Restaurant such persons as it deems necessary for the training of Franchisee's employees to ensure that the standards of quality for the products and services are maintained Franchisee shall reimburse Franchisor for all costs associated with providing such personnel, including costs of transportation, meals, lodging, salaries, wages and other compensation

(ii) Maintain at all times, at its expense, the Restaurant and its machinery, equipment, fixtures, furnishings, furniture, décor, premises, parking areas, landscape areas, if any, and interior and exterior signs in an excellent, clean, attractive and safe condition in conformity with the Operations Manual and Franchisor's high standards and public image Franchisee shall promptly make all repairs and replacements thereto as may be required to keep the Restaurant in the highest degree of sanitation, repair and condition and to maintain maximum efficiency and productivity However, Franchisee shall not undertake any alterations or additions (but may perform maintenance and make repairs) to the buildings, equipment, premises or parking areas associated with the Restaurant without the prior written approval of Franchisor If Franchisor changes its image or standards of operation with respect to the Restaurant, Franchisee expressly agrees to comply with each change within such reasonable time as Franchisor may require, or if no time is specified, within 30 days after receiving notification of the change Franchisee shall also maintain maintenance contracts and/or service contracts on all equipment and machinery designated by Franchisor and Franchisor shall have the right to designate the vendor(s) for such contracts and the requirements for the contracts

(iii) Comply with all applicable laws, rules, ordinances and regulations that affect or otherwise concern the Restaurant or the Franchised Site, including, without limitation, zoning, disability access, signage, fire and safety, fictitious name registrations, sales tax registration, and health and sanitation Franchisee will be solely responsible for obtaining any and all licenses and permits required to operate the Restaurant Franchisee must keep copies of all health, fire, building occupancy and similar inspection reports on file and available for Franchisor to review Franchisee must immediately forward to Franchisor any inspection reports or correspondence stating that Franchisee is not in compliance with any such laws, rules, ordinances and regulations

(iv) Maintain sufficient inventories and employ sufficient employees to operate the Restaurant at its maximum capacity and efficiency at such hours or days as Franchisor shall designate or approve in the Operations Manual or otherwise, and operate the Restaurant for such hours or days so designated or approved by Franchisor

(v) Require all employees of the Restaurant to wear uniforms and abide by the dress guidelines conforming to the specifications and standards Franchisor may from time to time designate in the Operations Manual or otherwise

(vi) Require all employees of the Restaurant to conduct themselves at all times in a competent and courteous manner and use best efforts to ensure that its employees maintain a neat and clean appearance and render competent, sober and courteous service to patrons of the Restaurant Franchisor shall have no control over Franchisee's employees, including, without limitation, work hours, wages, hiring or firing

(vii) Use only those ingredients, products, supplies, furnishings and equipment that (a) conform to the standards and specifications designated by Franchisor in the Operations Manual or otherwise and (b) are purchased from suppliers designated or approved in writing by Franchisor Franchisor may designate, at any time and for any reason, a single or multiple suppliers for ingredients, products, supplies, furnishings and equipment and require Franchisee to purchase exclusively from such designated supplier or suppliers, which exclusive designated supplier(s), may be Franchisor or an affiliate of Franchisor If Franchisor designates itself as a supplier, Franchisor has the right to earn a profit on any items it supplies Franchisor and its affiliates may receive payments, discounts or other consideration from suppliers in consideration of such suppliers' dealings with Franchisee and/or the system of Uncle Maddio's Restaurants, and may use all amounts received by it without restriction Franchisor is not required to give Franchisee an accounting of supplier payments or to share the benefit of supplier payments with Franchisee or other franchisees operating under the system

(viii) If Franchisee desires to purchase any ingredients, products, supplies, furnishings and equipment from suppliers other than those previously approved by Franchisor and such items have not been designated by Franchisor to be exclusively supplied by a designated supplier(s), Franchisee shall first submit to Franchisor a written request for authorization to purchase such items, together with such information and samples as Franchisor may require Franchisor shall have the right to require periodically that its representatives be permitted to inspect such items and/or supplies' facilities, and that samples from the proposed suppliers, or of the proposed items, be delivered for evaluation and testing either to Franchisor or to an independent testing facility designated by Franchisor Permission for such inspections shall be a condition of the initial and continuing approval of such supplier, manufacturer or distributor If Franchisor uses an independent testing facility in connection with the approval of a supplier, manufacturer or distributor, a charge not to exceed the reasonable cost of the evaluation and testing shall be paid by Franchisee to such independent testing facility Franchisor shall, within 90 days after its receipt of such request and completion of such evaluation and testing (if required by Franchisor), notify Franchisee in writing of its approval or disapproval Franchisor may deny such approval for any reason, including its determination to limit the number of approved suppliers The provisions above shall only apply if Franchisor has not designated a supplier or suppliers

(ix) Prominently display at the Restaurant and the Franchised Site signs using the Mark or Marks designated by Franchisor and/or other signs, of such nature, form, color, number, location and size, and containing such material as Franchisor may from time to time reasonably direct or approve in writing, and not display in the Restaurant or on the Franchised Site or elsewhere any sign or advertising media of any kind to which Franchisor reasonably objects Franchisor or its authorized representatives may at any time during normal business hours enter the Restaurant or the Franchised Site and remove any objectionable signs or advertising media

(x) Use Franchisee's best and continuing efforts to fully promote and develop the Restaurant and use the Franchised Site only for the purposes designated in this Agreement and avoid any activities that would conflict or interfere with or be detrimental to such purposes

(xi) Sell only those products and services from the Restaurant specified by Franchisor from time to time in the Operations Manual or otherwise, and refrain from maintaining or using vending machines, video game machines, telephone booths, or entertainment devices not included in the System, unless approved in writing by Franchisor

(xii) Refrain from deviating from the formulas, recipes or specifications of materials and ingredients of food as specified by Franchisor, without the prior written consent of Franchisor, and adhere to the menu and all changes, alterations, additions and subtractions thereof, thereto or therefrom as specified by Franchisor from time to time and follow all specifications of Franchisor as to the uniformity of products and weight, quality and quantity of unit products served and sold, and serve and sell only such menu items as are designated by Franchisor Franchisee shall not sell any additional food and/or drink items or any other merchandise of any kind without the prior written approval of Franchisor

(xiii) For carry-out orders, serve all products in such printed paper containers, boxes, wrappers, trays, soft drink cups and carry-out bags the conform to the standards and specifications designated by Franchisor in the Operations Manual or otherwise

(xiv) Make no physical changes from blueprint specifications or approved remodeling plans in connection with the premises constituting the Restaurant on the Franchised Site, or the design thereof, or any of the materials used therein, or their colors, without the express written approval of Franchisor, except that Franchisee will, upon request of Franchisor, make such reasonable alterations to the Restaurant or premises as may be necessary to conform to the then-current marketing and operating standards and specifications of the System Franchisee will paint the Restaurant (interior or exterior) at such intervals as Franchisor may reasonably determine to be advisable, which determination shall in no event be more than once in any calendar year, using paints which will be in accordance with specifications given by Franchisor

(xv) Ensure that an individual who has completed the initial management training program described in Section 14 1 below is at the Restaurant at all times during normal business hours as established by Franchisor from time to time

(xvi) Participate in all national, regional or local advertising and promotional activities Franchisor requires Franchisee understands that Franchisor implements promotions such as discount coupons, certificates, frequent customer programs (i e for customer loyalty programs), special menu promotions, gift programs and other activities intended to enhance customer awareness and build traffic at Uncle Maddio's Restaurants on a national, regional or local level Franchisor may establish procedures and regulations related to these promotions in the Operations Manual and Franchisee agrees to honor and participate in these programs in accordance with such procedures and regulations specified by Franchisor in the Operations Manual or otherwise in writing Franchisee understands that its participation in these programs is essential to its success and that its participation may entail some cost to Franchisee Franchisee agrees that Franchisor has no obligation to reimburse Franchisee for any costs it incurs due to its mandatory participation in these promotional programs

(xvii) Without limiting any of Franchisee's other obligations under this Agreement, at the request of Franchisor, but not more often than once every 5 years, unless sooner required by Franchisee's lease, Franchisee shall refurbish the premises of the Restaurant at its expense, to conform to the restaurant, trade dress, color schemes and presentation of the Marks in a manner consistent with the then-current image for new Restaurants ("Refurbishments") Refurbishments may include structural changes, installation of new equipment and signs, remodeling, redecoration and modifications to existing improvements Refurbishments are intended to be large-scale re-equipping, refurbishing and remodeling of the Restaurant, and nothing contained in this Subsection (xvii) of this Agreement will limit Franchisee's other obligations under this Agreement or the Operations Manual

(xviii) Become a member of any purchasing and/or distribution cooperative(s)/association(s)/program(s) designated by Franchisor and/or established by Franchisor for the System, remain a member in good standing thereof throughout the term of this Agreement and pay all membership fees or fees on purchases that are assessed by such purchasing and/or distribution cooperative(s)/association(s)/program(s)

(xix) As required by Franchisor, maintain a contract(s) with, or participate in any Franchisor contract(s), with any third-party(ies) offering customer service, customer loyalty, shopper experience, food safety or other service programs designed to audit, survey, evaluate or inspect business operations Franchisee understands that Franchisor has the right to specify the third party(ies) and the required level of participation in such programs and Franchisee will bear the cost

9 2 Requests for Special Events If Franchisor desires the selling and serving of products at a Special Event in the Franchised Territory, Franchisor shall send Franchisee a "Request for Notice " If Franchisor sends Franchisee a Request for Notice and Franchisee desires to sell and serve products at such Special Event, Franchisee must send Franchisor a signed "Notice of Intent to Serve" within 5 business days after receipt by Franchisee of such Request for Notice and Franchisee must submit to Franchisor proof of authorization to sell and serve products at such Special Event in accordance with the Operations Manual and any other written specifications or directives issued by Franchisor If Franchisee does not send Franchisor a signed Notice of Intent to Serve within 5 business days after the date of receipt by Franchisee of the Request for Notice, or if Franchisee does not submit proof of authorization to sell and serve products at such Special Event in accordance with the Operations Manual, Franchisee shall be deemed to have waived Franchisee's right to sell and serve products at such Special Event If Franchisee waives the right to sell and serve products at any Special Event, Franchisor may sell and serve products, or may grant another franchisee (or licensee) the right to sell and serve products, at such Special Event The requirement in this Section 9 2 that Franchisor provide a "Request for Notice" only applies if Franchisor desires, either itself or through others, to sell and serve products at a Special Event within the Franchised Territory, this requirement does not apply to any other rights Franchisor has reserved in Section 3 above If Franchisee desires to sell and serve products at Special Events located outside the Franchised Territory, Franchisee must submit a written request to Franchisor in accordance with the Operations Manual for the prior approval of Franchisor In the event that Franchisor grants permission (which Franchisor has the absolute right to grant or deny) for Franchisee to sell and serve products at a Special Event that is located outside the Franchised Territory, such permission shall be revoked if and when Franchisor grants to another franchisee or developer rights to a territory in which such Special Event is taking place

## 10 TECHNOLOGY SYSTEMS AND WEBSITE

10 1 Point of Sale System Franchisee, at its expense, must purchase and use a computerized cash collection and data processing system (the "POS System") that meets the standards and specifications provided by Franchisor from time to time in the Operations Manual or otherwise Franchisee must enter all sales and other information Franchisor requires in the POS System Franchisor may periodically require Franchisee, at its expense, to upgrade or update the POS System to remain in compliance with the standards and specifications required by Franchisor Franchisee, at its expense, must maintain the POS System in good working order and connected to any telephone system or computer network that Franchisor requires Franchisor may require Franchisee, at its expense, to configure and connect the POS System to Franchisor's systems to provide Franchisor with continuous real-time access to all information and data stored on the POS System Franchisor may require Franchisee to pay Franchisor or its designated third parties reasonable fees to support and upgrade the POS System and a reasonable fee to Franchisor or its designated third party for polling or collecting data from the POS System In addition to the POS System, Franchisee, at its expense, must equip the Restaurant with the computer hardware and software that Franchisor specifies periodically and maintain access to the Internet or other computer network(s) that Franchisor specifies Franchisor may require Franchisee to maintain support service contracts and/or maintenance service contracts and implement and periodically make upgrades and changes to the POS System, computer hardware and software, and credit card, debit card or other non-cash payment systems Franchisor shall have the right to designate the vendor(s) for such support service contracts and maintenance service contracts

Franchisee, at its expense, must (i) apply for and maintain other credit card, debit card or other non-cash payment systems that Franchisor periodically requires and (ii) maintain credit card relationships with such companies, issuers or sponsors, financial center services and electronic fund transfer systems as Franchisor may designate from time to time in order that Franchisee may accept customers' credit and debit cards and other methods of payment designated by Franchisor ("**Electronic Payments**")

Franchisee agrees to comply with Franchisor's standards for processing Electronic Payments and any costs to do so are at Franchisee's expense Franchisee agrees to abide by (a) the Payment Card Industry Data Security Standards ("**PCIDSS**") enacted by the applicable Card Associations (as they may be modified from time to time or as successor standards are adopted), (b) the Fair and Accurate Credit Transactions Act ("**FACTA**"), and (c) all other standards, laws, rules, regulations or any equivalent thereof applicable to Electronic Payments that may be published from time to time by payment card companies and applicable to Electronic Payments ("**Electronic Payment Requirements**") If Franchisee is required by one of the credit card companies or another third party (including any governmental body) to provide evidence of compliance with PCIDSS, FACTA, or applicable Electronic Payment Requirements, or upon Franchisor's request, Franchisor may require that Franchisee provide, or make available, to Franchisor copies of an audit, scanning results or related documentation relating to such compliance Any costs associated with an audit or to gain compliance with PCIDSS, FACTA or any Electronic Payment Requirements shall be borne by Franchisee

10 2 Website Franchisor may establish a website related to the System at a domain name designated by Franchisor (the "Website") Franchisor shall have the right to designate a successor Website at any time which (i) will replace any prior version of the Website and (ii) may have a new domain name designated by Franchisor Subject to the terms of this Agreement, during the term hereof, Franchisor will endeavor to make available to Franchisee a sub-page on the Website that will be located at a sub-domain of the Website to be specified by Franchisor (the "Subpage") Franchisee will be permitted to upload content onto the Subpage solely to promote, and provide customers information related to, the Restaurant operated by Franchisee Franchisee shall only upload content onto the Subpage in accordance with terms of this Agreement as well as any guidelines, directives or specifications (collectively, "Subpage Standards") in the Operations Manual Franchisee understands and agrees that the Subpage may not contain content which references any other Restaurant other than the Restaurant operated by Franchisee Franchisee will not upload, publish, display, or otherwise include or use any content on the Subpage without receiving the prior written approval of Franchisor Accordingly, once the initial content of the Subpage is approved by Franchisor, Franchisee must submit any changes to such content to Franchisor for its prior written approval

Franchisor's review and approval of the Subpage content shall not be construed as Franchisor's approval, recommendation or endorsement of Franchisee or a representation or warranty by Franchisor that such content is accurate, complete, truthful or correct Franchisee acknowledges and understands that the registration for the Website domain name is and shall be maintained exclusively in the name of Franchisor or its designee Franchisee acknowledges Franchisor's or its designee's exclusive right, title and interest in and to the domain name for the Website and further acknowledges that nothing herein shall give it any right, title or interest in such domain name Franchisee will not, at any time, challenge Franchisor's or its designee's ownership of the Website domain name, challenge the validity of the Website domain name, or impair any right, title or interest of Franchisor or its designee in the Website domain name Franchisee will assist Franchisor in preserving and protecting Franchisor's or its designee's rights in and to the Website domain name

Franchisee further acknowledges and agrees that Franchisor may, at any time in its sole discretion, cease to make the Subpage available to Franchisee or the public Franchisee agrees that Franchisor shall have no liability for failing to make the Subpage available to Franchisee or the public ADDITIONALLY, TO THE MAXIMUM EXTENT PERMITTED BY LAW, FRANCHISOR HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES (WHETHER EXPRESS, IMPLIED OR STATUTORY) RELATED TO THE AVAILABILITY AND PERFORMANCE OF THE WEBSITE AND THE SUBPAGE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF NONINFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE TO THE MAXIMUM EXTENT PERMITTED BY LAW, FRANCHISOR SHALL NOT BE LIABLE FOR

ANY DIRECT OR INDIRECT DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES OR DAMAGES FOR LOST PROFIT OR LOSS OF BUSINESS) RELATED TO THE USE, OPERATION, AVAILABILITY OR FAILURE OF THE WEBSITE OR SUBPAGE Upon the termination or expiration of this Agreement for any reason or Franchisee's default under this Agreement for any reason, all right of Franchisee to upload content onto, or otherwise use, the Subpage shall immediately cease and Franchisor may cease to make the Subpage available to Franchisee

## 11 ADVERTISING

11 1 Grand Opening Franchisee, at its sole expense, must develop and implement a grand opening promotion approved by Franchisor to introduce or (if Franchisee is purchasing an existing Restaurant) to re-introduce the Restaurant to the public during the period that is 30 days prior and 90 days after the opening of the Restaurant or 90 days after the transfer of the Restaurant (if Franchisee is purchasing an existing Restaurant) Franchisee is required to spend a minimum of $15,000 for the grand opening promotion To the extent Franchisor has developed or approved marketing or advertising programs and materials for the Restaurant's grand opening, Franchisee must use such programs and materials

11 2 Advertising Fund In addition to all other amounts required to be paid hereunder, during the term hereof, Franchisee must pay to Franchisor, or such other entity designated by Franchisor, an amount based upon Net Sales to be designated by Franchisor from time to time, in its sole discretion, provided such amount shall not exceed 2% of Net Sales (the "Advertising Fee"), which amount shall be used by the Advertising Fund (as such term is hereinafter defined) The Advertising Fee shall be the same for all franchisees under the System Payment of the Advertising Fee shall be made on or before the first Wednesday in each bi-weekly reporting period (as such periods are determined by Franchisor from time to time) and be based upon Net Sales of the Restaurant for the preceding bi-weekly period Advertising Fees shall be paid concurrently with the payment of the Royalty Fees

The Advertising Fee will be expended for the benefit of Franchisor, Franchisee and all other franchisees or users of the System for the production or purchase of such radio, television, print and/or other advertising materials or services as Franchisor deems necessary or appropriate, in its sole discretion, on a national, regional or local basis (the "Advertising Fund") The expenditure of such funds for advertising is to be under the control of, and in the discretion of, Franchisor at all times, or such other entities designated by Franchisor Franchisee understands and acknowledges that the Advertising Fund is intended to maximize and support general public recognition, brand identity, sales and patronage of Uncle Maddio's Restaurants for the benefit of all Uncle Maddio's Restaurants and that Franchisor undertakes no obligation to ensure that the Advertising Fund benefits each Uncle Maddio's Restaurant in proportion to its respective contributions Franchisor agrees that all funds contributed to the Advertising Fund may be used to meet any and all costs (including, without limitation, reasonable salaries and overhead incurred by Franchisor) of maintaining, administering, directing and preparing national, regional or local advertising materials, programs and public relations activities including, without limitation, the costs of preparing and conducting television, radio, magazine, billboard, newspaper, direct response literature, direct mailings, brochures, collateral advertising material, implementing websites for Franchisor and/or its franchises, surveys of advertising effectiveness and other media programs and activities (including Social Media (defined below)), employing advertising agencies to assist therewith and providing promotional brochures, decals and other marketing materials

The Advertising Fund shall be established as a separate banking account and monies received shall be accounted for separately from Franchisor's other funds and shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable salaries, administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration or direction of the Advertising Fund and its advertising programs (including, without limitation, conducting market research, preparing advertising and promotional materials, collecting and accounting for contributions to the Advertising Fund, paying for the preparation and distribution of financial statements, legal and accounting fees and expenses, taxes, and other reasonable direct and indirect expenses incurred by Franchisor or its authorized representatives in connection with programs funded by the Advertising Fund) The Advertising Fund will not be Franchisor's asset A financial statement of the operations of the Advertising Fund shall be prepared annually, and shall be made available to Franchisee upon request Franchisor may spend in any fiscal year more or less than the aggregate contribution of all Uncle Maddio's Restaurants to the Advertising Fund in that year, and the Advertising Fund may borrow from Franchisor or others to cover deficits or invest any surplus for future use Any lender loaning money to the Advertising Fund shall receive interest at a reasonable rate All interest earned on monies contributed to the Advertising Fund will be used to pay advertising costs before other assets of the Advertising Fund are expended Franchisor may cause the Advertising Fund to be incorporated or operated through a separate entity at such time as Franchisor may deem appropriate, and such successor entity, if established, will have all rights and duties specified in this Section Franchisor will not be liable for any act or omission with respect to the Advertising Fund that is consistent with this Agreement and done in good faith Except as expressly provided in this Section 11 2, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the Advertising Fund Franchisee acknowledges and agrees that Franchisor is not operating or acting as a trustee or fiduciary with respect to the Advertising Fees collected Franchisee agrees to participate in any promotion, marketing or advertising campaigns created by the Advertising Fund Franchisor may reduce contributions of franchises to the Advertising Fund and upon notice to Franchisee, reduce the Advertising Fund's operation or terminate the Advertising Fund and distribute unspent monies to those contributing franchisees in proportion to their contributions in the past

11 3 Local Market Advertising Franchisee agrees that, in addition to the payment of the Advertising Fee and any amounts required under Section 11 1 hereof, it will spend a reasonable amount each month for local market advertising but in no event will the aggregate amount spent in the months of each calendar quarter be less than 2% of the total Net Sales for such calendar quarter The amount of advertising funds expended by Franchisee for individual local market advertising shall be determined by Franchisee, subject to the foregoing minimum requirement Local market advertising expenditures shall not include incentive programs, including, without limitation, costs of honoring coupons, food costs incurred in honoring sales promotions, salaries, contributions, donations, press parties, in-store fixtures or equipment, menus, serving guides and nutritional facts, and exterior or interior signage If Franchisee fails to make advertising expenditures in accordance with this Section, Franchisor shall have the right to spend an amount not to exceed 2% of the Net Sales of the Restaurant on local market advertising on behalf of Franchisee, and Franchisee must reimburse Franchisor for such expenses Failure to comply with this Section shall be deemed a material breach of this Agreement

11 4 Advertising Cooperatives In connection with the Restaurant and any and all other Uncle Maddio's Restaurants owned or operated by Franchisee, Franchisee shall participate, if required by Franchisor, in any local, regional or national cooperative advertising group, consisting of other franchisees of Uncle Maddio's Restaurants, when and if any such groups are created (each, an "Advertising Cooperative") The particular Advertising Cooperative(s) in which Franchisee may be required to participate shall be designated by Franchisor in its sole discretion (which designations may be based upon, without limitation, the particular Designated Market Area or the Area of Dominant Influence, as those terms are used in the advertising industry, where the Uncle Maddio's Restaurants operated by Franchisee are located) Franchisee's payments to any Advertising Cooperative shall be determined by Franchisee and those other franchisees of the System and/or Franchisor, as the case may be, who are participants in such Advertising Cooperative, as set forth in the by-laws of that Advertising Cooperative

or membership, dues, participation or other payment agreements of such Advertising Cooperative Franchisee, however, may not be required to spend more than 2% of Net Sales per annum in connection with any Advertising Cooperative Amounts paid to an Advertising Cooperative shall be credited against payments Franchisee is otherwise required to make for local market advertising as required by Section 11 3 above Any payments to an Advertising Cooperative shall be in addition to the amounts required to be paid or spent under Sections 11 1 and 11 2 hereof Franchisee shall enter into such formal agreements with such other franchisees of the System and/or Franchisor, as the case may be, as shall be necessary or appropriate to accomplish the foregoing and Franchisee shall abide by such formal agreements and decisions that the Advertising Cooperative is authorized by Franchisor to make related to advertising and marketing in the area covered by the Advertising Cooperative If Franchisee becomes delinquent in its dues or other payments to the Advertising Cooperative or fails to abide by any formal agreements or authorized decisions of the Advertising Cooperative, such delinquency or failure shall be deemed a failure to participate in the Advertising Cooperative and a material breach of this Agreement Franchisor may upon 30 days' written notice to Franchisee suspend or terminate an Advertising Cooperative's program or operations As a member, officer or director of an Advertising Cooperative, at the request of Franchisor, Franchisee shall provide to Franchisor all information requested by Franchisor related to such Advertising Cooperative and Franchisee shall have the obligation to provide such information within 10 days after Franchisor's request to Franchisee

11 5 Social Media Franchisee must comply with the standards developed by Franchisor for the System, in the manner directed by Franchisor in the Operations Manual or otherwise, with regard to Franchisor's authorization to use, and use of, blogs, common social networks (including "Facebook" and "Myspace"), professional networks (including "LinkedIn"), live blogging tools (including "Twitter"), virtual worlds, file , audio and video sharing sites and other similar social networking media or tools ("Social Media") that in any way references the Marks or involves the System or Restaurant

11 6 Approval of Advertising Any and all advertising and marketing materials (whether developed in connection with an Advertising Cooperative or otherwise) not prepared or previously approved by Franchisor shall be submitted to Franchisor at least two weeks prior to any publication or run date for approval, which may be arbitrarily withheld Franchisor may grant or withhold its approval, in its sole discretion Franchisor will provide Franchisee with written notification of its approval or disapproval within a reasonable time In the event Franchisor does not notify Franchisee of its approval or disapproval within 10 days of Franchisor's receipt of the materials, the materials shall be deemed approved Franchisee must discontinue the use of any unapproved advertising within 5 days of Franchisee's receipt of Franchisor's request to do so No advertising or promotion by Franchisee shall be conducted on or through the Internet/world wide web or other electronic transmission via computer without express prior written approval by Franchisor Without limiting the generality of the foregoing, Franchisee, without the express prior written approval of Franchisor, shall not operate, or permit to be operated on its behalf, any internet or world wide web site or page which incorporates any of the Marks or otherwise promotes the Restaurant All advertising and promotion by Franchisee must be factually accurate and shall not detrimentally affect the Marks or the System, as determined in Franchisor's sole discretion

## 12 COUNSELING AND ADVISORY SERVICES AND ONSITE ASSISTANCE

During the term of this Agreement, Franchisor may, in its sole discretion, upon the request of Franchisee, furnish counseling and advisory services to Franchisee with respect to the opening and operation of the Restaurant, including consultation and advice regarding the following (i) equipment selection and layout, (ii) employee selection and training, (iii) advertising and promotion, (iv) recipes, food, formulas and specifications, (v) bookkeeping and accounting, (vi) purchasing and inventory control, (vii) operational problems and procedures, (viii) periodic inspections, and (ix) new developments and improvements to the System These counseling and advisory services shall occur at Franchisor's offices or via telephone or e-mail In Franchisor's sole discretion, Franchisor shall provide such assistance at no expense to Franchisee In the event that Franchisor charges for any assistance that Franchisee requests, Franchisee shall pay for the cost of such assistance that Franchisee requests In no event shall Franchisor be liable to Franchisee in connection with providing or failing to provide such services

## 13 OPENING ASSISTANCE

Prior to opening the Restaurant, Franchisee shall give Franchisor at least 30 days prior written notice of any proposed opening date for the Restaurant and comply with (i) all of Franchisor's pre-opening, development, construction and training requirements and checklists, and (ii) all other opening requirements set forth in this Agreement, the Operations Manual and/or elsewhere in writing by Franchisor ("Opening Requirements") Upon satisfactory completion of the Opening Requirements, Franchisor shall provide Franchisee with an opening person(s) to assist in the opening of the Restaurant and the training of Franchisee's employees The opening person(s) will remain at the Restaurant for such length of time as Franchisor shall deem necessary Franchisor shall provide such opening person(s) at no charge to Franchisee, provided, however, Franchisor reserves the right, in its sole discretion, to charge Franchisee for extraordinary travel and living expenses incurred by such opening person(s) in connection with providing such opening assistance In the event Franchisee needs and requests additional opening assistance from Franchisor's personnel, and Franchisor approves such request, Franchisee will pay all costs and expenses of such personnel, for as long as any such additional personnel assist at the Restaurant The costs and expenses associated with this assistance include, but are not limited to, wages, salary, transportation, meals, and lodging All personnel provided under this Section shall be selected by Franchisor and is subject to change or removal by Franchisor in its sole discretion Franchisee must obtain written approval by Franchisor prior to opening the Restaurant Franchisor shall have no obligation to approve the opening of the Restaurant if (a) Franchisee has not satisfied, as determined by Franchisor, all the Opening Requirements and other requirements under this Agreement, or (b) Franchisee or any of its affiliates are in default under any agreement with Franchisor

## 14 TRAINING

14 1 <u>Initial Training</u> The Restaurant must have two persons that (i) are designated by Franchisee to assume primary responsibility for managing the Restaurant and (ii) will devote full time and best efforts to the management and operation of the Restaurant (the "Managers") Each Manager must satisfy the minimum qualifications and experience requirements for managers of Uncle Maddio's Restaurants Franchisee will inform Franchisor in writing as to the identity of the Managers, including all additions to and successors As and when required by Franchisor, the Managers must attend and successfully complete to the satisfaction of Franchisor an initial management training program specified by Franchisor or a comparable training program approved in advance by Franchisor in its sole discretion Each Manager required to complete the initial management training program must successfully complete it before the Restaurant may open for business If Franchisee (or one of Franchisee's owners if Franchisee is an entity) will not act as Manager, Franchisee (or one of Franchisee's owners if Franchisee is an entity) must attend the initial management training program for a minimum of two weeks No fee will be charged by Franchisor for the participation of the two Managers and Franchisee (or one of Franchisee's owners if Franchisee is an entity) in the initial management training program, however, Franchisee shall be responsible for the costs and expenses (such as transportation, lodging, meals and compensation) of each person who attends the training During operations hours, a Manager who has successfully completed the initial management training program must at all times be at the Restaurant In the event that a Manager ceases active employment at the Restaurant, Franchisee must notify Franchisor within 5 days of cessation of the Manager's employment at the Restaurant and enroll a qualified

replacement in the initial management training program within 30 days of cessation of such Manager's employment Franchisor, in its sole discretion, reserves the right to waive all or a portion of the training program required under this Section

14 2 Training of Employees Franchisee shall implement a training program approved by Franchisor for employees of the Restaurant and shall be responsible for the proper training of its employees Franchisee agrees not to employ any person who fails or refuses to complete Franchisee's training program or is unqualified to perform his or her duties at the Restaurant in accordance with the requirements established for the operation of an Uncle Maddio's Restaurant

14 3 Additional Training Franchisee and its Managers and employees shall attend and conduct such additional training programs as Franchisor may from time to time reasonably require relating to the operation of the Restaurant and the System Franchisee also may be required to purchase training films or other instructional materials as specified by Franchisor from time to time in the Operations Manual or otherwise For purposes of training, Franchisor may request that Franchisee provide real time camera access or tapes to assist with training and operational support

14 4 Conferences Franchisor may require Franchisee and/or one or more of the operating managers of the Restaurant to attend conferences which may be offered by Franchisor from time to time Franchisee will be responsible for the travel and living expenses of such persons, and Franchisor may charge a reasonable fee sufficient to cover the costs and expenses of such conferences

14 5 Requirements to Attend Training All individuals participating in training programs offered by Franchisor must (i) behave in a professional, non-disruptive, non-harassing and non-discriminatory manner during training, (ii) not be under the influence of any stimulant during training, and (iii) satisfy any other training pre-requisites set forth in the Operations Manual or otherwise Franchisor has a right to terminate training for any individual that, in Franchisor's judgment, does not satisfy the requirements in this Section and Franchisee must immediately designate a replacement

15 **MARKS**

15 1 Ownership of the Marks Franchisee acknowledges and agrees that nothing herein contained shall give Franchisee any right, title or interest in and to the Marks, except the non-exclusive right to use the Marks in connection with the operation of the Restaurant under the System in accordance with the terms of this Agreement Franchisee also acknowledges and agrees that the Marks and all goodwill now or in the future pertaining to the Marks are the sole and exclusive property of Franchisor and that it shall not raise or cause to be raised any questions concerning, or objections to, the validity or ownership of such Marks on any grounds whatsoever Franchisee will not seek to register, reregister or assert claim to or ownership of, or otherwise appropriate to itself, any of the Marks or any marks or names confusingly similar to the Marks, or the goodwill symbolized by the Marks except insofar as such action inures to the benefit of and has the prior written approval of Franchisor Upon the expiration, termination or cancellation of this Agreement, whether by lapse of time, default or otherwise, Franchisee agrees immediately to discontinue all use of the Marks and to remove all copies, replicas, reproductions or simulations thereof from the Restaurant and to take all necessary steps to assign, transfer or surrender to Franchisor or otherwise place in Franchisor or its designee title to all such names or marks (other than the Marks) which Franchisee may have used during the term of this Agreement or any renewal or extension thereof in connection with the operation of the Restaurant Franchisee hereby acknowledges that Franchisor owns and controls the System and all of its components

15 2 Use of the Marks In order to protect the Marks, the System, and the goodwill associated therewith, Franchisee shall, unless Franchisor otherwise consents in writing

(i) Only use the Marks designated by Franchisor, and only in the manner authorized and permitted by Franchisor Franchisee's right to use the Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights

(ii) Only use the Marks (i) for the operation of the Restaurant and only at the Franchised Site, (ii) in advertising for the business conducted at or from the Franchised Site, or (iii) in connection with Special Events permitted under this Agreement Franchisee may not use any of the Marks in any part of any domain name or electronic address or any similar proprietary or common carrier electronic delivery system Franchisee will not seek to register, or assert any claim of ownership or usage rights to, any domain name or electronic address incorporating any of the Marks or any names confusingly similar to the Marks Franchisee agrees, at the request of Franchisor, to take all necessary steps to assign to Franchisor all rights in or to such domain names and electronic addresses (and any registrations for the foregoing) that Franchisee may acquire

(iii) Operate and advertise the Restaurant only under the name "UNCLE MADDIO'S PIZZA" or such other Marks as Franchisor may designate from time to time, without prefix or suffix, except to describe the location of the Restaurant

(iv) If Franchisee is a corporation, limited liability company, partnership or other type of entity, not use any of the Marks, including, without limitation, the name "MADDIO'S", "MADDIO'S PIZZA", or "UNCLE MADDIO'S PIZZA" in its corporate or other legal name without the prior express written consent of Franchisor

(v) Not permit the use of any trade names, trademarks or service marks at the Restaurant or the Franchised Site other than the Marks

(vi) If state or local laws or ordinances require that Franchisee file an affidavit of doing business under an assumed name or otherwise file a report or other certificate indicating that "UNCLE MADDIO'S PIZZA" or any similar name is being used as a fictitious or assumed name, include in such filing or application therefor an indication that the filing is made as a franchisee of INTEGRITY BRANDS, LLC, a Georgia limited liability company, Atlanta, Georgia

(vii) Have the symbol TM, SM or R enclosed in a circle or such other symbols or words as Franchisor may designate to protect the Marks on all surfaces where the Marks appear

15 3 Infringement Franchisee shall promptly inform Franchisor in writing of any infringement or imitations of any Marks, the System, or any act of unfair competition against Franchisor or Franchisee as to which Franchisee has knowledge Franchisee shall not make any demand or serve any notice, orally or in writing, or institute any legal action or negotiate, compromise or settle any controversy with respect to any such infringement or unfair competition without first obtaining Franchisor's written consent Franchisor shall have the exclusive right to institute, negotiate, compromise, settle, dismiss, appeal or otherwise handle any such action and take such steps as it may deem advisable to prevent any such action and to join Franchisee and any other franchisees as a party to any such action to which Franchisor may be a party and to which Franchisee is or would be a necessary or proper party, but nothing herein shall be construed to obligate Franchisor to seek recovery of costs or damages of any kind in any

such litigation, the assertion or waiver of such claims being within the sole discretion of Franchisor The costs of any such action shall be paid by Franchisor and any recovery obtained from such infringers shall be paid to Franchisor

15 4 Substitute Marks If Franchisor decides to change, add or discontinue use of any Mark, or to introduce additional or substitute Marks, Franchisee, upon a reasonable period of time after receipt of written notice, shall take such action, at its sole expense, as is necessary to comply with such changes, alteration, discontinuation, addition or substitution Franchisor shall have no liability for any loss of revenue or goodwill due to any new Mark or discontinued Mark

## 16 RELATIONSHIP OF THE PARTIES

It is the express intention of the parties hereto that Franchisee is and shall be an independent contractor under this Agreement, and no partnership, joint venture, fiduciary relationship or other special relationship shall exist between Franchisee and Franchisor This Agreement does not constitute Franchisee as the agent, legal representative or employee of Franchisor for any purpose whatsoever, and Franchisee is not granted any right or authority to assume or create any obligation for or on behalf of, or in the name of, Franchisor or in any way to bind Franchisor Franchisee agrees not to incur or contract for any debt or obligation on behalf of Franchisor, or commit any act, make any representation or advertise in any manner which may adversely affect any right of Franchisor, or be detrimental to the good name and reputation of Franchisor or any other franchisees of Franchisor

## 17 MAINTENANCE OF CREDIT STANDING

The failure or repeated delay in making prompt payments in accordance with the terms of invoices and statements rendered to Franchisee for purchases of supplies, equipment and other items, whether purchased from Franchisor or others, or defaults in making payments due hereunder or under any other agreement entered into in connection with the operation of the Restaurant, will result in a loss of credit rating and standing which will be detrimental to Franchisor and other franchisees under the System Franchisee agrees to pay when due all amounts which it owes to anyone for supplies, equipment and other items used in connection with the Restaurant and all payments owed hereunder or under any other agreement entered into in connection with the operation of the Restaurant Franchisee must notify Franchisor immediately when and if Franchisee becomes more than 90 days delinquent in the payment of any of the obligations mentioned above

## 18 INDEMNIFICATION, INSURANCE AND TAXES

18 1 Indemnification Franchisee agrees to indemnify, defend and hold harmless Franchisor and its affiliates, shareholders, directors, officers, employees, agents, successors and assignees (the "Indemnified Parties") against and to reimburse any one or more of the Indemnified Parties for all claims, obligations and damages described in this Section, any taxes described in Section 18 3 below and any claims and liabilities directly or indirectly arising out of the Restaurant's operation or Franchisee's breach of this Agreement, except to the extent they arise as a result of Franchisor's own gross negligence or willful misconduct For purposes of this indemnification, "claims" includes all obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigations and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution and travel and living expenses Franchisor has the exclusive right to defend any such claim This indemnity will continue in effect after the expiration or termination of this Agreement Under no circumstances will Franchisor or any other Indemnified Party be required to seek

recovery from any insurer or other third party, or otherwise to mitigate its or their losses and expenses, in order to maintain and recover fully a claim against Franchisee

18 2 Insurance Franchisee agrees to secure and maintain during the term of this Agreement, at its own cost, the following insurance policies by carriers approved by Franchisor

(i) Such insurance as may be required by the terms of any lease for the Franchised Site or, if there is no such lease, Franchisee agrees to carry fire and extended coverage insurance covering the building and all equipment, supplies, products, inventory, furniture, fixtures and other tangible property located in the Restaurant or on the Franchised Site in the amount of the full insurable value of such property

(ii) Commercial General Liability Insurance, including coverages for products-completed operations, contractual liability, personal and advertising injury, fire damage, medical expenses, and liquor liability, having a combined single limit for bodily injury and property damage of $1,000,000 per occurrence and $2,000,000 in the aggregate (except for fire damage and medical expense coverages, which may have different limits of not less than $300,000 for one fire and $5,000 for one person, respectively), plus (ii) non-owned automobile liability insurance and, if Franchisee owns, rents or identifies any vehicles with any Mark or vehicles are used in connection with the operation of the Restaurant, automobile liability coverage for owned, non-owned, scheduled and hired vehicles having a combined single limit of $1,000,000 per occurrence, plus (iii) excess liability umbrella coverage for the general liability and automobile liability coverages in an amount of not less than $2,000,000 per occurrence and aggregate All such coverages shall be on an occurrence basis and shall provide for waivers of subrogation

(iii) Workers' compensation insurance, or a similar policy if the Restaurant is located in a non-subscriber state, covering all of its employees as is required by law

(iv) Adequate limits for comprehensive crime and blanket employee dishonesty insurance

(v) Business interruption and extra expense insurance for a minimum of 6 months to cover net profits and continuing expenses (including Royalty Fees)

Franchisee agrees that Franchisor shall be named as an additional insured under each of the foregoing insurance policies Prior to the opening of the Restaurant and, thereafter, at least 30 days prior to the expiration of any such policy or policies, Franchisee shall deliver to Franchisor certificates of insurance evidencing the proper coverage with limits not less than those required hereunder, and all such certificates shall expressly contain endorsements requiring the insurance company to give Franchisor at least 30 days written notice in the event of material alteration to termination, non-renewal, or cancellation of, the coverages evidenced by such certificates and notice of any claim filed under such policy within 30 days after the filing of such claim Franchisor may, from time to time, during the term of this Agreement, at its sole option, require that the minimum limits and types of insurance coverage, as specified above, be increased or changed as determined solely by Franchisor If Franchisee at any time fails or refuses to maintain any insurance coverage required by Franchisor or to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may, but need not, obtain such insurance coverage on behalf of Franchisee, and Franchisee shall pay to Franchisor on demand any premiums incurred by Franchisor in connection therewith Franchisee's obligation to obtain and maintain, or cause to be obtained and maintained, the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 18 1 hereof Notwithstanding the existence of such insurance, Franchisee, as agreed above, is and shall be responsible for all loss or damage and contractual liability to third persons originating from or in connection with the operation of the franchised business and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom

18 3 Taxes Franchisee shall promptly pay when due all taxes levied or assessed by reason of its operation and performance under this Agreement including, but not limited to, if applicable, state employment tax, state sales tax (including any sales or use tax on equipment purchased or leased) and all other taxes and expenses of operating the Restaurant In no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant to occur against the Restaurant, the Franchised Site or any tangible personal property used in connection with the operation of the Restaurant

## 19 ASSIGNMENT

19 1 Assignment by Franchisor This Agreement may be unilaterally assigned by Franchisor and shall inure to the benefit of its successors and assigns Franchisee agrees and affirms that Franchisor may sell itself, its assets, the Marks and/or the System to a third-party, may go public, may engage in private placement of some or all of its securities, may merge, acquire other corporations, or be acquired by another corporation, and/or may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring Franchisee further agrees and affirms that Franchisor has the right, now or in the future, to purchase, merge, acquire or affiliate with an existing competitive or noncompetitive franchise network, chain or any other business regardless of the location of that chain's or business' facilities, and to operate, franchise or license those businesses and/or facilities as Uncle Maddio's Restaurants operating under the Marks or any other marks following Franchisor's purchase, merger, acquisition or affiliation, regardless of the location of these facilities, which Franchisee acknowledges may be proximate to any of its Restaurants With regard to any of the above sales, assignments and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of Franchisor's name, the Marks (or any variation thereof) and the System and/or the loss of association with or identification of Integrity Brands, LLC under this Agreement If Franchisor assigns its rights in this Agreement, nothing in this Agreement shall be deemed to require Franchisor to remain in the Uncle Maddio's Restaurant business or to offer or sell any products or services to Franchisee

19 2 Assignment by Franchisee Franchisee shall not subfranchise, sell, assign, transfer, merge, convey or encumber (each, a "Transfer"), the Restaurant, the Franchised Site, this Agreement or any of its rights or obligations hereunder, or suffer or permit any such Transfer of the Restaurant, the Franchised Site, this Agreement or its rights or obligations hereunder to occur by operation of law or otherwise without the prior express written consent of Franchisor In addition, if Franchisee is a corporation, limited liability company, partnership, business trust, or similar association or entity, the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, may not Transfer their equity interests in such corporation, limited liability company, partnership, business trust, or similar association or entity, without the prior written consent of Franchisor Furthermore, in the event that any shareholder, member, partner, investor or other equity holder of Franchisee (the "Equity Holder") is a corporation, limited liability company, partnership, business trust, or similar association or entity, the interests of the shareholders, members, partners, beneficiaries, investors or other equity holders, as the case may be, in such Equity Holder, may not be Transferred, without the prior written consent of Franchisor Franchisor will not unreasonably withhold consent to a Transfer provided the requirements of Section 19 4 have been satisfied Any Transfer in violation of this Section shall be void

and of no force and effect In the event Franchisee or an Equity Holder is a corporation, limited liability company, partnership, business trust, or similar association or entity with certificated equity interests, all stock or equity certificates of Franchisee or Equity Holder, as the case may be, shall have conspicuously endorsed upon them a legend in substantially the following form

> "A transfer of this stock is subject to the terms and conditions of an INTEGRITY BRANDS, LLC FRANCHISE AGREEMENT dated the____ day of __________________, ______"

19 3 <u>Death or Disability of Franchisee</u> Upon Franchisee's death or Disability (as such term is hereinafter defined), this Agreement or the ownership interest of any deceased or disabled shareholder, partner, member or other equity holder of Franchisee or an Equity Holder must be Transferred to a party approved by Franchisor Any Transfer, including, without limitation, transfers by devise or inheritance or trust provisions, shall be subject to the same conditions for Transfers set forth in Section 19 4 Franchisor shall not unreasonably withhold its consent to the Transfer of this Agreement or any ownership interest to the deceased or disabled Franchisee's or Equity Holder's spouse, heirs or members of his or her immediate family, provided all requirements of Section 19 4 have been complied with (except payment of the transfer fee, which shall not apply to such Transfers) A "Disability" shall have occurred with respect to Franchisee if Franchisee, or, if Franchisee is a corporation, partnership or limited liability company, its controlling shareholder, partner, member or other equity holder, is unable to actively participate in its activities as Franchisee hereunder for any reason for a continuous period of 6 months As used in this Section 19 3, "Franchisee" may include a disabled or deceased controlling shareholder, partner or member where the context so requires

19 4 <u>Approval of Assignment</u> Franchisor's approval of any Transfer is, in all cases, contingent upon the following

(i) the purchaser and/or the controlling persons of the purchaser having a satisfactory credit rating, being of good moral character, having business qualifications satisfactory to Franchisor, being willing to comply with Franchisor's training requirements and being willing to enter into an agreement in writing to assume and perform all of Franchisee's duties and obligations hereunder and/or enter into a new Franchise Agreement, if so requested by Franchisor, and agreeing to enter into any and all agreements with Franchisor that are being required of all new franchisees, including a guarantee agreement or provision, or any other agreement which may require payment of different or increased fees from those paid under this Agreement, provided, however, the amount of the Royalty Fees paid hereunder shall not be increased upon an assignment,

(ii) the terms and conditions of the proposed transfer (including, without limitation, the purchase price) being satisfactory to Franchisor,

(iii) all monetary obligations (whether hereunder or not) of Franchisee to Franchisor or Franchisor's affiliates or subsidiaries being paid in full,

(iv) Franchisee not being in default hereunder or any other agreement between Franchisee and Franchisor, including the Development Agreement,

(v) Franchisee and its owners executing a general release of any and all claims against Franchisor and its affiliates, subsidiaries, members, managers, officers, directors, employees and agents, in a form satisfactory to Franchisor,

(vi) Franchisee paying to Franchisor a transfer fee in the amount of $5,000,

(vii) Franchisee first offering to sell such interest to Franchisor pursuant to Section 22 3 of this Agreement and the same having been declined in the manner therein set forth,

(viii) the Marks not being used in any advertising for any Transfer prohibited by Sections 19 2 and 19 3 hereof, and

(ix) at Franchisor's request, the proposed transferee or assignee refurbishes the Restaurant in the manner and subject to the provisions described in Section 2 2(v) hereof

19 5 Removal of General Partner If Franchisee is a limited partnership, Franchisee may not remove or appoint, or permit the limited partners to remove or appoint, a new or successor general partner without the prior written consent of Franchisor (even if such appointment is due to the resignation, death or disability of the General Partner)

## 20 RESTRICTIVE COVENANTS

20 1 Covenants Not to Compete

(i) Non-Competition during Term In addition to and not in limitation of any other restrictions on Franchisee contained herein, Franchisee and Franchisee's spouse, and, if Franchisee is not an individual, its shareholders, members, partners and managers, as applicable, and their spouses (each, a "Bound Party"), agree that they will not, during the term of this Agreement, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, during the term of this Agreement (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business (as defined below), regardless of location or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business, regardless of location

(ii) Post-Term Non-Competition In addition to and not in limitation of any other restrictions on Franchisee contained herein, Franchisee and the Bound Parties agree that they will not, for one year following the effective date of termination or expiration of this Agreement for any reason, or following the date of a Transfer by Franchisee, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business which, in either case, is located or operating within the Protected Territory of the Franchise Restaurant, or within a 3 mile radius of any Uncle Maddio's Restaurant

(iii) General For purposes of this Agreement, the term "Competitive Business" means any business that derives 20% or more of its sales (including delivery sales) from pizza sales, or any business granting franchises or licenses to others to operate such a business Neither Franchisee nor the other Bound Parties will be prohibited from owning securities in a Competitive Business if they are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of the number of shares of that class of securities which are issued and outstanding The parties acknowledge that the covenants contained in Section 20 1 are based on the reason and understanding that Franchisee and the Bound Parties will possess knowledge of Franchisor's business and operating methods and confidential information, disclosure and use of which would prejudice the interest of Franchisor and its franchisees Franchisee further understands and acknowledges the difficulty of ascertaining monetary damages and the irreparable harm that would result from breach of these covenants If any part of this restriction is found to be unreasonable in time or distance, such time or distance may be reduced by appropriate order of the court to that deemed reasonable Franchisor shall, as a matter of course, receive injunctive relief to enforce such covenants in addition to any other relief to which it may be entitled at law or in equity Franchisor shall receive such injunctive relief without the necessity of posting bond or other security, such bond or other security being hereby waived

20 2 Non-Solicitation of Employees Franchisee and the Bound Parties agree that while this Agreement is in effect and for one year after expiration or termination of this Agreement for any reason, or following the date of a Transfer by Franchisee, they will not, directly or indirectly, solicit or attempt to solicit, or otherwise interfere with or disrupt the employment relationship between Franchisor and any of its employees or between any other Uncle Maddio's Restaurant licensee/franchisee and its employees

20 3 Trade Secrets and Confidential Information

(i) Franchisee acknowledges and agrees that in connection with the operation of Uncle Maddio's Restaurants and the System, Franchisor has developed at great expense competitively sensitive proprietary and confidential information which are not commonly known by or available to the public This proprietary and confidential information does not include any information that (a) is commonly known by or available to the public, (b) has been voluntarily disclosed to the public by Franchisor, (c) been independently developed or lawfully obtained by Franchisee, or (d) has otherwise entered the public domain through lawful means All information which comprises the System including the information and data in the Operations Manual will be presumed to be confidential information of Franchisor

(ii) Franchisee and each Bound Party agree that while this Agreement remains in effect such party will not, directly or indirectly, disclose or publish to any party, or copy or use for such party's own benefit, or for the benefit of any other party, any of Franchisor's proprietary or confidential information, except as required to carry out Franchisee's obligations under this Agreement or as Franchisor has otherwise expressly approved in writing All proprietary and confidential information of Franchisor is the sole and exclusive property of Franchisor Franchisee and each Bound Party agree that the restriction contained in the preceding sentence will remain in effect with respect to the confidential information for 5 years following termination or expiration of this Agreement for any reason, provided, however, if the confidential information rises to the level of a trade secret, then such restriction shall remain in effect until such time as the information does not constitute a trade secret Franchisee also agrees that it and all of its employees and agents will take appropriate steps to protect Franchisor's confidential information from any unauthorized disclosure, copying or use At any time upon Franchisor's request, and in any event upon termination or expiration of this Agreement, Franchisee will immediately return any copies of documents where there are materials containing confidential information and will take appropriate steps to permanently delete and render unusable any confidential information stored electronically

20 4 Agreements of Certain Bound Parties Franchisee shall obtain and furnish to Franchisor executed covenants similar in substance to those set forth in this Section 19 (including covenants applicable upon the termination of a person's relationship with Franchisee) and the provisions of Section 20 of this Agreement (as modified to apply to an individual) from all Bound Parties Every covenant required by this Section 19 4 shall be in a form approved by Franchisor, including specific identification of Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them

20 5 Agreements by Other Third Parties As a condition to Franchisor's execution of this Agreement, Franchisee, if requested by Franchisor, shall cause each of its management and supervisory employees and other employees to whom disclosures of confidential information are made to execute a noncompetition, nonsolicitation and/or nondisclosure agreement in the form(s) prescribed by Franchisor from time to time

20 6 Reasonable Restrictive Covenants Franchisee acknowledges and agrees that (a) Franchisee and the others individuals and entities required to comply with this Section 20 have received an advantage through the specialized training provided under this Agreement, the knowledge of the day-to-day operations of an Uncle Maddio's Restaurant and access to Franchisor's standards, the Operations Manual, the System, Franchisor's confidential information and Franchisor's trade secrets, and (b) the covenants and restrictions in this Section 20 (i) are reasonable, appropriate and necessary to protect Franchisor's standards, the System, Franchisor's confidential information, Franchisor's trade secrets, other franchisees operating under the System, the goodwill of the System, relationships with Franchisor's prospective and existing customers, and Franchisor's legitimate interests, and (ii) do not cause undue hardship on Franchisee or any of the other individuals and entities required by this Section 20 to comply with the covenants and restrictions

20 7 Security Breach Franchisee is required to notify Franchisor immediately if Franchisee suspects or becomes aware of a Security Breach (defined below) With the exception of any required notification to the payment card brands under PCIDSS (or other applicable standards), Franchisee agrees that Franchisor will have the option to notify affected person and regulatory authorities on Franchisee's behalf in accordance with applicable law If, after consultation with Franchisee, Franchisor determines that notification is required or appropriate, Franchisee agrees that Franchisee will bear all costs associated with such notification, which may include, without limitation, any costs for providing credit monitoring to affected person Upon discovery of a Security Breach, Franchisee further agrees that Franchisee will promptly investigate and remediate, at Franchisee's expense, the source of such Security Breach Franchisee shall pay all costs Franchisor incurs (including legal expenses) in connection with responding to any Security Breach at the Restaurant or involving Franchisee's operations under this Agreement For purposes of this Section, a "**Security Breach**" is any known or suspected unauthorized use, theft, access, disclosure, loss or acquisition of any confidential information, Operations Manual, any customer information, Franchisee's computer system, or the POS System

## 21 TERMINATION

21 1 Termination by Franchisee Franchisee may terminate this Agreement if Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure such material breach within 90 days after written notice thereof is delivered to Franchisor Notwithstanding the foregoing, if the breach is curable but is of a nature which cannot reasonably be cured with such 90 day period and Franchisor has commenced and is continuing to make good faith efforts to cure such breach, Franchisor shall be given an additional 60 day period to cure the same, and this Agreement shall not terminate In the event of termination by Franchisee, all post-termination obligations of Franchisee described herein shall not be waived but shall be strictly adhered to by Franchisee

21 2 Termination by Franchisor without a Cure Period Franchisor may immediately terminate this Agreement upon written notice to Franchisee, without opportunity to cure, if

(i) Franchisee files a petition under any bankruptcy or reorganization law, becomes insolvent, or has a trustee or receiver appointed by a court of competent jurisdiction for all or any part of its property,

(ii) Following commencement of the operation of the Restaurant, Franchisee ceases to operate the Restaurant at the Franchised Site,

(iii) Franchisee seeks to effect a plan of liquidation, reorganization, composition or arrangement of its affairs, whether or not the same shall be subsequently approved by a court of competent jurisdiction, it being understood that in no event shall this Agreement or any right or interest hereunder be deemed an asset in any insolvency, receivership, bankruptcy, composition, liquidation, arrangement or reorganization proceeding,

(iv) Franchisee has an involuntary proceeding filed against it under any bankruptcy, reorganization, or similar law and such proceeding is not dismissed within 60 days thereafter,

(v) Franchisee makes a general assignment for the benefit of its creditors,

(vi) Franchisee fails to pay when due any amount owed to Franchisor or its affiliates or subsidiaries, whether under this Agreement or not, and Franchisee does not correct such failure within 10 calendar days after written notice thereof is delivered to Franchisee,

(vii) Franchisee fails to pay when due any amount owed to any creditor, supplier or lessor of the Restaurant or the Franchised Site or any taxing authority for federal, state or local taxes (other than amounts being bona fide disputed through appropriate proceedings) and Franchisee does not correct such failure within 10 calendar days after written notice is delivered thereof to Franchisee,

(viii) Franchisee fails to commence operation of the Restaurant at the Franchised Site within 9 months after execution of this Agreement, except for any delay that is agreed to in writing by Franchisor, in its sole discretion,

(ix) Franchisee or any of Franchisee's owners are convicted of or plead no contest to a felony, a crime involving moral turpitude or any other crime or offense that is likely to adversely affect the reputation of the System and the goodwill associated with the Marks,

(x) Franchisee operates the Restaurant or any phase of the franchised business in a manner that presents a health or safety hazard to Franchisee's customers, employees or the public,

(xi) Franchisee makes a material misrepresentation to Franchisor before or after being granted the franchise,

(xii) Franchisee makes an unauthorized Transfer of this Agreement, the franchise, the Restaurant, or an ownership interest in Franchisee,

(xiii) Franchisee or any Bound Party or any other employee of Franchisee breaches or fails to comply fully with Section 20 above,

(xiv) Franchisee (a) misuses or makes an unauthorized use of or misappropriates any Mark, (b) commits any act which can be reasonably expected to materially impair the goodwill associated with any Mark, (c) challenges Franchisor's ownership of the Marks, (d) files a lawsuit involving the Marks without Franchisor's consent, or (e) fails to cooperate with Franchisor in the defense of any Mark,

(xv) Franchisee copies or permits others to copy (a) any portion of the Operations Manual (except for forms and similar items included in them for the express purpose of copying) or (b) any confidential information or trade secret of Franchisor, or fail to take all necessary precautions to ensure that the Operations Manual, confidential information or trade secrets are kept free from theft, unauthorized copying, unauthorized access, fire, or other acts that may jeopardize the confidentiality of their contents,

(xvi) Franchisee fails to comply with any federal, state or local law or regulation applicable to the operation of the Restaurant (including any failure to comply with the Anti-Terrorism Laws (as defined below) as set forth in Section 42 2 below),

(xvii) The Restaurant, franchised business or the Franchised Site is seized, taken over or foreclosed by a government official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor, provided that a final judgment against Franchisor remains unsatisfied for 30 days (unless a supersedes or other appeal bond has been filed), or a levy of execution has been made upon the license granted by this Agreement or any property used in the Restaurant or franchised business, and it is not discharged within 5 days of such levy,

(xviii) Franchisee loses for any cause whatsoever right of possession as owner or lessee of the real property on which the Restaurant is located (However, if all or a substantial part of the real property on which the Restaurant is located is taken by eminent domain proceedings so as to make the Restaurant not in compliance with Franchisor's construction specifications or so as to make the Restaurant inoperable for the purpose of carrying out the requirements of this Agreement, then Franchisor and Franchisee will agree upon a new location for the Restaurant and Franchisee will construct and equip the new Restaurant in accordance with the then current construction specifications of Franchisor within 180 days after the designation of such location All of the terms of this Agreement not specifically modified herein shall apply to the construction, maintenance and operation of such new Restaurant),

(xix) Franchisee knowingly maintains false books or records or denies Franchisor's authorized representatives immediate access to Franchisee's books and records during an audit or inspection,

(xx) Franchisee submits to Franchisor a financial report or other data, information or supporting records which understate by more than 5% the Royalty Fees and/or Advertising Fees due for any reporting period and is unable to demonstrate that such understatements resulted from an inadvertent error,

(xxi) Franchisee has received at least three default notices from Franchisor within a 12 month period, even if such default is subject to a right to cure or is cured after notice is delivered to Franchisee,

(xxii) Franchisee is dissolved either voluntarily or involuntarily, or

(xxiii) Franchisee changes Franchisee's banking information for drafts/debits from Franchisor or withdraw Franchisor's approval for bank drafts/debits from Franchisee's account without designating replacement information and/or replacement approval and Franchisee does not correct such failure within 10 calendar days after written notice thereof is delivered to Franchisee

21 3 <u>Termination by Franchisor with a Cure Period</u> Franchisor shall have the right to terminate this Agreement upon 30 days written notice if defaults remain uncured in Franchisor's sole discretion for the following reasons Notwithstanding the foregoing, if the breach is curable but is of a nature which cannot reasonably be cured within such 30 day period and Franchisee has commenced and is continuing to make good faith efforts to cure such breach, Franchisee shall be given an additional 30 day period to cure the same, and this Agreement shall not terminate

(i) Franchisee fails or refuses to submit financial statements, reports or other operating data, information or supporting records when due,

(ii) Franchisee fails to relocate as provided in Section 3 1 or commits a default (other than a monetary default which shall be subject to Section 21 2(vii) above) under the lease, sublease, purchase contract or other contract for the Franchised, Site, the Restaurant or any equipment or supplies utilized in the operation thereof,

(iii) Franchisee fails to provide or maintain required insurance coverage,

(iv) Franchisee fails to restore the Restaurant to full operation within a reasonable period of time (not to exceed 90 days) after the Restaurant is rendered inoperable by any casualty, or

(v) Franchisee fails to comply with any other provision of this Agreement or any mandatory specification, standard or operating procedure prescribed by Franchisor

21 4 <u>Management of Restaurant by Franchisor</u> In addition to Franchisor's right to terminate this Agreement, and not in lieu thereof, Franchisor may enter into the Restaurant and exercise complete authority with respect to the management thereof until such time as Franchisor shall determine that the default of Franchisee has been cured and that Franchisee is complying with the requirements of this Agreement Franchisee specifically agrees that a designated representative of Franchisor may take control and manage the Restaurant in the event of any such default If Franchisor assumes the management of the Restaurant, Franchisee must pay Franchisor (in lieu of the Royalty Fee) a management fee equal to ten percent (10%) of the Restaurant's Net Sales (the "Management Fee") plus reimburse Franchisor for the full compensation paid to such representative, including any and all expenses reasonably incurred by such representative so long as such representative shall be necessary and in any event until the default has been cured and Franchisee is complying with the terms of this Agreement Franchisee acknowledges that the Management Fee shall be in addition to the Advertising

Fee and any other fees (except the Royalty Fee) required under this Agreement and shall be paid in accordance with the methods of payment set forth in Section 5 If Franchisor assumes the Restaurant's management, Franchisee acknowledges that Franchisor will have a duty to utilize only reasonable efforts and will not be liable to Franchisee or its owners for any debts, losses, or obligations the Restaurant incurs, or to any of Franchisee's creditors for any supplies or services the Restaurant purchases, while Franchisor manages it

## 22 EFFECT OF AND OBLIGATIONS UPON TERMINATION

22 1 Liquidated Damages Franchisee acknowledges and confirms that by granting Franchisee the license to operate the Restaurant in the Franchise Territory, Franchisor lost the opportunity to grant a franchise for the Franchise Territory to another person or entity or to itself to own and operate a Restaurant within the Franchise Territory Additionally, Franchisee confirms that Franchisor will suffer substantial damages by virtue of the termination of this Agreement, including, without limitation, lost Royalty Fees, lost market penetration and goodwill in the Franchise Territory, lost opportunity costs and the expense Franchisor will incur in developing another franchise for the Franchise Territory, which damages are impractical and extremely difficult to ascertain and/or calculate accurately, and the proof of which would be burdensome and costly, although such damages are real and meaningful to Franchisor and the System Accordingly, in the event that Franchisor terminates this Agreement for Franchisee's default hereunder, Franchisee agrees to pay to Franchisor in a lump sum on the effective date of termination, liquidated damages, which represents a fair and reasonable estimate of Franchisor's foreseeable losses as a result of such termination, and which are not in any way intended to be a penalty, in the amount of the Royalty Fees payable by Franchisee to Franchisor for the 12 month period immediately preceding the date of termination, provided, however, if the Restaurant has not been open for at least 12 months, the average monthly amount of Royalty Fees payable by Franchisee to Franchisor for the months in which the Restaurant has been open multiplied by 12 Franchisee acknowledges that its obligation to pay Franchisor liquidated damages is in addition to, not in lieu of, Franchisee's obligations to pay other amounts due to Franchisor under this Agreement up to the date of termination and to strictly comply with any other post-termination obligations required hereunder Should any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement limit Franchisee's ability to pay, and Franchisor's ability to receive, such liquidated damages, Franchisee shall be liable to Franchisor for any and all damages which it incurs, now or in the future, as a result of Franchisee's default under this Agreement

22 2 Obligations upon Termination or Expiration Upon the termination or expiration of this Agreement, whether by reason of lapse of time, default in performance, abandonment of the Restaurant or other cause or contingency, Franchisee shall

(i) forthwith return to Franchisor all material furnished by Franchisor containing confidential information, operating instructions, business practices, or methods or procedures, including, without limitation, the Operations Manual,

(ii) discontinue at the Franchised Site all use of the Marks, and the use of any and all signs, products, paper goods and other items bearing the Marks Any signs containing the Marks which Franchisee is unable to remove within one day of the termination or expiration of this Agreement shall be completely covered by Franchisee until the time of their removal which shall be within 10 days of termination or expiration of this Agreement,

(iii) if Franchisee retains possession of the Franchised Site, at Franchisee's expense, make such reasonable modifications to the exterior and interior decor of the

Restaurant and the Franchised Site as Franchisor requires to eliminate its identification as an Uncle Maddio's Restaurant and to avoid violation of the non-compete provision,

(iv) refrain from operating or doing business under any name or in any manner that may give the general public the impression that this Agreement is still in force or that Franchisee is connected in any way with Franchisor or that Franchisee has the right to use the System or the Marks,

(v) refrain from making use of or availing itself to any of the confidential information, Operations Manual or other information received from Franchisor or disclosing or revealing any the same in violation of Section 19 3 hereof,

(vi) take such action as may be required to cancel all assumed names or equivalent registrations relating to the use of any Mark,

(vii) assign to Franchisor or its designee all of Franchisee's rights, title, and interest in the telephone numbers, telephone directory listings and advertisements, website URLs, (whether acquired by Franchisee in accordance with or in violation of Section 15 2 hereof), e-mail addresses, store leases and governmental licenses or permits used for the operation of the Restaurant, and

(viii) strictly comply with the terms and conditions of Section 20 above and any other procedures in the Operations Manual that are established by Franchisor related to discontinuing operations of the Restaurant

If Franchisee fails to modify the exterior and interior décor of the Restaurant and the Franchised Site as Franchisor requires to eliminate its identification as an Uncle Maddio's Restaurant (including the removal of all signs bearing the Marks), Franchisor may take such action to modify the exterior and interior décor of the Restaurant and the Franchised Site and charge Franchisee for cost of such action Franchisee shall immediately pay Franchisor for the cost of any action taken by Franchisor to modify the exterior and interior decor of the Restaurant and the Franchised Site

22 3 Sale upon Expiration or Termination

(i) Except in the case of a renewal under Section 2, if this Agreement expires or is terminated or canceled for any reason, Franchisor shall have the option to purchase the Restaurant, or a portion of the assets of the Restaurant (including fixtures, furniture, equipment and improvements), and which may include at Franchisor's option, all of Franchisee's leasehold interest in and to the real estate upon which the Restaurant is located, but not including real property (collectively, the "Assets"), to Franchisor If Franchisor desires to purchase the Assets but the parties are unable to agree as to a purchase price and terms of such sale, the fair market value of the Assets (to be determined without goodwill or going concern value) shall be determined by three appraisers Franchisee and Franchisor shall each select one appraiser, and the two appraisers so chosen shall select the third appraiser The three appraisals shall be averaged to determine the purchase price Franchisor shall have the right, at any time within 15 days after being advised in writing of the decision of the appraisers as aforesaid, to purchase the Assets at the purchase price as determined above Each party shall be responsible for the costs and expenses of the appraiser it selected and the cost of the third appraiser shall be shared equally by the parties Nothing contained in this Section shall be deemed to be a waiver by Franchisor of any default by Franchisee under this Agreement nor shall the exercise of the option to purchase the Assets contained in this Section affect any other rights or remedies granted to Franchisor hereunder or otherwise available to it

(ii) Notwithstanding the provisions set forth in Section 21 3(i) above, if, within 45 days following the expiration of this Agreement, Franchisee shall receive a bona fide offer for the purchase of the Assets, Franchisee shall offer the same in writing to Franchisor at the same price and on the same terms (or the monetary equivalent if (i) the offer includes consideration other than money or (ii) Franchisor will pay cash and the offer involved payments over a period of time), which offer Franchisor may accept at any time within 15 days after receipt thereof If Franchisor declines, or does not within such 15 day period accept, such offer, then Franchisee may sell the Assets to such purchaser, but not at a lower price nor on more favorable terms than have been offered to Franchisor

(iii) Any sale of the Assets hereunder shall close no later than 60 days after delivery of written notice of Franchisor's exercise of its option is given to Franchisee Franchisor has the right to assign its option hereunder and Franchisee must sign all documents of transfer reasonably necessary for the purchase of the Assets All Assets transferred shall be free and clear of all liens and encumbrances, with all sales and transfer taxes paid by Franchisee At the closing, Franchisee and its owners shall execute general releases, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its owner, officers, employees, directors, agents, successors and assigns

22 4 Effect of Expiration or Termination Upon the expiration or termination of this Agreement for any reason, any and all rights granted to Franchisee hereunder shall be extinguished immediately, and Franchisee shall not be relieved of any of its obligations, debts or liabilities hereunder The expiration or termination of this Agreement for any reason will be without prejudice to the rights of Franchisor against Franchisee and will not destroy or diminish the binding force and effect of any of the provisions of this Agreement that expressly, or by reasonable implication, come into or continue in effect on or after the expiration or termination hereof

## 23 RESTAURANT CLASSIFICATION

Franchisee shall operate and maintain the Restaurant in a manner which will ensure that the Restaurant will obtain the highest classification possible for restaurants of like kind from the governmental authorities that inspect restaurants in the area where the Restaurant is operated If Franchisee is not able to obtain such classification, or if Franchisee fails to operate in accordance with the general standards of quality, maintenance, repairs and sanitation required by Franchisor, then Franchisor may, at its option, place such trained personnel in the Restaurant as Franchisor deems necessary to train the managerial and operating personnel of the Restaurant until the Restaurant can obtain the highest classification or meet such general standards Franchisor's personnel shall remain at the Restaurant until the required classification is obtained or until Franchisor, in its sole discretion, decides to remove them Franchisee shall pay all costs associated with providing such personnel, including costs of transportation, meals, lodging, wages or other compensation

## 24 OTHER BUSINESS

Franchisee agrees not to carry on or conduct or permit others to carry on or conduct any other business, activity or operation at the Restaurant (other than the operation of the Restaurant in conformity with this Agreement and the Operations Manual) without first obtaining the written consent of Franchisor

## 25 OWNERSHIP OF FRANCHISEE

If Franchisee is a Business Entity, like a corporation, limited liability company, partnership, then Franchisee must complete Franchisor's standard Principal Owner's Statement, a copy of which is attached as an Exhibit to its Franchise Disclosure Document and requires the legal organization of the Business Entity, and the names and addresses of each person or entity owning a 10% or greater interest in Franchisee (the "Principal Owners") and the percentage of such interest owned by such person or entity Franchisee must comply with Section 19 4 of this Agreement in case of any change in the organizational structure or ownership interests of Franchisee At Franchisor's request, Franchisee shall provide to Franchisor a copy of all Franchisee's governing and/or organizational documents and any amendments thereto Franchisor may require each Principal Owner to execute the Guarantee Provision in the form attached as an exhibit to the Franchisor's Franchise Disclosure Document

## 26 SUCCESSORS AND THIRD PARTY BENEFICIARIES

This Agreement and the covenants, restrictions and limitations contained herein shall be binding upon and shall inure to the benefit of Franchisor and its successors and assigns and shall be binding upon and shall inure to the benefit of Franchisee and its permitted heirs, successors and assigns Except as contemplated by Section 18 1, nothing in this Agreement is intended, nor is deemed, to confer any rights or remedies upon any person or legal entity not a party hereto This Agreement is, however, intended to bind the Bound Parties to the extent set forth in this Agreement

## 27 CONSTRUCTION

All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, and any other gender, as the context or sense of this Agreement or any provision hereof may require, as if such words had been fully and properly written in the appropriate number and gender All covenants, agreements and obligations assumed herein by Franchisee shall be deemed to be joint and several covenants, agreements and obligations of each of the persons named as Franchisee, if more than one person is so named Except where this Agreement expressly obligates Franchisor not to unreasonably withhold its approval of any of Franchisee's actions or requests, Franchisor has the absolute right, in its sole and arbitrary discretion, to refuse any request Franchisee makes or to withhold its approval of any of Franchisee's proposed or effected actions that require Franchisor's approval

## 28 INTERPRETATION AND HEADINGS

The parties agree that this Agreement should be interpreted according to its fair meaning Franchisee waives to the fullest extent possible the application of any rule which would construe ambiguous language against Franchisor as the drafter of this Agreement The words "include," "includes" and "including" when used in this Agreement will be interpreted as if they were followed by the words "without limitation" References to section numbers and headings will refer to sections of this Agreement unless the context indicates otherwise Captions and section headings are used herein for convenience only They are not part of this Agreement and shall not be used in construing it

## 29 NOTICES

Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally, by certified, express or registered mail, or by an overnight delivery service (e g , Federal or Airborne Express), postage prepaid, addressed to the party to be notified at the respective address first above written, or at such other address or addresses as the parties may from tıme to tıme desıgnate ın wrıtıng Notıces shall be deemed delıvered on the date shown on the return receıpt or ın the delıvery servıce's records as the date of delıvery or on the date of first attempted delıvery, ıf actual delıvery cannot for any reason be made

30 **GOVERNING LAW AND ENFORCEMENT**

30 1 GOVERNING LAW ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U S C §§ ET SEQ ) EXCEPT TO THE EXTENT PROVIDED BY THE FEDERAL ARBITRATION ACT AS REQUIRED HEREBY, THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U S C §1051 ET SEQ ) OR OTHER APPLICABLE FEDERAL LAW, THE TERMS OF THIS AGREEMENT SHALL BE INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA WITHOUT REGARD TO ITS CONFLICTS OF LAWS PROVISIONS, PROVIDED, HOWEVER, THAT THE LAW OF THE STATE IN WHICH THE RESTAURANT IS LOCATED SHALL APPLY TO THE CONSTRUCTION AND ENFORCEMENT OF THE OBLIGATIONS SET FORTH IN SECTIONS 20 1 AND 20 2 HEREOF, WITHOUT REGARD TO ITS CONFLICTS OF LAWS FOR ACTIONS THAT ARE NOT SUBJECT TO MANDATORY ARBITRATION UNDER SECTION 31 2, FRANCHISEE HEREBY SUBMITS AND IRREVOCABLY CONSENTS TO THE EXCLUSIVE JURISDICTION OF THE FEDERAL AND STATE COURTS FOR THE DISTRICT WHERE FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE IS LOCATED ON THE DATE OF THE FILING OF THE ACTION, AND AGREES NOT TO RAISE AND HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION BASED UPON *FORUM NON CONVENIENS* OR ANY OTHER OBJECTION IT MAY NOW HAVE OR HEREAFTER HAVE TO SUCH JURISDICTION OR VENUE FURTHER, NOTHING HEREIN CONTAINED SHALL BAR FRANCHISOR'S RIGHT TO OBTAIN INJUNCTIVE RELIEF AGAINST THREATENED CONDUCT THAT WILL CAUSE IRREPARABLE HARM, UNDER THE USUAL EQUITY RULES INCLUDING THE APPLICABLE RULES FOR OBTAINING SPECIFIC PERFORMANCE, RESTRAINING ORDERS AND PRELIMINARY INJUNCTIONS

30 2 ARBITRATION EXCEPT TO THE EXTENT FRANCHISOR SEEKS INJUNCTIVE OR OTHER EQUITABLE RELIEF TO ENFORCE PROVISIONS OF THIS AGREEMENT, AND EXCEPT FOR CONTROVERSIES, CLAIMS OR DISPUTES BASED ON FRANCHISEE'S FAILURE TO PAY ANY FEES DUE HEREUNDER WHEN DUE, FRANCHISEE'S VIOLATION OF ANY HEALTH OR SAFETY LAW, OR FRANCHISEE'S USE OF THE MARKS, ALL CONTROVERSIES, CLAIMS OR DISPUTES BETWEEN FRANCHISOR AND FRANCHISEE ARISING OUT OF OR RELATING TO (I) THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE, (II) THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR, OR (III) THE SCOPE AND VALIDITY OF THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN FRANCHISOR AND FRANCHISEE (INCLUDING THE SCOPE AND VALIDITY OF THE ARBITRATION OBLIGATIONS UNDER THIS SECTION, WHICH FRANCHISOR AND FRANCHISEE ACKNOWLEDGE IS TO BE DETERMINED BY AN ARBITRATOR AND NOT A COURT) SHALL BE DETERMINED BY ARBITRATION WITH THE AMERICAN ARBITRATION ASSOCIATION ("AAA") AT THE OFFICE OF THE AAA CLOSEST TO FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF SUBMISSION OF THE MATTER TO THE AAA THE ARBITRATORS SHALL HAVE NO AUTHORITY TO SELECT A HEARING LOCALE OTHER THAN AS DESCRIBED IN THIS SECTION 31 2 EXCEPT AS THIS SECTION 21 2 OTHERWISE PROVIDES, SUCH ARBITRATION SHALL BE CONDUCTED BEFORE THREE ARBITRATORS (UNLESS THE PARTIES AGREE TO ONE ARBITRATOR) CHOSEN AS FOLLOWS FRANCHISOR AND FRANCHISEE SHALL EACH SELECT ONE ARBITRATOR THESE TWO ARBITRATORS SHALL MUTUALLY AGREE ON ONE OTHER ARBITRATOR TO ACT AS THE THIRD ARBITRATOR THE DECISION OF THE ARBITRATORS SHALL BE FINAL

AND BINDING UPON ALL PARTIES CONCERNED SUCH DECISION SHALL BE RENDERED WITHIN 30 DAYS OF THE CLOSE OF THE ARBITRATION HEARING RECORD THE ARBITRATION PROCEEDING SHALL BE CONDUCTED AT THE OFFICE OF THE AAA CLOSEST TO FRANCHISOR'S PRINCIPAL EXECUTIVE OFFICE ON THE DATE OF SUBMISSION OF THE MATTER TO THE AAA IN ANY ARBITRATION PROCEEDING, FRANCHISOR AND FRANCHISEE AGREE THAT EACH MUST SUBMIT OR FILE ANY CLAIM WHICH WOULD CONSTITUTE A COMPULSORY COUNTERCLAIM (AS DEFINED BY THE THEN CURRENT RULE 13 OF THE FEDERAL RULES OF CIVIL PROCEDURE) WITHIN THE SAME PROCEEDING AS THE CLAIM TO WHICH IT RELATES ANY CLAIM NOT SUBMITTED OR FILED AS REQUIRED IS FOREVER BARRED THE ARBITRATOR MAY NOT CONSIDER ANY SETTLEMENT DISCUSSIONS OR OFFERS THAT MIGHT HAVE BEEN MADE BY EITHER PARTY FRANCHISOR RESERVES THE RIGHT, BUT HAS NO OBLIGATION, TO ADVANCE FRANCHISEE'S SHARE OF THE COSTS OF ANY ARBITRATION PROCEEDING IN ORDER FOR SUCH ARBITRATION PROCEEDINGS TO TAKE PLACE AND BY DOING SO WILL NOT BE DEEMED TO HAVE WAIVED OR RELINQUISHED FRANCHISOR'S RIGHT TO SEEK THE RECOVERY OF THOSE COSTS IN ACCORDANCE WITH SECTION 32 THE ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THE ARBITRATION PROCEEDING MAY NOT BE CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY IN THIS SECTION OR SECTION 34, IF ANY COURT OR ARBITRATOR DETERMINES THAT ALL OR ANY PART OF THE PRECEDING SENTENCE IS UNENFORCEABLE WITH RESPECT TO A DISPUTE THAT OTHERWISE WOULD BE SUBJECT TO ARBITRATION UNDER THIS SECTION 31 2, THEN ALL PARTIES AGREE THAT THIS ARBITRATION CLAUSE SHALL NOT APPLY TO THAT DISPUTE AND THAT SUCH DISPUTE SHALL BE RESOLVED IN A JUDICIAL PROCEEDING IN ACCORDANCE WITH THIS SECTION 31 (EXCLUDING THIS SECTION 31 2) THE FEDERAL RULES OF CIVIL PROCEDURE, AS THEY RELATE TO PRETRIAL DISCOVERY, AND THE FEDERAL RULES OF EVIDENCE SHALL APPLY TO THE ARBITRATION IN ALL OTHER RESPECTS, THE RULES OF THE AAA AND THE UNITED STATES ARBITRATION ACT SHALL CONTROL JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATION MAY BE ENTERED IN ANY COURT HAVING COMPETENT JURISDICTION THEREOF

30 3 <u>DAMAGES AND TIMING OF CLAIMS</u> THE PARTIES AGREE THAT NEITHER PARTY SHALL HAVE THE RIGHT TO RECEIVE OR COLLECT PUNITIVE OR EXEMPLARY DAMAGES FROM THE OTHER PARTY ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP BETWEEN FRANCHISEE AND FRANCHISOR, OR THE OPERATION OF THE FRANCHISE AND THE RESTAURANT BROUGHT BY ANY PARTY TO THIS AGREEMENT AGAINST ANOTHER PARTY TO THIS AGREEMENT, SHALL BE COMMENCED WITHIN ONE YEAR FROM THE DISCOVERY OF THE FACTS GIVING RISE TO ANY SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE BARRED, PROVIDED, HOWEVER, THAT THIS TIME LIMITATION SHALL NOT APPLY TO ANY UNPERFORMED FINANCIAL OBLIGATION OF FRANCHISEE TO FRANCHISOR THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MAY BE SHORTER THAN OTHERWISE ALLOWED BY LAW FRANCHISEE AND THE BOUND PARTIES AGREE THAT THEIR SOLE RECOURSE FOR CLAIMS ARISING BETWEEN THE PARTIES SHALL BE AGAINST FRANCHISOR AND ITS SUCCESSORS AND ASSIGNS FRANCHISEE AND THE BOUND PARTIES AGREE THAT THE OWNERS, DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS OF FRANCHISOR AND ITS AFFILIATES SHALL NOT BE PERSONALLY LIABLE NOR NAMED AS A PARTY IN ANY ACTION BETWEEN FRANCHISOR AND FRANCHISEE AND ANY BOUND PARTY

## 31 COSTS AND ATTORNEYS' FEES

If Franchisor incurs any expenses in connection with Franchisee's failure to pay any amounts it owes when due, submit any required reports when due or otherwise comply with this Agreement, Franchisee agrees to reimburse Franchisor for any of the costs and expenses which Franchisor incurs, including, without limitation, reasonable accounting, attorneys', arbitrators' and related fees

## 32 WAIVER

No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or a different kind, nor shall any delay or omission of Franchisor to exercise any right arising from any such default affect or impair Franchisor's rights as to such default or any future default

## 33 SEVERABILITY

If any term, restriction or covenant of this Agreement is deemed invalid or unenforceable, all other terms, restrictions and covenants and the application thereof to all persons and circumstances subject hereto shall remain unaffected to the extent permitted by law, and if any application of any term, restriction or covenant to any person or circumstance is deemed invalid or unenforceable, the application of such terms, restriction or covenant to other persons and circumstances shall remain unaffected to the extent permitted by law

## 34 FORCE MAJEURE

Neither Franchisor nor Franchisee will be liable for loss or damage or deemed to be in breach of this Agreement if Franchisor's or Franchisee's failure to perform any obligation results from (i) transportation shortages, inadequate supply of equipment, products, supplies, labor, material or energy or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof, (ii) acts of God, (iii) fires, strikes, embargoes, wars or riots, or (iv) any other similar event or cause beyond the control of the affected party Any delay resulting from any of said causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes will not excuse payments of amounts owed by Franchisee to Franchisor hereunder

## 35 DELEGATION BY FRANCHISOR

Franchisor shall have the right to delegate performance of any or all of its obligations and duties hereunder Franchisee hereby agrees to such delegation

## 36 REVIEW OF AGREEMENT

Franchisee acknowledges that it has had a copy of Franchisor's franchise disclosure document for at least 14 calendar days before signing any franchise or related agreements, or at least 14 calendar days before the payment of any consideration to Franchisor Franchisee has had the opportunity to have this Agreement and the business offered hereunder reviewed by professionals of Franchisee's choosing prior to executing this Agreement

## 37 NO RIGHT TO SET OFF

Franchisee agrees that it will not set off or withhold payment of any amounts it owes Franchisor on the grounds of Franchisor's alleged nonperformance of any of Franchisor's obligations under this Agreement or for any other reason Franchisee agrees that all such claims will, if not otherwise resolved, be submitted to arbitration as provided in Section 31 2

## 38 CUMULATIVE RIGHTS

The rights granted hereunder are cumulative, and no exercise or enforcement by either party of any right or remedy hereunder will preclude the exercise or enforcement of any other right or remedy to which either Franchisor or Franchisee are entitled

## 39 ENTIRE AGREEMENT

This Agreement and any addendum, schedule or exhibit attached hereto contains the entire agreement between the parties hereto relating to the operation of the Restaurant and the franchised business and no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, have been made or relied upon by the parties other than those set forth herein No agreement altering, changing, waiving or modifying any of the terms and conditions of this Agreement shall be binding upon either party unless and until the same is made in writing and executed by all interested parties Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in its most recent disclosure document (including its exhibits and amendments) that Franchisor delivered to Franchisee or Franchisee's representative

## 40 COUNTERPARTS

This Agreement may be signed in multiple counterpart copies, each of which will be deemed an original

## 41 FRANCHISEE'S ACKNOWLEDGMENTS

41 1 Success Depends on Franchisee and No Warranties Franchisee assumes sole responsibility for the operation of the business franchised hereunder and acknowledges that, while Franchisor may furnish advice and assistance to Franchisee from time to time during the term of this Agreement, Franchisor has no legal or other obligation to do so except as specifically set forth herein In addition, Franchisee acknowledges that Franchisor does not guarantee the success or profitability of the business franchised hereunder in any manner whatsoever and shall not be liable therefor, in particular, Franchisee understands and acknowledges that the success and profitability of the business franchised hereunder depend on many factors outside the control of either Franchisor or Franchisee (such as interest rates, unemployment rates, demographic trends and the general economic climate) and there are significant risks in any business venture, but principally depend on Franchisee's efforts in the operation of the business and the primary factor in Franchisee's success or failure in the business franchised hereunder will be Franchisee's own efforts IN ADDITION, FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR AND ITS REPRESENTATIVES HAVE MADE NO REPRESENTATIONS OR WARRANTIES TO FRANCHISEE OTHER THAN OR INCONSISTENT WITH THE MATTERS SET FORTH IN THIS AGREEMENT, AND THAT FRANCHISEE HAS UNDERTAKEN THIS VENTURE SOLELY IN RELIANCE UPON THE MATTERS SET FORTH HEREIN AND FRANCHISEE'S OWN INDEPENDENT INVESTIGATION OF THE MERITS OF THIS VENTURE

41 2 Anti-Terrorism Laws

(i) Franchisee and its owners agree to comply with and/or to assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with Anti-Terrorism Laws In connection with such compliance, Franchisee and its owners certify, represent, and warrant that none of their property or interests is 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

(ii) "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States ("Executive Order 13224"), the Terrorism Sanctions Regulation (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, and any other government agency with jurisdiction over the parties to this Agreement and/or their actions) addressing or in any way relating to terrorist acts and/or acts of war

(iii) Franchisee and its owners certify that none of them, their respective employees, agents, bankers, affiliates or anyone associated with them is listed in the Annex to Executive Order 13224 Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex (A copy of the Annex can be accessed on the internet at the following address http //www treasury gov/offices/enforcement/ofac/sanctions/terrorism html )

(iv) Franchisee certifies that it has no knowledge or information that, if generally known, would result in (a) Franchisee, (b) Franchisee's owners, employees, agents, bankers or affiliates or (c) anyone associated with Franchisee to be listed in the Annex to Executive Order 13224

(v) Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities set forth in Section 18 above of this Agreement pertain to Franchisee's obligations under this Section 42 2

(vi) Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Franchisee or Franchisee's owners, agents, bankers, employees and affiliates shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or an affiliate of Franchisor, in accordance with Section 21 2(xvi) above

Entity Name ____________________

**IN WITNESS WHEREOF,** the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date

FRANCHISOR

INTEGRITY BRANDS, LLC

By ______________________________
Name ____________________________
Title _____________________________

FRANCHISEE

If an Individual

Signature ________________________
Printed Name _____________________

If other than an Individual

[INSERT ENTITY NAME]

By ______________________________
Name ____________________________
Title _____________________________

**Exhibit A**
**to the Uncle Maddio's Pizza Franchise Agreement**

Franchise Site, Franchise Territory and Franchise Fee

Franchise Site ______________________________

______________________________

______________________________

______________________________

Franchise Territory ______________________________

Franchise Fee (Section 4) __________________________

**IN WITNESS WHEREOF**, the undersigned have executed or caused their duly authorized representatives to execute this Exhibit A as of the ________________, 20__

FRANCHISOR

INTEGRITY BRANDS, LLC

By ________________________________
Name ______________________________
Title _______________________________

FRANCHISEE

If an Individual

Signature ___________________________
Printed Name ________________________

If other than an Individual

[INSERT ENTITY NAME]

By ________________________________
Name ______________________________
Title _______________________________

**Exhibit B**
**to the Uncle Maddio's Pizza Franchise Agreement**

## ADDENDUM TO LEASE AGREEMENT

**THIS ADDENDUM TO LEASE AGREEMENT** (this "**Addendum**") is effective as of _______________ (the "**Effective Date**"), and is being signed simultaneously with the Lease (the "**Lease**") dated ____________________, 20___ between ______________________ (the "**Franchisee**" or "**Tenant**") and ____________________________ (the "**Landlord**") for the real property commonly known as ____________________________________________ _________________ (the "**Premises**")

1 **Incorporation and Precedence** This Addendum is incorporated into the Lease and supersedes any conflicting provisions in it Capitalized terms not otherwise defined in this Addendum have the meanings as defined in the Lease

2 **Background** The Tenant will operate an Uncle Maddio's® Restaurant at the Premises under a Franchise Agreement dated _________, 20___ (the "**Franchise Agreement**") with Integrity Brands, LLC (the "**Franchisor**") By entering into a franchise relationship with the Franchisor, the Tenant has agreed to grant the Franchisor a security interest in the Lease, all of the furniture, fixtures, inventory and supplies located in the Premises as collateral for (a) the payment of any obligation, liability or other amount owed by the Tenant or its affiliates to the Franchisor under the Franchise Agreement The Franchise Agreement also requires that the Lease contain certain provisions that the Tenant is requesting the Landlord to include

3 **Term** The initial of the Lease, or the initial term together with any renewal terms (for which the rent shall be set forth in the Lease) shall be for not less than ten (10) years

4 **Use of Premises** The Lease shall restrict Tenant's the use of the Premises solely to the operation of the Uncle Maddio's® Restaurant in accordance with the terms of the Franchise Agreement

5 **Marks** The Tenant has the right to display the trademarks and service marks set forth on Exhibit "A" to this Addendum and incorporated by reference herein in accordance with the specifications required by the Franchisor (including, without limitation, signage on buildings or pylons, banners, flags, windows, walls, doors and similar displays (collectively, "**Signage**")) Banners may include "coming soon," "now hiring," "now open," etc , subject only to the provisions of applicable law, for the term of the Lease

6 **Easement.** The Landlord grants to the Tenant during the term of the Lease a non-exclusive right and easement over that portion of the property as may be required by the Tenant to improve, renovate, repair, replace and maintain the Premises or replace its Signage or its panel on the pylon sign for the property The Tenant has the right to change or alter the Signage at any time during the term of the Lease provided the Signage is in compliance with all applicable governmental codes and regulations The Signage may include (a) signage on the exterior front wall of the Premises, (b) signage on another exterior portion of the Premises, (c) a separate pylon sign on the property, (d) separate signage on the property, (e) a panel on the pylon sign for the property, and (f) other Signage which may be required by the Franchisor or agreed upon by the Landlord and the Tenant

Entity Name ____________________

7 **Access to Premises** During the term of the Lease, the Landlord and Tenant acknowledge and agree that the Franchisor will have unrestricted access to the Premises to make modifications necessary to protect the Marks and they System, or to cure any default under the Franchise Agreement for such Restaurant

8 **Copies of Reports** The Landlord agrees to provide copies of all revenue and other information and data in Landlord's possession related to the operation of the Tenant's Uncle Maddio's® Restaurant on a timely basis as the Franchisor may request, during the term of the Lease

9 **Notice of Default** The Landlord will give written notice to the Franchisor (concurrently with the giving of such notice to the Tenant or separately if no such notice to Tenant is required) of any alleged defaults under, breaches or violations of the Lease by the Tenant (a "**Default**") Landlord will deliver such notice by certified mail, return receipt requested, or by nationally recognized overnight courier service, at the following address or to such other address as the Franchisor may provide to Landlord from time to time

Integrity Brands, LLC
3575 Piedmont Road, NE
Building 15, Suite 520
Atlanta, Georgia 30305
Attention Franchise Administrator

Such notice will grant the Franchisor the right, but not the obligation, to cure any Default, if the Tenant fails to do so, within 15 days after the later of (a) the expiration of the period in which the Tenant may cure the Default under the Lease, or (b) the Franchisor's receipt of the notice of Tenant's Default

10 **Franchisor's Assumption of Lease** In the event of a default of the Lease by Tenant or the default of the Franchise Agreement by Tenant, Franchisor shall, without the landlord's further consent, have a continuing right of entry into the site and Restaurant, the right to operate an Uncle Maddio's® Restaurant therein, and, upon written notice by the Franchisor, the right, but not the obligation, to assume Franchisee's interests under the existing terms, conditions and covenants of the Lease If Franchisor gives Landlord written notice that it will assume the Lease, (the "**Assignment Notice**"), (i) the Franchisor will become the lessee of the Premises and will be liable for all obligations under the Lease arising after the date of the Assignment Notice and (ii) the Landlord will recognize the Franchisor as the lessee of the Premises effective as of the date of the Assignment Notice After Franchisor assumes the Lease, Franchisor may assign the Lease or sublet the site to a third party which will operate an Uncle Maddio's® Restaurant at the site

11 **Default Under Franchise Agreement** Any Default under the Lease which is not cured by Tenant within any applicable cure period also constitutes grounds for termination of the Franchise Agreement

12 **Non-Disturbance** So long as the Lease term continues and the Tenant is not in Default under the Lease, the Tenant's use, possession and enjoyment of the Premises will not be interfered with by any lender of the Landlord or any other person The Landlord agrees to use its best efforts to obtain prior to commencement of the Lease any documents necessary to ensure the

foregoing, including a Subordination, Non-Disturbance and Attornment Agreement or similar agreement

13 **Franchisor Consent Required**. Neither the Landlord nor the Tenant will cancel, terminate, assign, extend, modify or amend the Lease including, without limitation, the Franchisor's rights under this Addendum, without the Franchisor's prior written consent

14 **Benefits and Successors.** The benefits of this Addendum inure to the Franchisor and to its successor and assigns, and the Franchisor is a third-party beneficiary of this Addendum with full right, power and authority to enforce its terms

15 **Remaining Provisions Unaffected** Those parts of the Lease that are not expressly modified by this Addendum remain in full force and effect

Intending to be bound, the Landlord and the Tenant sign and deliver this Addendum effective on the Effective Date, regardless of the actual date of signature

| **Landlord** | **Tenant** |
|---|---|
| ______________________________ | ______________________________ |
| Address ______________________ | Address ______________________ |
| Phone,________________________ | Phone ________________________ |
| By ___________________________ | By ___________________________ |
| Name _________________________ | Name _________________________ |
| Title __________________________ | Title __________________________ |

**EXHIBIT “A”**

**Marks**

**Exhibit C**
**to the Uncle Maddio's Pizza Franchise Agreement**

## GUARANTEE

(Principal Owners must execute the following)

As of ________________, 20__, as an inducement to Franchisor to enter the franchise a agreement between Integrity Brands, LLC ("Franchisor") and ______________________, ("Franchisee") dated ______________________, 2016 (the "Franchise Agreement"), the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Franchisee's obligations under the Franchise Agreement will be punctually paid and performed Upon demand by Franchisor, the undersigned will immediately make each contribution or payment required of Franchisee under the Franchise Agreement

The undersigned herby waives (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this guarantee provision, for the express purpose that none of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Franchisor, (ii) all rights to require Franchisor to proceed against Franchisee for any payment required under the Franchise Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this guarantee provision or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee, (iii) any benefit of, any right to participate in, any security now or hereafter held by Franchisor, and (iv) acceptance and notice of acceptance by Franchisor of his, her or its undertakings under this guarantee provision, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled Franchisor shall have no present or future duty or obligation to the undersigned under this guarantee provision, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to Franchisor Without affecting the obligations of the undersigned under this guarantee provision, Franchisor may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Franchise Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Franchise Agreement, assign the Franchise Agreement or the right to receive any sum payable under the Franchise Agreement, and the undersigned each hereby jointly and severally waive notice of same and agree to be bound by any and all amendments and changes to the Franchise Agreement The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Franchise Agreement

Entity Name ____________________

The undersigned hereby agrees to defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) ("Claims") resulting from, consisting of, or arising out of or in connection with any failure by Franchisee, its officers, directors, agents, or employees to perform any obligation under the Franchise Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein Notwithstanding any other language contained herein, the obligations of Guarantor(s) under this guarantee provision (including both the payment and performance obligations, and the indemnification obligations) shall not apply to any obligations or Claims arising due to the actions of third parties not under the operation, direction or control of Franchisee

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

Unless specifically stated otherwise, the terms used in this guarantee provision shall have the same meaning as in the Franchise Agreement This guarantee provision shall be interpreted and construed under the laws of the State of Georgia In the event of any conflict of law, the laws of Georgia shall prevail, without regard to, and without giving effect to, the application of the State of Georgia conflict of law rules Nothing in this guarantee provision is intended by the parties to subject this guarantee provision to any franchise or similar law, rule, or regulation of the State of Georgia or of any other state to which it would not otherwise be subject Any and all notices required or permitted under this guarantee provision shall be in writing and shall be personally delivered, in the manner provided under Section 30 of the Franchise Agreement

**IN WITNESS WHEREOF**, the undersigned has signed this guarantee as of ______________________________, 20__

GUARANTOR(S)

________________________________ ________________________________

________________________________ ________________________________

**EXHIBIT D TO THE DISCLOSURE DOCUMENT**

**FORM OF**

**FRANCHISEE PARTICIPATION AGREEMENT FOR COCA COLA**

**COCA-COLA FOODSERVICE**
**AUTHORIZED FRANCHISEE OF INTEGRITY BRANDS, LLC**
**FRANCHISEE PARTICIPATION AGREEMENT**

## SCOPE OF MARKETING AGREEMENT

The parties to the Franchisee Participation Agreement (the "**Agreement**") are the authorized franchisee ("**Franchisee**") of Integrity Brands, LLC ("**Franchisor**") identified on the signature page, and Coca-Cola FoodService ("**CCF**"), a part of The Coca-Cola Company ("**Company**") The Agreement will apply to all Uncle Maddio's Pizza® outlets where Beverages are served that are owned or operated by Franchisee or any of its subsidiaries, or has the same ownership group as Franchisee, including (a) any Uncle Maddio's Pizza® outlets that are opened after the Agreement is signed, (b) any outlets that are co-branded, and (c) any Uncle Maddio's Pizza® outlets acquired during the Term of the Agreement, unless those outlets are already governed by an agreement with CCF and that agreement is validly assigned to Franchisee as part of the acquisition If the acquired outlets are under a pre-existing agreement with a competitive beverage supplier, the acquired outlets will come under this Agreement after the competitive agreement is terminated or expires The Agreement will not apply to any outlets outside the fifty (50) United States and the District of Columbia All outlets owned or operated by Franchisee are referred to as "**Franchised Outlets** " If any Franchised Outlet is eligible for an alternate program offered directly or indirectly by CCF, the parties will mutually agree on which program will be made available to that outlet In no event will any outlet be eligible for more than one program offered by Company

## TERM

The Agreement will become effective when signed by both parties The Term shall begin as of the first day of the month in which the Agreement is signed by Franchisee and will continue until the expiration of the Beverage Marketing Agreement between Franchisor and CCF, dated April 23, 2012 When used in the Agreement, the term "**Year**" means each consecutive twelve-month period during the Term, beginning with the first day of the Term, and any remaining period of time between the last full twelve-month period and the end of the Term

## ENTIRE AGREEMENT

This Agreement also consists of the following **Exhibit A** Fountain Program Terms and Conditions, **Exhibit B** Definitions, **Exhibit C** Standard Terms and Conditions, and **Exhibit D** Coca-Cola Fountain Equipment Lease Agreement

As of the beginning of the Term, this Agreement will supersede all prior agreements between the parties relating to the subject matter of this Agreement except for any existing Coca-Cola Freestyle® test agreements No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by authorized representatives of both parties

**THIS AGREEMENT SHALL NOT BE EFFECTIVE UNTIL SIGNED BY FRANCHISEE AND AN AUTHORIZED REPRESENTATIVE OF CCF**

| | |
|---|---|
| Accepted and agreed to this day of ______, 20___ | Accepted and agreed to this day of _________, 20__ |
| **COCA-COLA FOODSERVICE** | ______________________________<br>**(Insert Legal Business Entity Name of Franchisee)** |
| By<br>______________________________<br>(signature)<br>Krista Schulte<br>Vice President National Sales, East Zone | By ______________________________<br>(signature)<br>Print name ______________________________<br>Title ______________________________<br>Address ______________________________<br>______________________________<br>ACN ____________ |

**Exhibit A to Franchisee Participation Agreement for Coca Cola**

**FOUNTAIN PROGRAM TERMS AND CONDITIONS**

## 1 BEVERAGE AVAILABILITY / NO COMPETITIVE ADVERTISING / PRICING

**Beverage Availability**

Franchisee will serve in each Franchised Outlet a core brand set of Fountain Beverages that consists of Coca-Cola®, Diet Coke®, Sprite® and, on equipment with eight (8) valves or more, Coke Zero™, and the remaining products will be jointly selected by Franchisee and CCF All Fountain Beverages served in the Franchised Outlets will be CCF's Beverages In addition, Franchisee may not dedicate any valve on a Fountain Beverage dispenser leased from CCF to dispense tap water

Franchisee further recognizes that the sale of Competitive Beverages in bottles, cans or other packaging would diminish the product availability rights give to CCF, and therefore also agrees not to serve Competitive Beverages whether in bottles, cans, cups or other packaging or form in the Franchised Outlets

**No Competitive Advertising**

No Competitive Beverages will be depicted, advertised, promoted, or merchandised anywhere in or in association with the Franchised Outlets

**National Chain Account Price**

CCF agrees that during the Term, Franchisee will have the right to purchase Fountain Syrups from CCF at CCF's then-current published chain account prices, which prices are subject to change from time to time

## 2 MARKETING PROGRAM

In consideration of the Beverage Availability rights granted to CCF above, the marketing programs outlined below will be provided to assist Franchised in maximizing the sale of CCF's Fountain Beverages in the Franchised Outlets Franchisee agrees that CCF will have the right to audit compliance with the performance criteria outlined herein at all reasonable times and places

Unless otherwise mutually agreed in writing, the programs set forth in this Agreement do not apply to Fountain Syrups for the BreakMate® dispenser or to Fountain Syrups used to prepare frozen Beverages

**New Outlet Fund**

CCF will provide funding of up to $500 for each new Franchised Outlet that is opened during the Term The purpose of the fund is to offset costs associated with the opening of a new Franchised Outlet Funding is provided in return for Franchisee's commitment to serve CCF's Fountain Beverages in the Franchised Outlets throughout the Term Funding will be managed by CCF and used to pay Franchisee or its suppliers for goods and services needed for the opening of a new Franchised Outlet Any excess New Outlet Funding not paid for the goods and services needed for the opening of a new Franchised Outlet will be paid to Franchisee

## 3 EQUIPMENT PROGRAM

Where permitted by law, CCF will lease to Franchisee without charge during the Term, the CCF approved dispensing equipment reasonably necessary to enable the Franchised Outlets to dispense a quality Fountain Beverage No ice makers or water filters will be provided

In any state where a lease without charge is not permitted (e g , Wisconsin) or if Franchisee elects to lease additional dispensing equipment, such equipment will be leased at an annual lease rate calculated by multiplying the total installed cost of the additional equipment by the then-current lease factor The lease factor currently in effect for equipment is 24 Should the lease factor change during the Term, any equipment installed after the change goes into effect will be subject to the new lease factor Lease charges, if any, will be deducted from earned funding Charges in excess of earned funding will be invoiced All equipment provided by CCF will at all times remain the property of CCF and is subject to the terms and conditions of CCF's standard lease agreement ("**Lease**") The Lease terms are attached as **Exhibit "D"** and are a part of the Agreement, except as specifically changed by the Program Terms and Conditions or Standard Terms and Conditions

## 4 SERVICE PROGRAM

Franchisee may use CCF's Service Network without charge for up to three (3) regular mechanical repair calls for Fountain Beverage dispensing equipment per Year for each Franchised Outlet These calls are calculated sequentially on a per outlet basis and may not be aggregated Parts required for these regular mechanical repair calls will also be provided without charge Any removal, remodel, relocation or reinstallation of dispensing equipment, installation or removal of ice makers, service caused by ice, flavor changes, summarize/winterize, line changes, or service necessitated by damage or adjustments to the equipment resulting from misuse, abuse, failure to follow operating instructions or service by unauthorized personnel, unnecessary calls (equipment was not plugged in, CO2 or Fountain Syrup container was empty), or calls that are not the result of mechanical failure (collectively "**Special Service Calls**"), are not considered regular service and will not be provided free of charge Charges for Special Service Calls or for regular mechanical repair calls in excess of those available without charge under this program will be charged at CCF's then current rate, and will be deducted from earned funding Charges will include labor, travel time, parts, and administrative costs Charges in excess of earned funding will be invoiced

**Exhibit B to Franchisee Participation Agreement for Coca Cola**

**DEFINITIONS**

Certain capitalized words or phrases are used throughout this document  Such words or phrases have the following meanings

1 **"Beverage"** means all soft drinks and other non-alcoholic beverages

2 **“Competitive Beverages”** means all Beverages that are not Company Beverages, and any products, whether or not Beverages, marketed under Beverage trademarks that are not Company Marks (e g , “Gatorade Energy Bars”)

3 **"Fountain Beverages"** are those Beverages that are dispensed from post-mix or pre-mix (but not frozen) beverage dispensers, bubblers, or similar equipment

4 **“Fountain Syrup"** means the Fountain Beverage syrup used to prepare Fountain Beverages, but does not include other forms of concentrate, such as frozen concentrates used to prepare juices, or liquid coffee concentrate

## Exhibit C to Franchisee Participation Agreement for Coca Cola

## STANDARD TERMS AND CONDITIONS

### 1 TERMINATION AND DAMAGES

Once both parties sign the Agreement it may be terminated before the scheduled expiration date only in the following circumstances (i) Either party may terminate the Agreement if the other party fails to comply with a material term or condition of the Agreement and does not remedy the failure within ninety (90) days after receiving written notice specifying the non-compliance or (ii) CCF may terminate the Agreement if at any time during the Term or over the course of the Term, there is a transfer or closing of a substantial number of the Franchised Outlets or a transfer of a substantial portion of the assets of Franchisee that is not in the ordinary course of business

Upon expiration or termination Franchisee must return any dispensing equipment owned by CCF located in the Corporate Outlets and the marketing program will no longer be made available to Franchisee In addition if any piece of equipment is removed from a Corporate Outlet prior to 100 months from the installation date for that piece of equipment Franchisee will pay CCF the actual cost of removal (including standard shipping and handling charges) and remanufacturing of the Equipment, as well as the unamortized portion of the costs of (i) installation and (ii) non-serialized parts (e g pumps racks and regulators) and other ancillary equipment Collectively removal costs and items (i) and (ii) are referred to as **unbundling costs** " Upon termination Franchisee must also pay the following amounts (a) All paid but unearned funding plus (b) Interest at the rate of 1% compounded monthly or such lesser percentage as required by law accrued from the date funds were paid or unbundling costs were incurred through the date of repayment

The parties acknowledge that in addition to the liquidated damages outlined above either party may pursue other remedies or damages if the other party breaches the terms of the Agreement Nothing herein shall be construed as a waiver of any right of CCF to prove consequential damages as a result of a breach by Franchisee including but not limited to lost profits and other damages allowable

### 2 NON-COMPLYING OUTLETS

If any Franchised Outlet fails to comply with this Agreement, Franchisee will forfeit all funding earned by such Franchised Outlet for the period of non compliance In the event the Franchised Outlet has not achieved compliance within thirty (30) days from receipt of written notice of non compliance from CCF all funding attributable to such Franchised Outlet for the then-current Year will be forfeited and CCF will have the option to terminate this program with respect to such Franchised Outlet on thirty (30) days additional written notice In the event ten percent (10%) or more of the Franchised Outlets fail to comply with this Agreement CCF shall have the right to terminate this Agreement for breach, and the termination remedies set forth above shall apply Nothing in this paragraph shall operate to restrict any of CCF s other remedies in the event of a material breach by Franchisee

### 3 GOVERNING LAW/ DISPUTE RESOLUTION

This Agreement shall at all times be governed by the laws of the State of Georgia Should there be a dispute between CCF and Franchisee relating in any way to the Agreement the breach of the Agreement, or the business relationship of the parties the parties agree that they will make a good faith effort to settle the dispute in an amicable manner In the event of any dispute arising out of or relating to this Agreement the prevailing party shall be entitled to recover its reasonable attorneys fees and other costs and expenses of litigation If litigation is pursued the exclusive venue for such litigation shall be in the federal or state courts located in Atlanta GA and the parties agree to submit to the personal jurisdiction of the courts in the State of Georgia

### 4 TRANSFERS AND ASSIGNMENTS

If there is a transfer of a substantial number of the Franchised Outlets or a transfer of a substantial portion of the assets of Franchisee that is not in the ordinary course of business and CCF does not elect to terminate the Agreement under the Termination section above then at CCF s election Franchisee shall cause the acquiring surviving or newly created business to assume all of Franchisee s obligations under the Agreement with regard to the acquired assets or business The Agreement shall not be otherwise assignable without the express written consent of CCF Nothing contained herein shall be construed as a waiver of CCF s termination rights pursuant to this Agreement

If Franchisee transfers or closes any Corporate Outlets Franchisee shall pay CCF the unbundling costs (as defined in the "Termination section above) on equipment in such Corporate Outlet installed less than 100 months prior to the transfer or closure unless Franchisee causes the new owner or operator at the location to assume the lease of the equipment on terms acceptable to CCF in its reasonable discretion

### 5 TRADEMARKS

Neither Franchisee nor CCF shall make use of Company s or Franchisee s trademarks or logos (either alone or in conjunction with their or another party s trademarks or logos) without the prior written consent of that party and all use of the other party s trademarks shall inure to the benefit of trademark owner For purposes of this Agreement Company's trademarks include trademarks owned licensed to or controlled by an entity in which Company has a fifty percent (50%) or more ownership interest

### 6 CONFIDENTIALITY

Neither party shall disclose to any third party without the prior written consent of the other party any information concerning this Agreement or the transactions contemplated hereby except for disclosure (1) to any attorneys accountants and consultants involved in assisting with the negotiation and closing of the contemplated transactions or (2) to affiliates of CCF including Company s Bottlers or (3) as required by law

A party that makes a permitted disclosure must obtain assurances from the party to whom disclosure is made that such party will keep confidential the information disclosed

### 7 OFFSET

If Franchisee owes any amounts to CCF under this or any other agreement in addition to any other remedies it may have CCF may use funds due Franchisee to offset amounts due to CCF under this or any other agreement Excess lease charges service costs and fair share charges if any will be deducted from earned funding

### 8 FORCE MAJEURE

Either party is excused from performance under this Agreement if such nonperformance results from any act of God strikes war terrorism riots acts of governmental authorities shortage of raw materials or any other cause outside the reasonable control of the nonperforming party

### 9 WAIVER

The failure of either party to seek redress for the breach of or to insist upon the strict performance of any term clause or provision of the Agreement shall not constitute a waiver unless the waiver is in writing and signed by the party waiving performance

### 10 WARRANTIES

Franchisee and CCF each represent and warrant that they have the unrestricted right to enter into this Agreement and to make the commitments contained in this Agreement In addition each party represents that the person whose signature appears on the Agreement has the right to execute this Agreement on behalf of the party indicated Franchisee represents and warrants that it complies with all applicable laws and regulations and all appropriate practices with respect to food safety including the storing preparation and serving of food and portability of water Furthermore Franchisee acknowledges and agrees to comply with all equipment manufacturers specifications and product dispensing and preparation instructions and specifications Finally Franchisee agrees to comply with CCF s Quality Beverage standards

### 11 RESALE AND PACKAGING

Franchisee agrees to properly dispose of CCF s Fountain Syrup bag-in-box packaging Franchisee also agrees not to resell CCF Fountain Syrup or any other Beverage component or ingredient purchased from CCF to third parties or resell Syrup packaging to third parties except for purposes of environmentally safe disposal Lastly Franchisee agrees to sell the finished Fountain Beverage only in cups or glasses and not in closed containers that retain carbonation or in bottles or cans

### 12 CONSTRUCTION/ SEVERABILITY

This Agreement and any accompanying documents constitute negotiated agreements between the parties and the fact that one party or its counsel or the other shall have drafted this Agreement any document or particular provision hereof shall not be considered in the construction or interpretation of this Agreement the documents or any provision hereof If any term or provision of this Agreement is found to be void or contrary to law such term or provision will be deemed severable but only to the extent necessary to bring this Agreement within the requirements of law from the other terms and provisions hereof and the remainder of this Agreement will be given effect as if the parties had not included the severed term herein

# Exhibit D to Franchisee Participation Agreement for Coca Cola
# FOUNTAIN EQUIPMENT LEASE AGREEMENT

1 **LEASE AGREEMENT AND TERM** Coca-Cola FoodService ("**CCF**") hereby leases to the account identified on the attached Franchisee Participation Agreement ("**Lessee**") all fountain beverage dispensing equipment provided to Lessee (the "**Equipment**") subject to the terms and conditions set forth in this Lease Agreement. Unless otherwise agreed in writing the Equipment shall also include where applicable all permanent merchandising menu boards refrigeration units ice makers and water filtration equipment installed by CCF on Lessee s premises Each piece of Equipment is leased commencing on its installation date (the "**Commencement Date**") Lessee may request the removal of any Equipment upon thirty (30) days prior written notice to CCF Removal of Equipment will not affect the term of any other agreement between the parties such as the Franchisee Participation Agreement. If this Lease is terminated with respect to any piece of Equipment for any reason prior to 100 months from the Commencement Date for that piece of Equipment Lessee will pay CCF the actual cost of removal (including standard shipping and handling charges) and remanufacturing of that Equipment as well as the unamortized portion of the costs of (i) installation (ii) non-serialized parts (e g pumps racks and regulators) and other ancillary equipment Collectively removal costs and items (i) and (ii) are referred to as "**unbundling costs** The terms of this Lease will continue in effect with respect to each piece of Equipment until the Equipment has been removed from Lessee s premises and will survive the expiration or termination of the Franchisee Participation Agreement

2 **RENT FOR THE EQUIPMENT** All equipment leased to Lessee will be leased at an annual rate calculated by multiplying the total installed cost of equipment by the then-current lease factor plus all applicable sales and use taxes, if any as rent for the Equipment Rent will be due monthly At CCF s discretion CCF may utilize funds due Lessee to offset amounts due CCF under this Agreement. If Lessee fails to pay within 10 days of its due date rent or any other amount required by this Lease to be paid to CCF Lessee shall pay to CCF a late charge equal to five percent (5%) per month of such overdue payment or such lesser amount that CCF is entitled to receive under any applicable law

3 **TITLE TO THE EQUIPMENT** Title to the Equipment is and will at all times remain vested in CCF Lessee will have no right title or interest in or to the Equipment, except the right to quiet use of the Equipment in the ordinary course of its business as provided in this Lease Lessee shall execute such title documents financing statements fixture filings certificates and such other instruments and documents as CCF shall reasonably request to ensure to CCF's satisfaction the protection of CCF s title to the Equipment and CCF s interests and benefits under this Lease Lessee shall not transfer pledge lease sell hypothecate mortgage assign or in any other way encumber or dispose of any of the Equipment THE PARTIES AGREE, AND LESSEE WARRANTS, THAT THE EQUIPMENT IS, AND WILL AT ALL TIMES REMAIN PERSONAL PROPERTY OF CCF NOTWITHSTANDING THAT THE EQUIPMENT OR ANY PART THEREOF MAY NOW BE OR HEREAFTER BECOME IN ANY MANNER AFFIXED OR ATTACHED TO, OR EMBEDDED IN OR PERMANENTLY RESTING UPON REAL PROPERTY OR IMPROVEMENTS ON REAL PROPERTY Lessee may perform ordinary maintenance and repairs to the Equipment as required by this Lease but shall not make any alterations additions or improvements to the Equipment without the prior written consent of CCF All parts added to the Equipment through alterations repairs additions or improvements will constitute accessions to and will be considered an item of the Equipment and title to such will immediately vest in CCF Lessee agrees that CCF may transfer or assign all or any part of CCF s right title and interest in or to any Equipment (in whole or in part) and this Lease and any amounts due or to become due to any third party ("**Assignee**) for any reason Upon receipt of written notice from CCF of such assignment Lessee shall perform all its obligations with respect to any such Equipment for the benefit of the applicable Assignee and if so directed shall pay all amounts due or to become due hereunder directly to the applicable Assignee or to any other party designated by such Assignee

4 **USE OF EQUIPMENT** Lessee acknowledges that the rent does not fully compensate CCF for its expenses concerning its research and development efforts designed to improve fountain equipment or in providing the Equipment to Lessee and that CCF provides the Equipment to Lessee for the purpose of dispensing CCF products Therefore Lessee agrees that if the Equipment is a fountain beverage dispenser then the Equipment will be used for the purpose of dispensing fountain beverage products of CCF such as Coca-Cola® classic (or Coke®) diet Coke® and Sprite® If the Equipment is a pump for bag-in-box or similar container such pump may be used only to dispense CCF products If the Equipment is other than a fountain beverage dispenser or a pump then it will be used only in a location where fountain beverage products of CCF are served and where no fountain beverage products of PepsiCo Inc or an affiliate of PepsiCo Inc are served This Section 4 shall not apply within the State of Wisconsin

5 **INSPECTION AND NOTIFICATION** CCF shall have the right during Lessee s regular business hours to inspect the Equipment at Lessee s premises or wherever the Equipment may be located and to review all records that relate to the Equipment. Lessee shall promptly notify CCF of all details arising out of any change in location of the Equipment, any alleged encumbrances thereon or any accident allegedly resulting from the use or operation thereof

6 **WARRANTY DISCLAIMER** LESSEE ACKNOWLEDGES THAT CCF IS NOT A MANUFACTURER OF THE EQUIPMENT AND THAT CCF HAS MADE NO REPRESENTATIONS OF ANY NATURE WHATSOEVER PERTAINING TO THE EQUIPMENT OR ITS PERFORMANCE WHETHER EXPRESS OR IMPLIED INCLUDING (WITHOUT LIMITATION) ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTIES RELATING TO THE DESIGN CONDITION QUALITY CAPACITY MATERIAL OR WORKMANSHIP OF THE EQUIPMENT OR ITS PERFORMANCE OR ANY WARRANTY AGAINST INTERFERENCE OR INFRINGEMENT OR ANY WARRANTY WITH RESPECT TO PATENT RIGHTS IF ANY PERTAINING TO THE EQUIPMENT CCF SHALL NOT BE RESPONSIBLE FOR ANY LOSS OF PROFITS ANY DIRECT INCIDENTAL OR CONSEQUENTIAL LOSSES OR DAMAGES OF ANY NATURE WHATSOEVER RESULTING FROM THE DELIVERY INSTALLATION MAINTENANCE OPERATIONS SERVICE OR USE OF ANY EQUIPMENT OR OTHERWISE

7 **TAXES** Lessee shall pay all assessments license fees taxes (including sales, use excise personal property ad valorem stamp documentary and other taxes) and all other governmental charges fees fines or penalties whatsoever whether payable by CCF or Lessee on or relating to the Equipment or the use registration rental shipment transportation delivery or operation thereof and on or relating to this Lease

8 **MAINTENANCE AND REPAIRS** Lessee shall at its expense keep the Equipment in good condition repair and working order Lessee shall pay all costs incurred in connection with the shipment use operation ownership or possession of the Equipment during the term of this Lease Lessee s sole recourse against CCF with respect to service provided by CCF or its agents to the Equipment is that CCF will correct any defective workmanship at no additional charge to Lessee provided that CCF is given prompt notification of any defective workmanship CCF shall not be otherwise liable for negligent acts or omissions committed in regard to maintenance or repair of the Equipment and assumes no responsibility for incidental consequential or special damages occasioned by such negligent acts or omissions

9 **RISK OF LOSS** All risk of loss including damage theft or destruction to each item of Equipment will be borne by Lessee No such loss damage theft or destruction of Equipment in whole or in part will impair the obligations of Lessee under this Lease all of which will continue in full force and effect.

10 **INDEMNITY** Lessee shall indemnify CCF and Company and each of their officers agents employees directors shareholders affiliates successors and assigns (hereinafter the "**Indemnified Parties**") against and hold Indemnified Parties wholly harmless from any and all claims actions suits proceedings demands damages and liabilities of whatever nature and all costs and expenses including without limitation Indemnified Parties reasonable attorneys fees and expenses relating to or in any way arising out of (a) the ordering delivery rejection installation purchase leasing maintenance possession use operation control or disposition of the Equipment or any portion thereof (b) any act or omission of Lessee including but not limited to any loss or damage to or sustained by the Indemnified Parties arising out of Lessee s failure to comply with all the terms and conditions of this Lease (c) any claims for liability in tort with respect to the Equipment excepting only to the degree such claims are the result of the Indemnified Parties negligent or willful acts The provisions of this Section 10 will survive termination and expiration of this Lease

11 **DEFAULT** The occurrence of any of the following will constitute a "**Default**" by Lessee (a) nonpayment by Lessee when due of any amount due and payable under this Lease (b) failure of Lessee to comply with any provision of this Lease and failure of Lessee to remedy cure or remove such failure within ten (10) days after receipt of written notice thereof from CCF (c) any statement representation or warranty of Lessee to CCF at any time that is untrue as of the date made (d) Lessee's becoming insolvent or unable to pay its debts as they mature or Lessee making an assignment for the benefit of creditors or any proceeding, whether voluntary or involuntary being instituted by or against Lessee alleging that Lessee is insolvent or unable to pay its debts as they mature (e) appointment of a receiver liquidator trustee custodian or other similar official for any of the Equipment or for any property in which Lessee has an interest, (f) seizure of any of the Equipment, (g) default by Lessee under the terms of any note document, agreement or instrument evidencing an obligation of Lessee to CCF or to any affiliate of CCF whether now existing or hereafter arising (h) Lessee taking any action with respect to the liquidation dissolution winding up or otherwise discontinuing the conduct of its business (i) Lessee transferring all or substantially all of its assets to a third party or (j) the transfer conveyance assignment or pledge of a controlling interest or ownership of Lessee to a third party without CCF s prior written consent.

12 **OPTION TO ACCELERATE AT WILL** If at any time CCF in good faith believes that the prospect for Lessee s payment or other performance under this Lease is impaired CCF may demand immediate payment of all rents due and scheduled to come due during the remainder of the Lease term All future rent accelerated under this or any other provision of this Agreement will be discounted to present value which will be computed at a discount rate of five (5) percent Failure of Lessee to make full payment within thirty (30) days of its receipt of the demand for accelerated rent will constitute a "Default" by Lessee as defined in Section 11

13 **REMEDIES** Upon the occurrence of any Default or at any time thereafter CCF may terminate this Lease as to any or all items of Equipment, may enter Lessee s premises and retake possession of the Equipment at Lessee s expense and will have all other remedies at law or in equity for breach of the Lease Lessee acknowledges that in the event of a breach of Sections 4 or 5 or a failure or refusal of Lessee to relinquish possession of the Equipment in breach of this section following termination or Default, CCF s damages would be difficult or impossible to ascertain and Lessee therefore agrees that CCF will have the right to an injunction in any court of competent jurisdiction restraining said breach and granting CCF the right to immediate possession of the Equipment

14 **LIQUIDATED DAMAGES** If Lessee acts in violation of the prohibitions described in Section 3 of this Agreement or is unable or unwilling to return the Equipment to CCF in good working order normal usage wear and tear excepted at the expiration or termination of the Lease Lessee shall pay as liquidated damages the total of (i) the amount of past-due lease payments discounted accelerated future lease payments and the value of CCF s residual interest in the Equipment plus (ii) all tax indemnities associated with the Equipment to which CCF would have been entitled if Lessee had fully performed this Lease plus (iii) costs interest and attorneys fees incurred by CCF due to Lessee s violation of Section 3 or its failure to return the Equipment to CCF minus (iv) any proceeds or offset from the release or sale of the Equipment by CCF

15 **OTHER TERMS** Lessee represents and warrants that it complies with all applicable laws and regulations and all appropriate practices with respect to food safety including the storing preparation and serving of food Furthermore Lessee acknowledges and agrees to comply with all equipment manufactures specifications and product dispensing and preparation instructions and specifications No failure by CCF to exercise and no delay in exercising any of CCF s rights hereunder will operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or of any other rights This Lease constitutes the entire agreement of the parties and supersedes all prior oral and written agreements between the parties governing the subject matter of this Lease provided however that if CCF and Lessee have entered into a Marketing Agreement into which this Lease is incorporated to the extent that any of the terms in this Lease conflict with the terms set forth in the Marketing Agreement, the terms of the Marketing Agreement will control No agreement will be effective to amend this Lease unless such agreement is in writing and signed by the party to be charged thereby Any notices permitted or required by this Lease will be in writing and mailed by certified mail or hand delivered addressed to the respective addresses of the parties All claims actions or suits arising out of the Lease shall be litigated in courts in either the State of Georgia or in the state of Lessee s principal place of business Each party hereby consents to the jurisdiction of any local state or federal court located within the State of Georgia and/or the state of Lessee s principal place of business and designates the Secretary of State of the State as its agent for service of process THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF GEORGIA Time is of the essence to each and all of the provisions of this Lease

**EXHIBIT E TO THE DISCLOSURE DOCUMENT**

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**OPERATIONS MANUAL TABLE OF CONTENTS**

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## OPERATIONS MANUAL TABLE OF CONTENTS

**EXHIBIT F TO THE DISCLOSURE DOCUMENT**

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**STATE SPECIFIC ADDENDA AND RIDERS**

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**ADDENDUM**
**TO FRANCHISE DISCLOSURE DOCUMENT FOR**
**INTEGRITY BRANDS, LLC**
**STATE OF CALIFORNIA**

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT CALIFORNIA CORPORATIONS CODE SECTION 31125 REQUIRES THAT WE GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE DEPARTMENT OF CORPORATIONS BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE

Neither we nor any person or franchise broker identified in Item 2 of this Franchise disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U S C A 78a et seq , suspending or expelling such persons from membership in that association or exchange California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination and non-renewal of a franchise If the Franchise Agreement or Development Agreement contains a provision that is inconsistent with the law, the law will control You must sign a general release if you renew or transfer your franchise California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516) Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043)

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF CORPORATIONS ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF CORPORATIONS AT *www corp ca gov*

The Franchise Agreement and Development Agreement each provide for termination upon bankruptcy This provision may not be enforceable under federal bankruptcy law (11 U S C Sec 101 et seq ) The Franchise Agreement and Development Agreement each contain a covenant not to compete which extends beyond the termination of the Franchise Agreement or the Development Agreement These provisions may not be enforceable under California law

THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT EACH REQUIRE APPLICATION OF THE LAWS OF GEORGIA THESE PROVISIONS MAY NOT BE ENFORCEABLE UNDER CALIFORNIA LAW THE FRANCHISE AGREEMENT AND THE DEVELOPMENT AGREEMENT EACH REQUIRE BINDING ARBITRATION THE ARBITRATION WILL OCCUR AT THE OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION CLOSEST TO OUR PRINCIPAL EXECUTIVE OFFICE WITH EACH PARTY RESPONSIBLE FOR ITS OWN COSTS YOU ARE ENCOURAGED TO CONSULT PRIVATE LEGAL COUNSEL TO DETERMINE THE APPLICABILITY OF CALIFORNIA AND FEDERAL LAWS (SUCH AS BUSINESS AND PROFESSIONS CODE SECTION 20040 5, CODE OF CIVIL PROCEDURES SECTION 1281, AND THE FEDERAL ARBITRATION ACT) TO ANY PROVISIONS OF A FRANCHISE AGREEMENT OR DEVELOPMENT AGREEMENT RESTRICTING VENUE TO A FORUM OUTSIDE THE STATE OF CALIFORNIA

**INTEGRITY BRANDS, LLC**
**RIDER TO MARKET DEVELOPMENT AGREEMENT**
**STATE OF CALIFORNIA**

The following Rider to the Market Development Agreement modifies and supersedes the Integrity Brands, LLC Market Development Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of California or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of California pursuant to the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, as follows

1 If any of the provisions of the Agreement concerning termination are inconsistent with either the California Franchise Relations Act or with the federal bankruptcy law (11 U S C §101, et seq ) (concerning termination of the Agreement on certain bankruptcy-related events), then such laws will apply

2 The Agreement requires that it be governed by Georgia law This requirement may be unenforceable under California law

3 Developer must sign a general release if Developer transfers its franchise California Corporations Code 31512 voids a waiver of Developer's rights under the Franchise Investment Law (California Corporations Code 31000 through 31516) Business and Professions Code 20010 voids a waiver of Developer's rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043)

4 The Agreement contains a covenant not to compete which extends beyond the termination of the Agreement This provision may not be enforceable under California law

5 The Agreement requires binding arbitration The arbitration will occur at the office of the American Arbitration Association closest to our principal executive office with each party responsible for its own costs Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

6 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ____________, 20___

**FRANCHISOR·**
**INTEGRITY BRANDS, LLC**
By ____________________________
Print Name ______________________
Title ___________________________

**DEVELOPER**
If an Individual

Signature ________________________
Print Name _______________________
If other than an Individual

______________________________
By ____________________________
Name __________________________
Title ___________________________

**INTEGRITY BRANDS, LLC**
**RIDER TO FRANCHISE AGREEMENT**
**STATE OF CALIFORNIA**

The following Rider modifies and supersedes the INTEGRITY BRANDS, LLC Franchise Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of California or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of California pursuant to the California Franchise Investment Law §§ 31000 through 31516, and the California Franchise Relations Act, California Business and Professions Code §§ 20000 through 20043, as follows

1 If any of the provisions of the Agreement concerning termination and non-renewal of a franchise are inconsistent with either the California Franchise Relations Act or with the federal bankruptcy law (11 U S C §101, et seq ) (concerning termination of the Agreement on certain bankruptcy-related events), then such laws will apply

2 The Agreement requires that it be governed by Georgia law This requirement may be unenforceable under California law

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

4 Franchisee and Franchisor agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

5 The Agreement contains a covenant not to compete, which extends beyond the termination of the franchise This provision may not be enforceable under California law

6 The Agreement requires binding arbitration The arbitration will occur at the office of the American Arbitration Association closest to our principal executive office with each party responsible for its own costs Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040 5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California

7 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on _____________, 20____

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ______________________________

Print Name ________________________

Title ______________________________

**FRANCHISEE**

If an Individual

Signature______________________

Print Name ____________________

If other than an Individual

______________________________

By ____________________________

Name __________________________

Title ___________________________

**INTEGRITY BRANDS, LLC**
**RIDER TO MARKET DEVELOPMENT AGREEMENT**
**STATE OF GEORGIA**

The following Addendum modifies and supersedes the Integrity Brands, LLC Market Development Agreement (the "Agreement") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Georgia or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of Georgia, as follows

1 Sections 14 1(i) and 14 1(ii) of the Agreement shall be deleted in its entirety and replaced by the following

(i) Non-Competition during Term In addition to and not in limitation of any other restrictions on Developer contained herein, Developer and Developer's spouse, and, if Developer is not an individual, its shareholders, members, partners and managers, as applicable, and their spouses (each, a "Bound Party"), agree that they will not, during the term of this Agreement, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business (as defined below), regardless of location or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business which, in either case, is located or operating within the Area of Responsibility

(ii) Post-Term Non-Competition In addition to and not in limitation of any other restrictions on Developer contained herein, Developer and the Bound Parties agree that they will not, for one year following the effective date of termination or expiration of this Agreement for any reason, or following the date of a Transfer by Developer, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business which, in either case, is located or operating within the Area of Responsibility

2 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on _____________, 20___

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ___________________________
Print Name ______________________
Title ____________________________

**DEVELOPER**

If an Individual

Signature ___________________________
Print Name __________________________

If other than an Individual

_____________________________________

By ___________________________________
Name _________________________________
Title __________________________________

**INTEGRITY BRANDS, LLC**
**RIDER TO FRANCHISE AGREEMENT**
**<u>STATE OF GEORGIA</u>**

The following Rider modifies and supersedes the INTEGRITY BRANDS, LLC Franchise Agreement (the "Agreement") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Georgia or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of Georgia, as follows

1 Sections 20 1(i) and 20 1(ii) of the Agreement shall be deleted in its entirety and replaced by the following

(i) <u>Non-Competition during Term</u> In addition to and not in limitation of any other restrictions on Franchisee contained herein, Franchisee and Franchisee's spouse, and, if Franchisee is not an individual, its shareholders, members, partners and managers, as applicable, and their spouses (each, a "Bound Party"), agree that they will not, during the term of this Agreement, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, during the term of this Agreement (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business (as defined below) which , in either case, is located or operating within a 5 mile radius of the Franchised Site or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business, regardless of location

(ii) <u>Post-Term Non-Competition</u> In addition to and not in limitation of any other restrictions on Franchisee contained herein, Franchisee and the Bound Parties agree that they will not, for one year following the effective date of termination or expiration of this Agreement for any reason, or following the date of a Transfer by Franchisee, directly or indirectly, for and on behalf of itself, himself, herself or any other person or entity, (a) have any direct or indirect interest as a disclosed or beneficial owner in a Competitive Business or (b) perform services as a director, officer, manager, employee, consultant, representative, agent, or otherwise for a Competitive Business which , in either case, is located or operating within a 5 mile radius of the Franchised Site

2 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on _____________, 20____

| | |
|---|---|
| **FRANCHISOR** | **FRANCHISEE** |
| **INTEGRITY BRANDS, LLC** | If an Individual |
| By ______________________________ | |
| Print Name ________________________ | Signature______________________ |
| Title _____________________________ | Print Name _____________________ |
| | If other than an Individual |
| | ______________________________ |
| | By ____________________________ |
| | Name __________________________ |
| | Title ___________________________ |

**ADDENDUM**
**TO FRANCHISE DISCLOSURE DOCUMENT FOR**
**INTEGRITY BRANDS, LLC**
**STATE OF ILLINOIS**

Items 5 and 7 of this Franchise disclosure document are amended as follows

You do not have to pay us the Initial Franchise Fee until 15 days after the opening of your first UNCLE MADDIO'S Restaurant The Illinois Attorney General's Office has imposed this deferral requirement on us because of our financial condition The Franchise Agreement provides for deferral of payment of initial franchise fees until 15 days after the opening of the UNCLE MADDIO'S Restaurant covered by the Agreement The Development Agreement provides for deferral of payment of initial franchise fees until 15 days after the opening of your first UNCLE MADDIO'S Restaurant

Item 17 of this Franchise disclosure document is modified to include the following paragraph Sec 705/4 of the Illinois Franchise Disclosure Act of 1987 provides that "any provision in a franchise/license agreement that designates jurisdiction or venue in a forum outside of Illinois is void " Although the Franchise Agreement and the Development Agreement each provide that it will be governed by and construed in accordance with the laws of the State of Georgia, we agree that the laws of the State of Illinois will govern the construction and interpretation of the Franchise Agreement and the Development Agreement

For choice of law purposes, and for the interpretation and construction of the Franchise Agreement and the Development Agreement, Illinois law governs The provisions of the Franchise Agreement and the Development Agreement concerning governing law, jurisdiction, and venue shall not constitute a waiver of any right conferred on you by Illinois law Although the Franchise Agreement and the Development Agreement each require litigation to be instituted in a court closest to our principal executive office, except as you may be restricted by the arbitration provisions of the Franchise Agreement and the Development Agreement, all litigation must be instituted in a court of competent jurisdiction located in the State of Illinois

Item 17 of this Franchise disclosure document, the Franchise Agreement and the Development Agreement are each modified to include the following paragraph Sec 705/41 of the Illinois Franchise Disclosure Act of 1987 provides that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void " No person may be prevented from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Illinois Franchise Disclosure Act, nor shall arbitration of any claim pursuant to the provisions of Title 9 of the United States Code be prevented

**INTEGRITY BRANDS, LLC**
**RIDER TO MARKET DEVELOPMENT AGREEMENT**
**<u>STATE OF ILLINOIS</u>**

The following Addendum modifies and supersedes the Integrity Brands, LLC Market Development Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Illinois or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of Illinois pursuant to the Illinois Franchise Disclosure Act of 1987, Ill Comp Stat §§ 705/1 through 705/44, as follows

3 The first sentence of Section 4 of the Agreement is deleted in its entirety and replaced with the following

> Fifteen days after the Developer's first UNCLE MADDIO'S Restaurant opens for business, Developer shall pay to Franchisor a development fee in an amount set forth on <u>Schedule A</u> to this Agreement (the "**Development Fee**")

4 Section 12 of the Agreement, under the heading "TERMINATION", shall be supplemented by the addition of the following Section, which shall be considered an integral part of the Agreement

> 12 5 <u>Other</u> If any of the provisions of this Section 12 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act of 1987, then said Illinois law shall apply

5 Although Section 21 1 of the Agreement requires that it be governed by Georgia law, Franchisor agrees that Illinois law will govern the Agreement

6 Illinois law prohibits a prospective general release of claims subject to the Illinois Franchise Disclosure Act of 1987

7 The provisions of the Agreement concerning governing law, jurisdiction, and venue shall not constitute a waiver of any right conferred on Developer by Illinois law Consistent with the foregoing, any provision in the Agreement which designates jurisdiction and venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois

8 Although Section 21 1 of the Agreement requires that litigation permitted under Section 21 2 of the Agreement must be instituted in a court closest to Franchisor's principal executive office, Franchisor agrees that jurisdiction and venue for all litigation claims brought under Section 21 2 will be in the State of Illinois

9 Section 705/41 of the Illinois Franchise Disclosure Act of 1987 provides that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void " No person may be prevented from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Illinois Franchise Disclosure Act, nor shall arbitration of any claim pursuant to the provisions of Title 9 of the United States Code be prevented

10 Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

11 Each provision of this Addendum shall be effective only to the extent, with respect to each such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum

12 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ______________________, 20____

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ______________________________
Print Name ________________________
Title ____________________________

**DEVELOPER:**

If an Individual

Signature ______________________________
Print Name ______________________________

If other than an Individual

______________________________________

By ____________________________________
Name __________________________________
Title __________________________________

**INTEGRITY BRANDS, LLC**
**RIDER TO FRANCHISE AGREEMENT**
**STATE OF ILLINOIS**

The following Addendum modifies and supersedes the INTEGRITY BRANDS, LLC Franchise Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Illinois or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of Illinois pursuant to the Illinois Franchise Disclosure Act of 1987, Ill Comp Stat §§ 705/1 through 705/44, as follows

1 The first sentence of Section 4 of the Franchise Agreement is deleted in its entirety and replaced with the following

> Fifteen days after the Franchisee's UNCLE MADDIO'S Restaurant opens for business, Franchisee shall pay to Franchisor an initial franchise fee in an amount set forth on Exhibit A to this Agreement (the "Franchise Fee")

2 Section 21 of the Agreement, under the heading "TERMINATION", shall be supplemented by the addition of the following Section, which shall be considered an integral part of the Agreement

> 21 5 Other If any of the provisions of this Section 21 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act of 1987, then said Illinois law shall apply

3 Although Section 31 1 of the Agreement requires that it be governed by Georgia law, Franchisor agrees that Illinois law will govern the Agreement

4 Illinois law prohibits a prospective general release of claims subject to the Illinois Franchise Disclosure Act of 1987

5 The provisions of the Agreement concerning governing law, jurisdiction, and venue shall not constitute a waiver of any right conferred on Franchisee by Illinois law Consistent with the foregoing, any provision in the Agreement which designates jurisdiction and venue in a forum outside of Illinois is void with respect to any cause of action which is otherwise enforceable in Illinois

6 Although Section 31 1 of the Agreement requires that litigation permitted under Section 31 2 of the Agreement must be instituted in a court closest to Franchisor's principal executive office, Franchisor agrees that jurisdiction and venue for all litigation claims brought under Section 31 2 will be in the State of Illinois

7 Section 705/41 of the Illinois Franchise Disclosure Act of 1987 provides that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void " No person may be prevented from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Illinois Franchise Disclosure Act, nor shall arbitration of any claim pursuant to the provisions of Title 9 of the United States Code be prevented

8 Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

9 Each provision of this Addendum shall be effective only to the extent, with respect to each such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum

10 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ______________________, 20____

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ________________________________

Print Name _________________________

Title _______________________________

**FRANCHISEE**

If an Individual

Signature________________________

Print Name ______________________

If other than an Individual

________________________________

By ______________________________

Name ____________________________

Title _____________________________

**ADDENDUM**
**TO FRANCHISE DISCLOSURE DOCUMENT FOR**
**INTEGRITY BRANDS, LLC**
**STATE OF MARYLAND**

The following is added to Item 5 of this Franchise disclosure document

Payment of all initial franchise fees, including the applicable portion of any development fee under a related Market Development Agreement (if any), is deferred until such time as the UNCLE MADDIO'S Restaurant has opened for business

Item 17 of this Franchise disclosure document is modified as follows The general release language required as a condition of renewal, sale and/or assignment or transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law Although the Franchise Agreement and the Development Agreement each require litigation to be instituted in a court in close proximity to our principal executive office, you must institute litigation for violations of Maryland Franchise Registration and Disclosure Law in any court of competent jurisdiction located in the State of Maryland, subject to the arbitration provisions of the Franchise Agreement and the Development Agreement The Franchise Agreement and Development Agreement each provide for termination upon your bankruptcy This provision might not be enforceable under federal bankruptcy law (11 U S C Sections 101 et seq ), but we will enforce it to the extent enforceable Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of your franchise To the extent that any provisions of the Development Agreement, Franchise Agreement and/or Franchisee Disclosure Questionnaire require you to assent to any release, estoppel or waiver of liability as a condition to your purchasing an UNCLE MADDIO'S Restaurant franchise, such provisions are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law

**INTEGRITY BRANDS, LLC**
**RIDER TO MARKET DEVELOPMENT AGREEMENT**
**STATE OF MARYLAND**

The following Rider modifies and supersedes the Integrity Brands, LLC Market Development Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Maryland or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of Maryland pursuant to the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg §§ 14-201 through 14-233, as follows

1 The following is added to Section 4 of the Agreement

> Notwithstanding any contrary provision of this Agreement, the Development Fee will be deferred in accordance with this paragraph Once a particular UNCLE MADDIO'S Restaurant being developed under this Agreement opens for business, the Franchisor may collect all initial franchise fees for that individual Restaurant, including a pro rata portion of the Development Fee

2 The general release language required as a condition of sale and/or assignment or transfer shall apply except for claims arising under the Maryland Franchise Registration and Disclosure Law

3 Under certain circumstances, the Agreement requires Developer to submit to a court proceeding in the State where Franchisor's principal executive office is located These provisions may run contrary to the Maryland Franchise Registration and Disclosure Law Therefore, nothing will preclude Developer from being able to enter into litigation with Franchisor in Maryland

4 Any claims arising under the Maryland Franchisor Registration and Disclosure Law must be brought within three years after the grant of the franchise

5 No representation or acknowledgment by Developer in the Agreement is intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ____________________, 20___

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ______________________________
Print Name ________________________
Title ____________________________

**DEVELOPER.**

If an Individual

Signature ____________________________
Print Name ___________________________

If other than an Individual

_____________________________________

By __________________________________
Name ________________________________
Title _________________________________

**INTEGRITY BRANDS, LLC**
**RIDER TO FRANCHISE AGREEMENT**
**STATE OF MARYLAND**

The following Rider modifies and supersedes the INTEGRITY BRANDS, LLC Franchise Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Maryland or a non-resident who will be operating a UNCLE MADDIO'S Restaurant franchise in the State of Maryland pursuant to the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg §§ 14-201 through 14-233, as follows

1 The following is added to Section 4 of the Agreement

> All initial franchise fees due Franchisor, including the applicable portion of any development fee under a related Market Development Agreement (if any), are deferred until Franchisee's UNCLE MADDIO'S Restaurant is open for the operation of business

2 The general release language required as a condition of renewal, sale and/or assignment or transfer shall apply except for claims arising under the Maryland Franchise Registration and Disclosure Law

3 Under certain circumstances, the Agreement requires Franchisee to submit to a court proceeding in the State where Franchisor's principal executive office is located These provisions may run contrary to the Maryland Franchise Registration and Disclosure Law Therefore, nothing will preclude Franchisee from being able to enter into litigation with Franchisor in Maryland

4 Any claims arising under the Maryland Franchisor Registration and Disclosure Law must be brought within three years after the grant of the franchise

5 No representation or acknowledgment by Franchisee in the Agreement is intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ______________________, 20____

| | |
|---|---|
| FRANCHISOR | FRANCHISEE |
| INTEGRITY BRANDS, LLC | If an Individual |
| By ______________________________ | |
| Print Name ______________________ | Signature______________________ |
| Title ___________________________ | Print Name ____________________ |
| | If other than an Individual |
| | ______________________________ |
| | By ___________________________ |
| | Name _________________________ |
| | Title __________________________ |

**INTEGRITY BRANDS, LLC**
**RIDER TO FRANCHISE AGREEMENT**
**STATE OF MARYLAND**

The following Rider modifies and supersedes the INTEGRITY BRANDS, LLC Franchise Disclosure Questionnaire with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Maryland or a non-resident who will be operating a UNCLE MADDIO'S Restaurant franchise in the State of Maryland pursuant to the Maryland Franchise Registration and Disclosure Law, Md Code Bus Reg §§ 14-201 through 14-233, as follows

Nothing in this Franchisee Disclosure Questionnaire shall act as a release, estoppels, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law

| | |
|---|---|
| ______________________________ | ______________________________ |
| Signature of Franchise Applicant | Signature of Franchise Applicant |
| ______________________________ | ______________________________ |
| Name (please print) | Name (please print) |
| ______________________________ | ______________________________ |
| Dated | Dated |
| ______________________________ | ______________________________ |
| Signature of Franchise Applicant | Signature of Franchise Applicant |
| ______________________________ | ______________________________ |
| Name (please print) | Name (please print) |
| ______________________________ | ______________________________ |
| Dated | Dated |

**ADDENDUM**
**TO FRANCHISE DISCLOSURE DOCUMENT FOR**
**INTEGRITY BRANDS, LLC**
**STATE OF MINNESOTA**

We will protect your right to use the Marks and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks  Minn Rule 2860 4400D prohibits us from requiring you to assent to a general release  Any release you sign as a condition of renewal or transfer will not apply to any claims you may have under the Minnesota Franchise Law  With respect to franchises governed by Minnesota law, we will comply with Minn Stat Sec 80C 14, subds, 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement  Minn Stat Sec 80C 21 and Minn Rule 2860 4400J prohibit us from requiring litigation to be conducted outside Minnesota  In addition, nothing in this Franchise disclosure document, the Development Agreement or the Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction  Minn Rule Part 2860 4400J prohibits us from requiring you to waive your rights to a jury trial or waive your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes

**INTEGRITY BRANDS, LLC**
**RIDER TO MARKET DEVELOPMENT AGREEMENT**
**STATE OF MINNESOTA**

The following Addendum modifies and supersedes the Integrity Brands, LLC Market Development Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Minnesota or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of Minnesota pursuant to the Minnesota Franchise Law, Minn Stat §§ 80C 01 through 80C 22, as follows

1 Section 13 4 of the Agreement contains a provision requiring a general release as a condition of transfer of the franchise This release will exclude claims arising under the Minnesota Franchise Law

2 Sections 12 2 and 12 3 of the Agreement are each amended to add the following
With respect to franchises governed by Minnesota law, Franchisor will comply with Minn Stat Sec 80C 14, Subds, 3, 4 and 5, which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure)

3 Sections 21 1 and 21 2 of the Agreement are each amended to add the following

Minn Stat Sec 80C 21 and Minn Rule 2860 4400J prohibit Franchisor from requiring litigation or arbitration to be conducted outside Minnesota In addition, nothing in the Agreement can abrogate or reduce any of Developer's rights as provided for in Minnesota Statutes, Chapter 80C, or Developer's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction

4 Section 21 1 of the Agreement is amended to add the following

Minn Rule Part 2860 4400J prohibits Franchisor from requiring Developer to waive Developer's rights to a jury trial or waive Developer's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes

5 Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

6 Each provision of this Agreement will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this Addendum to the Agreement

7 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ______________________, 20___

| **FRANCHISOR** | **DEVELOPER** |
|---|---|
| **INTEGRITY BRANDS, LLC** | If an Individual |
| By ______________________ | |
| Print Name ______________________ | Signature ______________________ |
| Title ______________________ | Print Name ______________________ |
| | If other than an Individual |
| | ______________________ |
| | By ______________________ |
| | Name ______________________ |
| | Title ______________________ |

**INTEGRITY BRANDS, LLC**
**RIDER TO FRANCHISE AGREEMENT**
**STATE OF MINNESOTA**

The following Rider modifies and supersedes the INTEGRITY BRANDS, LLC Franchise Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Minnesota or a non-resident who will be operating a UNCLE MADDIO'S Restaurant franchise in the State of Minnesota pursuant to the Minnesota Franchise Law, Minn Stat §§ 80C 01 through 80C 22, as follows

1 Section 15 of the Agreement, under the heading "MARKS", shall be supplemented by the addition of the following paragraph, which shall be considered an integral part of the Agreement

> 15 5 Franchisor's Indemnity Franchisor will protect Franchisee's right to use the Marks and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks in accordance with Franchisor's instructions

2 Sections 2 2 and 19 4 of the Agreement each contain a provision requiring a general release as a condition of renewal and transfer of the franchise Each release will exclude claims arising under the Minnesota Franchise Law

3 Sections 2 2, 21 2 and 21 3 of the Agreement are each amended to add the following

> With respect to franchises governed by Minnesota law, Franchisor will comply with Minn Stat Sec 80C 14, Subds, 3, 4 and 5, which require, except in certain specified cases, that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for nonrenewal of the Agreement

4 Sections 31 1 and 31 2 of the Agreement are each amended to add the following

> Minn Stat Sec 80C 21 and Minn Rule 2860 4400J prohibit Franchisor from requiring litigation or arbitration to be conducted outside Minnesota In addition, nothing in the Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction

5 Section 31 1 of the Agreement is amended to add the following

> Minn Rule Part 2860 4400J prohibits Franchisor from requiring Franchisee to waive Franchisee's rights to a jury trial or waive Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes

6 Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

7 Each provision of this Agreement will be effective only to the extent, with respect to such provision,, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and

Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this Addendum to the Agreement

8 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ____________________, 20___

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ____________________________

Print Name ______________________

Title ____________________________

**FRANCHISEE**

If an Individual

Signature______________________

Print Name ____________________

If other than an Individual

____________________________

By ___________________________

Name ________________________

Title _________________________

**ADDENDUM**
**TO FRANCHISE DISCLOSURE DOCUMENT FOR**
**INTEGRITY BRANDS, LLC**
**STATE OF NEW YORK**

The State of New York requires us to include the following risk factors

4 AS PER THE AUDITED BALANCE SHEET DATED DECEMBER 31, 2015, THE FRANCHISOR HAD A NET WORTH DEFICIENCY OF ($2,298,654)

5 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM $377,500 TO $770,800 THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2015, WHICH IS A DEFICIT OF ($2,298,654)

ITEM 3, LITIGATION is supplemented with the following Neither the franchisor, its predecessor, a person identified in item 2, or an affiliate offering franchises under the franchisor's principal trademark

A Has an administrative, criminal or civil action pending against that person alleging a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations, or pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations

B Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations

C Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act or 1934, suspending or expelling such person from membership in such association or exchange, or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent

ITEM 4, BANKRUPTCY is supplemented with the following Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the ten-year period immediately before the date of the offering circular

(a) filed as debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code,

(b) obtained a discharge of its debts under the U S Bankruptcy Code, or

(c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U S Bankruptcy Code or that obtained a discharge of its debts under the U S Bankruptcy Code during or within 1 year after the officer or general partner held this position in the company or partnership

Under the Franchise Agreement, the Operations Manual we issue may be modified and you are bound by such modifications However, no such modifications may impose an unreasonable economic burden on you

Provisions of general releases are mentioned in this Franchise disclosure document and specified in the Franchise Agreement and the Development Agreement These releases are limited by the following all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued under this law will remain in force, it being the intent that the non-waiver proviso of the General Business Law of the State of New York Sections 687 4 and 687 5 be satisfied However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement or the area development agreement The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee or upon the area developer by article 33 of the General Business Law of the State of New York Item 17 of this Franchise disclosure document, the summary columns of part (d) for the Development Agreement and the Franchise Agreement, are modified to include the following sentence The franchisee or area developer may terminate the Development Agreement or the Franchise Agreement on any grounds available by law

WE MAY NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS

**ADDENDUM**
**TO FRANCHISE DISCLOSURE DOCUMENT FOR**
**INTEGRITY BRANDS, LLC**
**<u>STATE OF NORTH DAKOTA</u>**

The following is added to Item 5 of this Franchise disclosure document

Payment of all initial franchise fees, including the applicable portion of any development fee under a related Market Development Agreement (if any), is deferred until such time as the UNCLE MADDIO'S Restaurant has opened for business

The Franchise Agreement and the Development Agreement each contain a covenant not to compete which extends beyond the termination of the Franchise Agreement or the Development Agreement These provisions may not be enforceable under North Dakota law Although the Franchise Agreement and the Development Agreement each provide that the place of arbitration will be held at the American Arbitration Association office that is closest to our principal executive office, we agree that the place of arbitration will be a location that is in close proximity to the site of your business The Franchise Agreement and the Development Agreement each require that you consent to the jurisdiction of a court in close proximity to our principal executive offices These provisions may not be enforceable under North Dakota law because North Dakota law precludes you from consenting to jurisdiction of any court outside of North Dakota Although the Franchise Agreement and the Development Agreement each provide that the Franchise Agreement and the Development Agreement will be governed by and construed in accordance with the laws of the State of Georgia, we agree that the laws of the State of North Dakota will govern the Franchise Agreement and the Development Agreement A contractual requirement that you sign a general release may be unenforceable under the laws of North Dakota

Notwithstanding anything contained in the Franchise Agreement or the Development Agreement to the contrary, each party shall bear its owns costs and expenses in connection with any enforcement action brought by either party under the Franchise Agreement or Development Agreement Item 17 of this Franchise disclosure document, the summary column of part (i) for the Development Agreement, is modified as follows

To the extent that Section 12 2 of the Development Agreement is in violation of Section 51-19-09 of the North Dakota Franchise Investment Law, such provisions shall be deleted from the Development Agreement Item 17 of this Franchise disclosure document, the summary column of part (i) for the Franchise Agreement, is modified as follows

To the extent that Section 21 2 of the Franchise Agreement is in violation of Section 51-19-09 of the North Dakota Franchise Investment Law, such provisions shall be deleted from the Franchise Agreement Section 22 1 of the Franchise Agreement is a liquidated damages provision, which is in violation of Section 51-19-09 of the North Dakota Franchise Investment Law This provision will be deleted from the Franchise Agreement To the extent any provisions of the Franchise Agreement or Development Agreement require you to consent to a waiver of exemplary or punitive damages, these provisions will be deemed null and void

**INTEGRITY BRANDS, LLC**
**RIDER TO MARKET DEVELOPMENT AGREEMENT**
**STATE OF NORTH DAKOTA**

The following Rider modifies and supersedes the Integrity Brands, LLC Market Development Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of North Dakota or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of North Dakota pursuant to the North Dakota Franchise Investment Law, N D Cent Code §§ 51-19-01 through 51-19-17, as follows

1 The following is added to Section 4 of the Agreement

Notwithstanding any contrary provision of this Agreement, the Development Fee will be deferred in accordance with this paragraph Once a particular UNCLE MADDIO'S Restaurant being developed under this Agreement opens for business, the Franchisor may collect all initial franchise fees for that individual Restaurant, including a pro rata portion of the Development Fee

2 The Agreement contains a covenant not to compete which extends beyond the termination of the Agreement This provision may not be enforceable under North Dakota law

3 Section 13 4 of the Agreement contains a provision requiring a general release as a condition of transfer of the franchise This release is subject to and will exclude claims arising under the North Dakota Franchise Investment Law

4 Although Section 21 2 of the Agreement provides that the place of arbitration will be held at the office of the American Arbitration Office closest to Franchisor's principal executive office, Franchisor agrees that the place of arbitration will be a location that is in close proximity to the site of Developer's business

5 Section 21 1 of the Agreement requires that Developer consent to the jurisdiction of a court located in close proximity to Franchisor's principal executive office This provision may not be enforceable under North Dakota law because North Dakota law precludes Developer from consenting to jurisdiction of any court outside of North Dakota

6 Although Section 21 1 of the Agreement provides that the Agreement will be governed by and construed in accordance with the laws of the State of Georgia, Franchisor agrees that the laws of the State of North Dakota will govern the Agreement

7 To the extent any provision of the Agreement requires Developer to consent to a waiver of exemplary or punitive damages, the provision will be deleted from the Agreement

8 To the extent any provision of the Agreement requires Developer to consent to termination, the provision(s) will be deleted from the Agreement

9 Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

10 Notwithstanding anything contained in the Agreement to the contrary, each party shall bear its owns costs and expenses in connection with any enforcement action brought by either party under the Agreement

11 Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this Addendum

12 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Addendum on ______________________, 20____

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ______________________________
Print Name ________________________
Title _____________________________

**DEVELOPER**

If an Individual

Signature _______________________________
Print Name ______________________________

If other than an Individual

________________________________________

By _____________________________________
Name ___________________________________
Title ____________________________________



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**INTEGRITY BRANDS, LLC**
**RIDER TO FRANCHISE AGREEMENT**
**STATE OF NORTH DAKOTA**

The following Rider modifies and supersedes the INTEGRITY BRANDS, LLC Franchise Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of North Dakota or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of North Dakota pursuant to the North Dakota Franchise Investment Law, N D Cent Code §§ 51-19-01 through 51-19-17, as follows

1 The following is added to Section 4 of the Agreement

> All initial franchise fees due Franchisor, including the applicable portion of any development fee under a related Market Development Agreement (if any), are deferred until Franchisee's UNCLE MADDIO'S Restaurant is open for the operation of business

2 The Agreement contains a covenant not to compete which extends beyond the termination of the franchise This provision may not be enforceable under North Dakota law

3 Sections 2 2 and 19 4 of the Agreement each contain a provision requiring a general release as a condition of renewal or transfer of the franchise Each release is subject to and will exclude claims arising under the North Dakota Franchise Investment Law

4 Although Section 31 2 of the Agreement provides that the place of arbitration will be held at the office of the American Arbitration Office closest to Franchisor's principal executive office, Franchisor agrees that the place of arbitration will be a location that is in close proximity to the site of Franchisee's business

5 Section 31 1 of the Agreement requires that Franchisee consent to the jurisdiction of a court located in close proximity to Franchisor's principal executive office This provision may not be enforceable under North Dakota law because North Dakota law precludes Franchisee from consenting to jurisdiction of any court outside of North Dakota

6 Although Section 31 1 of the Agreement provides that the Agreement will be governed by and construed in accordance with the laws of the State of Georgia, Franchisor agrees that the laws of the State of North Dakota will govern the Agreement

7 To the extent any provision of the Agreement requires Franchisee to consent to a waiver of exemplary or punitive damages, the provision will be deemed null and void

8 Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

9 To the extent that Section 22 1 of the Agreement is a liquidated damages provision in violation of Section 51-19-09 of the North Dakota Franchise Investment Law, such provision will be deleted from the Agreement

10 Notwithstanding anything contained in the Agreement to the contrary, each party shall bear its owns costs and expenses in connection with any enforcement action brought by either party under the Agreement

11 Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this Addendum

12 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ______________________, 20____

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ________________________________

Print Name _________________________

Title _______________________________

**FRANCHISEE**

If an Individual

Signature_________________________

Print Name _______________________

If other than an Individual

__________________________________

By ________________________________

Name _____________________________

Title ______________________________

**ADDENDUM**
**TO FRANCHISE DISCLOSURE DOCUMENT FOR**
**INTEGRITY BRANDS, LLC**
**STATE OF RHODE ISLAND**

Item 17, summary columns for (v) and (w) are amended to add the following

> Any provision in the Franchise Agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act

**ADDENDUM**
**TO FRANCHISE DISCLOSURE DOCUMENT FOR**
**INTEGRITY BRANDS, LLC**
**STATE OF SOUTH DAKOTA**

The followıng ıs added to Item 5 of thıs Franchıse dısclosure document

Payment of all ınıtıal franchıse fees, ıncludıng the applıcable portıon of any development fee under a related Market Development Agreement (ıf any), ıs deferred untıl such tıme as the UNCLE MADDIO'S Restaurant has opened for busıness

**INTEGRITY BRANDS, LLC**
**RIDER TO MARKET DEVELOPMENT AGREEMENT**
**STATE OF SOUTH DAKOTA**

The followıng Rıder modıfies and supersedes the Integrıty Brands, LLC Market Development Agreement (the "**Agreement**") wıth respect to UNCLE MADDIO'S Restaurant franchıses offered or sold to eıther a resıdent of the State of South Dakota or a non-resıdent who wıll be operatıng an UNCLE MADDIO'S Restaurant franchıse ın the State of South Dakota pursuant to the South Dakota Codıfied Laws, Tıtle 37, Chapter 37-5B, §§ 37-5B-1 through 37-5B-53, as follows

1 The followıng ıs added to Sectıon 4 of the Agreement

> Notwıthstandıng any contrary provısıon of thıs Agreement, the Development Fee wıll be deferred ın accordance wıth thıs paragraph Once a partıcular UNCLE MADDIO'S Restaurant beıng developed under thıs Agreement opens for busıness, the Franchısor may collect all ınıtıal franchıse fees for that ındıvıdual Restaurant, ıncludıng a pro rata portıon of the Development Fee

2 To the extent thıs Rıder ıs ınconsıstent wıth any terms or condıtıons of the Agreement or the Exhıbıts or Schedules thereto, the terms of thıs Rıder shall govern

Each of the undersıgned hereby acknowledges havıng read, understood, and executed thıs Rıder on ____________________, 20____

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ____________________________
Prınt Name ______________________
Tıtle ___________________________

**DEVELOPER**

If an Indıvıdual

Sıgnature ___________________________
Prınt Name __________________________

If other than an Indıvıdual

______________________________________

By ___________________________________
Name _________________________________
Tıtle __________________________________

**INTEGRITY BRANDS, LLC**
**RIDER TO FRANCHISE AGREEMENT**
**STATE OF SOUTH DAKOTA**

The followmg Rider modifies and supersedes the INTEGRITY BRANDS, LLC Franchise Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of South Dakota or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of South Dakota pursuant to the South Dakota Codified Laws, Title 37, Chapter 37-5B, §§ 37-5B-1 through 37-5B-53, as follows

1 The following is added to Section 4 of the Agreement

All initial franchise fees due Franchisor, including the applicable portion of any development fee under a related Market Development Agreement (if any), are deferred until Franchisee's UNCLE MADDIO'S Restaurant is open for the operation of business

2 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Rider shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ____________________, 20____

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ____________________________

Print Name ______________________

Title ____________________________

**FRANCHISEE**

If an Individual

Signature______________________

Print Name _____________________

If other than an Individual

______________________________

By ___________________________

Name _________________________

Title __________________________

**ADDENDUM**
**TO FRANCHISE DISCLOSURE DOCUMENT FOR**
**INTEGRITY BRANDS, LLC**
**STATE OF VIRGINIA**

The followmg is added to Item 5 of this Franchise disclosure document

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable

Pursuant to Section 13 1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him/her under the franchise If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him/her under the franchise, that provision may not be enforceable

**INTEGRITY BRANDS, LLC**
**RIDER TO MARKET DEVELOPMENT AGREEMENT**
**STATE OF VIRGINIA**

The followmg Rider modifies and supersedes the Integrity Brands, LLC Market Development Agreement (the "Agreement") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Virginia or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of Virginia pursuant to the Virginia Retail Franchising Act, §§ 13 1-557 through 13 1-574 of the Code of Virginia, as follows

1 The following is added to Section 4 of the Agreement

Notwithstanding any contrary provision of this Agreement, the Development Fee will be deferred in accordance with this paragraph Once a particular UNCLE MADDIO'S Restaurant being developed under this Agreement opens for business, the Franchisor may collect all initial franchise fees for that individual Restaurant, including a pro rata portion of the Development Fee

2 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Rider shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ______________________, 20____

| | |
|---|---|
| **FRANCHISOR** | **DEVELOPER** |
| **INTEGRITY BRANDS, LLC** | If an Individual |
| By ______________________________ | |
| Print Name ______________________ | Signature ______________________ |
| Title ____________________________ | Print Name ______________________ |
| | If other than an Individual |
| | ______________________________ |
| | By ______________________________ |
| | Name ____________________________ |
| | Title ____________________________ |

**INTEGRITY BRANDS, LLC**
**RIDER TO FRANCHISE AGREEMENT**
**STATE OF VIRGINIA**

The following Rider modifies and supersedes the INTEGRITY BRANDS, LLC Franchise Agreement (the "Agreement") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Virginia or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of Virginia pursuant to the Virginia Retail Franchising Act, §§ 13 1-557 through 13 1-574 of the Code of Virginia, as follows

1 The following is added to Section 4 of the Agreement

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement

2 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ____________________, 20___

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ____________________________

Print Name ______________________

Title ____________________________

**FRANCHISEE**

If an Individual

Signature______________________

Print Name ____________________

If other than an Individual

____________________________

By __________________________

Name ________________________

Title _________________________

**ADDENDUM**
**TO FRANCHISE DISCLOSURE DOCUMENT FOR**
**INTEGRITY BRANDS, LLC**
**STATE OF WASHINGTON**

The state of Washington has a statute, RCW 19 100 180, which may supersede the Franchise Agreement and the Development Agreement including the areas of termination and renewal of your franchise There may also be court decisions which may supersede the Franchise Agreement and the Development Agreement including the areas of termination and renewal of your franchise If any of the provisions in this Franchise disclosure document, the Franchise Agreement or the Development Agreement are inconsistent with the relationship provisions of RCW 19 100 180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Washington Franchise Investment Protection Act will prevail over the inconsistent provisions of this Franchise disclosure document, the Franchise Agreement and the Development Agreement with regard to any franchise sold in Washington The Securities Administrator has concluded that arbitration between a franchisor and franchisee must take place either in the State of Washington or as may be mutually agreed on by the parties or as may be determined by the arbitrator A release or waiver of rights executed by you will not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where you are represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Washington Franchise Investment Protection Act, such as a right to jury trial, may not be enforceable In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act will prevail Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer

**INTEGRITY BRANDS, LLC**
**RIDER TO MARKET DEVELOPMENT AGREEMENT**
**STATE OF WASHINGTON**

The following Rider modifies and supersedes the Integrity Brands, LLC Market Development Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Washington or a non-resident who will be operating an UNCLE MADDIO'S Restaurant franchise in the State of Washington pursuant to the Washington Franchise Investment Protection Act, Wash Rev Code §§ 19 100 010 through 19 100 940, as follows

1 The state of Washington has a statute, RCW 19 100 180, which may supersede the Agreement including the areas of termination of Developer's franchise There may also be court decisions which may supersede the Agreement including the areas of termination of Developer's franchise

2 If any of the provisions in the Agreement are inconsistent with the relationship provisions of RCW 19 100 180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Washington Franchise Investment Protection Act will prevail over the inconsistent provisions of the Agreement with regard to any franchise sold in Washington

3 The Securities Administrator has concluded that arbitration between a franchisor and franchisee must take place either in the State of Washington or as may be mutually agreed on by the parties or as may be determined by the arbitrator

4 A release or waiver of rights executed by Developer will not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where Developer is represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act, such as a right to jury trial, may not be enforceable

5 In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act will prevail

6 Transfer fees are collectible to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer

7 Franchisor and Developer agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

8 Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Addendum

9 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ____________________, 20____

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ______________________________
Print Name ________________________
Title ____________________________

**DEVELOPER**

If an Individual

Signature ______________________________
Print Name ______________________________

If other than an Individual

______________________________________

By ____________________________________
Name __________________________________
Title ___________________________________



QB\32665806 19

**INTEGRITY BRANDS, LLC**
**RIDER TO FRANCHISE AGREEMENT**
**STATE OF WASHINGTON**

The following Rider modifies and supersedes the INTEGRITY BRANDS, LLC Franchise Agreement (the "**Agreement**") with respect to UNCLE MADDIO'S Restaurant franchises offered or sold to either a resident of the State of Washington or a non-resident who will be operating a UNCLE MADDIO'S Restaurant franchise in the State of Washington pursuant to the Washington Franchise Investment Protection Act, Wash Rev Code §§ 19 100 010 through 19 100 940, as follows

1 The state of Washington has a statute, RCW 19 100 180, which may supersede the Agreement including the areas of termination and renewal of Franchisee's franchise There may also be court decisions which may supersede the Agreement including the areas of termination and renewal of Franchisee's franchise

2 If any of the provisions in the Agreement are inconsistent with the relationship provisions of RCW 19 100 180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Washington Franchise Investment Protection Act will prevail over the inconsistent provisions of the Agreement with regard to any franchise sold in Washington

3 The Securities Administrator has concluded that arbitration between a franchisor and franchisee must take place either in the State of Washington or as may be mutually agreed on by the parties or as may be determined by the arbitrator

4 A release or waiver of rights executed by Franchisee will not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where Franchisee is represented by independent counsel Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act, such as a right to jury trial, may not be enforceable

5 In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act will prevail

6 Transfer fees are collectible to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer

7 Franchisor and Franchisee agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier

8 Each provision of this Addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Addendum

9 To the extent this Addendum is inconsistent with any terms or conditions of the Agreement or the Exhibits or Schedules thereto, the terms of this Addendum shall govern

Each of the undersigned hereby acknowledges having read, understood, and executed this Rider on ______________________, 20____

**FRANCHISOR**

**INTEGRITY BRANDS, LLC**

By ______________________________

Print Name ________________________

Title ______________________________

**FRANCHISEE**

If an Individual

Signature________________________

Print Name _______________________

If other than an Individual

________________________________

By ______________________________

Name ____________________________

Title _____________________________

## EXHIBIT G TO THE DISCLOSURE DOCUMENT

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**CURRENT FRANCHISEES**

**AS OF DECEMBER 31, 2015**

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**CURRENT FRANCHISEES**
**AS OF DECEMBER 31, 2015**

| State | Franchisee | Street Address | City | State Zip Code | Telephone No |
|---|---|---|---|---|---|
| Alabama | JPMU, LLC* | 339 S College St<br>Auburn University | Auburn | AL 36830 | (334) 329-7238 |
| Alabama | Me, You and a Pizza, LLC* | 210 Doug Baker Blvd<br>Suite 10 | Birmingham | AL 35242 | (205) 783-5353 |
| Alabama | AZZIP Enterprises, LLC* | 6882 U S 90<br>Jubilee Mall Shopping Center | Daphne | AL 36526 | (251) 621-9777 |
| Alabama | JUMP Enterprises, LLC* | 7765 Airport Blvd, Suite 120 | Mobile | AL 36608 | (251)468-8159 |
| Arkansas | The Pizza Joint, LLC* | 2203 Red Rolf Blvd | Jonesboro | AR 72401 | (870) 336-3825 |
| Arkansas | UMAD-Rogers, LLC | 2012 South Promenade | Rogers | AR 72758 | (501) 819-2057 |
| Colorado | RisingStar Enterprises #1, LLC | 10601 East Garden Drive<br>Suite 105 | Aurora | CO 80012 | (303) 363-9075 |
| Colorado | RisingStar Enterprises #3, LLC | 1181 W 120th Ave, Suite 100 | Westminster | CO 80234 | (720) 872-6453 |
| Florida | KPG III, LLC* | 8221 Southside Blvd | Jacksonville | FL 32256 | (904) 527-8604 |
| Florida | Camillia City Holding, LLC*<br>*opening 2016* | 16979 Tamiami Trail | North Port | FL 34471 | (850) 445-9080 |
| Florida | RKMC Management, LLC*<br>*opening 2016* | 2606 SW 19th Ave Rd | Ocala | FL 34471 | (352) 658-1898 |
| Florida | 10 South Management, LLC* | 15750 Panama City Beach Parkway<br>Suite 180 | Panama City Beach | FL 32413 | (850) 708-1257 |
| Florida | Maddio's of Tallahassee, Inc * | 3122 Mahan Dr | Tallahassee | FL 32308 | (850) 765-2875 |
| Florida | Maddio's of Tallahassee, Inc * | 1435 East Lafayette Street | Tallahassee | FL 32301 | (850) 765-1681 |
| Georgia | Let's Make Dough, LLC | 2955 Cobb Parkway Suite 290 | Atlanta | GA 30339 | (770) 955-5223 |
| Georgia | Mid South Restaurants, Inc | 3714-B Roswell Road | Atlanta | GA 30342 | (404) 254-3778 |
| Georgia | UMPJ Dunwoody, LLC | 4745 Ashford Dunwoody Rd NE | Atlanta | GA 30338 | (770) 730-9559 |
| Georgia | Two Heads Holding, LLC | 1220 Caroline St NE #100 | Atlanta | GA 30307 | (404) 907-3378 |
| Georgia | Victus Restaurant Group, LLC | 1544 Piedmont Ave NE #219 | Atlanta | GA 30324 | (678) 705-2106 |
| Georgia | Bumblena Enterprises, LLC | 3320 Buford Dr | Buford | GA, 30519 | (770) 932-2020 |
| Georgia | KNS Holdings | 2026 Cumming Hwy | Canton | GA 30115 | (678) 880-9262 |
| Georgia | BW Brands, LLC* | 658 Dawsonville Hwy | Gainesville | GA 30501 | (678) 780-3855 |
| Georgia | Let's Make Dough, LLC | 745 Chastain Road NW #2000 | Kennesaw | GA 30144 | (770) 573-1694 |

| State | Franchisee | Street Address | City | State Zip Code | Telephone No. |
|---|---|---|---|---|---|
| Georgia | JDDT Enterprises, LLC | 4101 Roswell Rd #1100 | Marietta | GA 30062 | (678) 324-3590 |
| Georgia | UMKBM, LLC | 371 Newman Bypass, Suite 102 | Newnan | GA 30263 | (770) 683-1388 |
| Georgia | Southeastern Restaurant, LLC* | 805 Abercorn St #2<br>Chatham Plaza | Savannah | GA 31406 | (912) 777-4479 |
| Georgia | CMR Concepts, LLC* | 4340 EW Connector, Suite 200 | Smyrna | GA 30082 | (859) 309-0896 |
| Georgia | Dough Girl, LLC | 3983 Lavista Rd | Tucker | GA 30084 | (770) 696-4617 |
| Georgia | JTM Investments, LLC* | 133Margie Drive | Warner Robins | GA 31093 | (478) 254-0741 |
| Georgia | JDDT Enterprises, LLC | 9745 Hwy 92, Suite F | Woodstock | GA 30188 | (770) 591-2685 |
| Kentucky | Doh Boys, LLC*<br>*opening 2016* | 630 E Euclid Ave | Lexington | KY 40502 | |
| Maryland | Excellent Eats, LLC* | 5597 Spectrum Dr Suite 101 | Frederick | MD 28078 | (301) 378-8343 |
| Nebraska | Elevate Restaurant Group, LLC* | 2521 South 132nd Street | Omaha | NE 68144 | (402) 933-7713 |
| North Carolina | MadMad Enterprises, LLC* | 7157 O'Kelly Chapel Road | Cary | NC 27519-6447 | (919) 234-6447 |
| North Carolina | Uncle Maddio's of Charlotte, LLC* | 101 S Tryon St | Charlotte | NC 28280 | (704) 733-9800 |
| North Carolina | Made to Order, LLC* | 4112-101 Brian Jordan Place | High Point | NC 27265 | (336) 887-4992 |
| North Carolina | Uncle Maddio's of Charlotte, LLC* | 10009 Northcross Center Ct | Huntersville | NC 28078 | (704) 997-8524 |
| North Dakota | Pizza Boy Fargo* | 1695 45th Street | Fargo | ND 58104 | (701) 566-7164 |
| North Dakota | Pizza Boy Fargo | 3310 16th Street, Suite 100 | Minot | ND 58701 | (701) 838-8045 |
| Pennsylvania | Nello Restaurant Group, LLC | 1686 PA-228 Suite 150 | Cranberry Township | PA 16066 | (724) 779-2100 |
| South Carolina | Thea and Theo, LLC* | 601 Main Street | Columbia | SC 29201 | (803) 256-0033 |
| South Carolina | Bravo & Delta Pizza, LLC* | 1785 Highway 17N, Unit 1 | Mt Pleasant | SC 29464 | (843) 654-9423 |
| South Carolina | Bravo & Delta Pizza One Charles, LLC | 4921 Center Point Drive, Unit 300 | North Charleston | SC 29418 | (843) 740-9010 |
| Tennessee | Real Pizza Knox, LP* | 2052 Town Center Blvd<br>Northshore Town Center | Knoxville | TN 37922 | (865) 692-2426 |
| Texas | S&G Restaurant Group, LLC* | 5601 Brodie Lane, Suite 1200 A | Austin | TX 78745 | (512) 358-0958 |

| State | Franchisee | Street Address | City | State Zip Code | Telephone No |
|---|---|---|---|---|---|
| Virginia | RAS Holdings, LLC* | 2200 Dulles Retail Plaza, Suite 100 | Sterling | VA 20166 | (703) 444-2290 |

* These franchisees have signed Market Development Agreements committing to open multiple UNCLE MADDIO'S Restaurants over a period of time

**EXHIBIT H TO THE DISCLOSURE DOCUMENT**

**LIST OF THE NAMES, CITY AND STATE, AND CURRENT BUSINESS TELEPHONE NUMBER, OF EVERY FRANCHISEE WHO HAD AN OUTLET TERMINATED, CANCELED, NOT RENEWED, OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT DURING THE YEAR ENDED DECEMBER 31, 2015 OR WHO HAS NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE ISSUANCE DATE OF THIS FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF THE NAMES, CITY AND STATE, AND CURRENT BUSINESS TELEPHONE NUMBER, OF EVERY FRANCHISEE WHO HAD AN OUTLET TERMINATED, CANCELED, NOT RENEWED, OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT DURING THE YEAR ENDED DECEMBER 31, 2015 OR WHO HAS NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE ISSUANCE DATE OF THIS FRANCHISE DISCLOSURE DOCUMENT**

| State | Franchisee | City | State / Zip Code | Current Telephone Number |
|---|---|---|---|---|
| Georgia | Innova Concepts | Atlanta | GA 303029 | (404) 985-0803 |
| Georgia | Arby's Franchise Mid South Rest | Atlanta | GA 30338 | (404) 303-9133 |
| Kentucky | Maddio's of Louisville, LLC | Louisville | KY 40204 | (270) 317-3494 |

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

**EXHIBIT I TO THE DISCLOSURE DOCUMENT**

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**FINANCIAL STATEMENTS**

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INTEGRITY BRANDS, LLC

ATLANTA, GEORGIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

December 31, 2013

INTEGRITY BRANDS, LLC

ATLANTA, GA

## CONTENTS

ALEXANDER ALMAND & BANGS, LLP
CERTIFIED PUBLIC ACCOUNTANTS

# INDEPENDENT AUDITORS' REPORT

August 8, 2014

To the Members
Integrity Brands, LLC
Atlanta, Georgia

We have audited the accompanying financial statements of Integrity Brands, LLC (a limited liability corporation), which comprise the balance sheet as of December 31, 2013, and the related statements of income and members' equity, and cash flows for the year then ended, and the related notes to the financial statements These financial statements are the responsibility of the Company's management Our responsibility is to express an opinion on these financial statements based on our audit

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes 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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit We conducted our audit in accordance with auditing standards generally accepted in the United States of America Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control Accordingly, we express no such opinion An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion



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Members of The Georgia Society of Certified Public Accountants • The American Institute of Certified Public Accountants

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Integrity Brands, LLC as of December 31, 2013, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America

Alexander, Almand & Bangs, LLP

INTEGRITY BRANDS, LLC
BALANCE SHEET
December 31, 2013

## ASSETS

| | | |
|---|---|---|
| **CURRENT ASSETS** | | |
| Cash - Notes 1 and 9 | $ 35,737 | |
| Franchise fees receivable - Note 6 | 545,000 | |
| Royalties receivable - Note 6 | 59,930 | |
| Total current assets | | $ 640,667 |
| **NON-CURRENT ASSETS** | | |
| Franchise fees receivable - Note 6 | 1,070,000 | |
| Notes receivable due from related party - Note 4 | 178,108 | |
| Total non-current assets | | 1,248,108 |
| TOTAL ASSETS | | $ 1,888,775 |

## LIABILITIES AND EQUITY

| | | |
|---|---|---|
| **CURRENT LIABILITIES** | | |
| Accounts payable | $ 54,030 | |
| Deferred franchise fees - Note 6 | 565,000 | |
| Deferred compensation - Note 10 | 90,000 | |
| Total current liabilities | | $ 709,030 |
| **LONG-TERM LIABILITIES** | | |
| Deferred franchise fees - Note 6 | 1,960,000 | |
| Notes payable due to related party - Note 4 | 107,083 | |
| Total long-term liabilities | | 2,067,083 |
| TOTAL LIABILITIES | | 2,776,113 |
| MEMBERS' EQUITY (DEFICIT) - Note 5 | | (887,338) |
| TOTAL LIABILITIES AND EQUITY | | $ 1,888,775 |

The accompanying notes are an integral part of these statements

INTEGRITY BRANDS, LLC
STATEMENT OF INCOME AND MEMBERS' EQUITY
For the Year Ending December 31, 2013

| | | |
|---|---|---|
| **REVENUES** | | |
| Franchise fees - Notes 1 and 6 | $ | 235,000 |
| Royalty fees - Note 8 | | 476,705 |
| Marketing funds revenue | | 19,689 |
| Other fees | | 10,140 |
| Total revenues | | 741,534 |
| **EXPENSES** | | |
| Selling and marketing | | 83,380 |
| General and administrative, including recognized development costs - Note 2 | | 1,601,194 |
| Total expenses | | 1,684,574 |
| NET INCOME (LOSS) FROM OPERATIONS | | (943,040) |
| OTHER INCOME/(EXPENSE) | | |
| Interest income - Note 1 | | 4,800 |
| Interest expense - Note 4 | | (7,083) |
| Total other income/(expense) | | (2,283) |
| NET INCOME (LOSS) | | (945,323) |
| MEMBERS' EQUITY (DEFICIT), beginning of year | | 57,985 |
| Members' contributions/(distributions) | | - |
| MEMBERS' EQUITY (DEFICIT), end of year | $ | (887,338) |

The accompanying notes are an integral part of these statements

INTEGRITY BRANDS, LLC
STATEMENT OF CASH FLOWS
For the Year Ending December 31, 2013

| | | |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income (loss) | $ | (945,323) |
| Adjustments to reconcile income to cash provided by (used in) operating activities | | |
| Depreciation and amortization | | - |
| Changes in assets and liabilities | | |
| (Increase) decrease in | | |
| Franchise fees receivable - current | | (521,250) |
| Royalties receivable | | (13,904) |
| Security Deposit | | 3,898 |
| Franchise fees receivable - long-term | | (130,000) |
| Notes receivable | | (23,798) |
| Deferred costs | | 492,017 |
| Amortized costs | | 38,457 |
| Accounts payable | | (74) |
| Accounts payable | | 7,083 |
| Deferred compensation | | (8,000) |
| Deferred franchise fees - current | | 165,000 |
| Deferred franchise fees - long-term | | 750,000 |
| Net cash provided by (used by) operating activities | | (185,894) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Capital stock proceeds | | - |
| Contributions from members | | - |
| Distributions to members | | - |
| Proceeds from short-term debt | | 100,000 |
| Principal payments on short-term debt | | - |
| Net cash provided by (used by) financing activities | | 100,000 |
| Net increase (decrease) in cash and cash equivalents | | (85,894) |
| CASH AND CASH EQUIVALENTS, beginning of year | | 121,631 |
| CASH AND CASH EQUIVALENTS, end of year | $ | 35,737 |

The accompanying notes are an integral part of these statements

## Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Organization

Integrity Brands, LLC (the Company) was created as a Georgia limited liability company on March 25, 2008 The Company is engaged in offering and selling franchises and multi-unit development rights throughout the United States for the operation of individual franchise restaurants The restaurants offer fast casual dining featuring fresh made pizzas, salads, paninis, and various other related foods Beverages consist of carbonated and non-carbonated non-alcoholic drinks, bottled and draft beer, as well as wine

The operations of the Company are governed by the "Operating Agreement" dated January, 2012 between the Company and its members Such agreement commenced on the date the Articles of Organization were filed with the Secretary of State of Georgia and shall continue until dissolved in accordance with the operating agreement

### Basis of accounting

The Company agreement specifies that the financial statements are prepared on the accrual basis of accounting, according to generally accepted accounting principles

### Cash and cash equivalents

For purposes of the statements of cash flows, the Company considers short-term certificates of deposit to be cash equivalents

### Income Taxes

As a limited liability company, the Company has elected to be taxed as a partnership Federal and state income taxes are not payable by, or provided for, the Company Members are taxed individually on their share of company earnings Company net revenue is allocated to the members based on their percentage ownership

The Company files tax returns in the U S federal jurisdiction and the State of Georgia Tax years that remain subject to examination date back to the year ended December 31, 2010 The Company adopted FASB ASC 740, *Income Taxes Overall Disclosure, Unrecognized Tax Benefit Related Disclosures*, as of January 1, 2009 Management has established procedures to identify any unrecognized tax benefit There were no unrecognized tax benefits for 2013

### Revenue Recognition

Revenue from franchise fees is recognized when all of the initial services are substantially completed and conditions relating to the sale have been substantially performed by the Company and the franchise has commenced operations Accounts receivable as recorded based on execution of an enforceable contract that the Company deems fully actionable Therefore, there is no provision for bad debt allowance

### Interest Income

Interest income is recognized in the period in which it is earned Interest income includes the income received from related parties (see Note 4) and financial institutions in which regular banking is conducted

### Use of Estimates

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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period Actual results could differ from those estimates

## Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### Concentration of Revenue

The Company primarily receives revenue from the sale of franchises and the collection of royalties based upon a percentage of franchisee sales

### Advertising Costs

Advertising costs during the 2013 fiscal year amounted to $ 86,459 for the current period

## NOTE 2 – CHANGE IN ACCOUNTING PRINCIPLES

The Company established a change in accounting policy regarding the deferral of franchise costs and amortizing costs in the current year

In prior years, the Company elected to defer certain incremental costs as defined in ASC 952-340-25 that represented the establishment of developmental systems A portion of these expenses were recognized annually based on a percentage of franchise stores opened As of December 31, 2012, a total of $ 492,017 in deferred franchise costs was reported, representing the accumulated balance of unrecognized developmental costs for 2010, 2011 and 2012

During 2013, the Company determined that operations had progressed beyond the developmental stage and changed its policy to expense any and all franchise expenses that are not directly related to an unopened store in accordance with accounting for direct and indirect costs for both initial and continuing costs in accordance with ASC 952-340-25 and ASC 952-720-25 This change in policy effectively eliminates the estimation of costs to be recognized on an ongoing basis As such, the cumulative effect of previously deferred costs totaling $ 492,017 has been recognized in the current year and is included in general and administrative expenses on the income statement It was not practical, nor necessary to apply the change retrospectively

The Company has similarly elected to change the characterization of certain initial costs that were capitalized and amortized in prior years Typical start-up costs are required to be expensed as incurred The Company did not consider initial costs as start-up costs, but more accurately characterized as project costs that are recognized through amortization The total capitalized costs on the balance sheet at December 31, 2012 were $ 38,457 In following the same philosophy as applied to the deferred franchise costs, the Company elected to recognize the impact of the costs in the current year, as reflected in general and administrative expenses on the income statement

## NOTE 3 – RELATED PARTY TRANSACTIONS

The original restaurant (Uncle Maddio's Pizza Joint) location is operated by a related party company The related party shares common ownership with Integrity Brand's, LLC's Class A voting members Integrity Brands, LLC owns the right to franchise the restaurant but does not operate any locations

In 2010, the Company loaned money to the related party company that operates the original restaurant location for working capital needs The amount due is included in the caption "Notes Receivable Due from Related Party" At December 31, 2013, the note receivable was $ 155,244 including accrued interest of $ 4,445 Interest on the note is based on the Applicable Federal Rate

During 2013, the Company advanced loans to three employee loans totaling $ 22,864, with accrued interest of $ 337 as of December 31, 2013 Interest is based on the Applicable Federal Rate These amounts due are included on the balance sheet in "Notes Receivable Due from Related Party "

**NOTE 3 – RELATED PARTY TRANSACTIONS (CONT'D)**

Notes receivable due from related party as of December 31, 2013

| | | |
|---|---|---|
| Working capital receivable | $ | 155,244 |
| Employee loan receivables | | 22,864 |
| | $ | 178,108 |

On April 11, 2013, the Company entered into an unsecured promissory note with a related party for $ 100,000, bearing bears interest at 10%, Principal and all accrued interest are due the earlier of April 11, 2015, a qualified financing, or a Company sale As of December 2013, principal and accrued interest outstanding is $ 100,000 and $ 7,083, respectively The total balance due totaling $ 107,083 is included as "Notes Payable Due to Related Party" on the balance sheet The Company incurred interest on the note of $ 7,083 for the year ended December 31, 2013

**NOTE 4 – MEMBERS' EQUITY (DEFICIT)**

The members' equity consists of 16,025,667 member shares at December 31, 2012, with an additional 1,022,915 authorized but not vested in an employee incentive pool During 2013, the company granted 255,726 shares held by the employee incentive pool to key employees The closing member shares at December 31, 2013 with the additional vesture of stock to key employees totals 16,281,393 held by members and 767,189 available in the employee incentive pool

**NOTE 5– FRANCHISE AGREEMENTS**

Franchise agreements are available for single and multi-unit restaurants The multi-unit agreement establishes the number of restaurants the franchisee is to construct and open in the territory granted by the contract during the term of the agreement As of December 31, 2013, a total of 130 franchises have been sold, 17 have been opened and are in operation

Franchisees are required to pay the Company a franchise fee and a bi-weekly royalty fee of 5% of the restaurants' net sales Unit franchise fees are recorded as income as related restaurants begin operations The Company has recognized $ 235,000 in franchise fees as revenue in the current year Royalty fees, which are based on restaurant sales of franchisees and licensees, are accumulated as received As of December 31, 2013, royalties receivable was $ 59,930

The Company requires a one-time upfront lump sum, non-refundable fee for each restaurant franchised The franchise fee is a requisite for all franchisees As of December 31, 2013, the Company has collected franchise fees in the amount of $ 546,250 in the current year, and a collective total of $ 1,245,000 since inception Franchise fees receivable totaled $ 1,615,000 (current and long-term) at December 31, 2013

Current and long-term portions of franchise fees receivable as of December 31, 2013

| | | |
|---|---|---|
| Current franchise fees receivable | $ | 545,000 |
| Long-term franchise fees receivable | | 1,070,000 |
| | $ | 1,615,000 |

## NOTE 5 – FRANCHISE AGREEMENTS (CONT'D)

When an initial franchise is sold, the Company agrees to provide certain services to the franchisee Generally, these services include assistance in restaurant site development, manager training, and on-site pre-opening assistance Deferred franchise fee revenue at December 31, 2013 represents initial franchise sales where the Company has not yet substantially completed all of the initial services Total deferred revenue (current and long-term) was $ 2,525,000 as of December 31, 2013

Current and long-term portions of deferred franchise fees as of December 31, 2013

| | |
|---|---|
| Current deferred franchise fees | $ 565,000 |
| Long-term deferred franchise fees | 1,960,000 |
| | $ 2,525,000 |

## NOTE 6 – ADVERTISING AND MARKETING FUND

The Company has the right to establish a separate advertising and marketing fund to administer monies collected from franchisees and may do so within the subsequent year The franchisees shall be required to pay into the fund a bi-weekly fee in the amount of 2% of the restaurants net sales to assist in the formulation, development and placement of advertising and promotional materials As of December 31, 2013, no advertising funds were structured for this purpose

## NOTE 7 – ROYALITIES

Royalties from individual franchisees are based upon a percentage of each franchisees' sales and are recognized when earned based upon reported sales activity by each franchisee Royalty fees revenue for the years ended December 31, 2013 totaled $ 476,705

## NOTE 8 – CONCENTRATION OF CREDIT RISK

At times, cash and cash equivalents may exceed federally insured amounts The Company believes it mitigates risks by depositing cash and investing in cash equivalents with major financial institutions Cash on deposit exceeding federally insured limits amounted to $ -0- at December 31, 2013

## NOTE 9 – COMPENSATION AGREEMENT

During 2011, the Company negotiated an agreement among members of management concerning the compensation for a member's services provided to the Company at $ 3,000 per month The start date of the compensation agreement was January 1, 2009 This deferred compensation is not tax deductible until paid to the member of management In 2012, the Company began paying back deferred compensation As of December 31, 2013, deferred compensation was at $ 90,000

## NOTE 10 – SUBSEQUENT EVENTS

Subsequent to the balance sheet date, a developer made inquiry to the Company about terminating his Developer Agreement Management does not anticipate a material impact to the financial statements

The Company has evaluated subsequent events through August 8, 2014, which is the date these financial statements were available to be issued All subsequent events, if any, requiring recognition as of December 31, 2013, have been incorporated into these financial statements

**THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THE CONTENT OR FORM.**

Integrity Brands LLC
Balance Sheet
As of April 30,2016

| | | | |
|---|---|---|---|
| Current Assets | | | |
| | Cash | | $ 29,143 74 |
| | Royalties Rec | | $ 151,495 80 |
| | Advert fund, restrict | | $ 108,825 43 |
| | Prepaid Expenses and other assets | | $ 142,763 95 |
| | Current Portion of Notes Rec from related parties | | |
| | | Total Current Assets | $ 432,228 92 |
| | Property and equipment, net | | $ 128,642 92 |
| Non Current Assets | | | |
| | Franchise Fees Receivable | | $ 2,425,000 00 |
| | Notes receivable from relate parties | | $ 114,772 56 |
| | | Total non-current assets | $ 2,539,772 56 |
| | | Total Assest | $ 3,100,644 40 |
| Current Liabilities | | | |
| | Accounts Payable | | $ 273,317 50 |
| | Current Portion of Deferred Fees | | |
| | Current Portion of Deferred Comp | | $ 119,000 00 |
| | Advertising Fund Liabilities | | $ 108,825 43 |
| | Other Current liabilities | | $ 170,853 51 |
| | | Total Current Liabilities | $ 671,996 44 |
| | Deferred Rent | | $ 156,210 54 |
| | Note Payable Member | | $ 1,150,017 58 |
| | Deferred franchise fees net of current | | $ 4,140,000 00 |
| | | Total non-current | $ 5,446,228 12 |
| | | Total Liabilities | $ 6,118,224 56 |
| | Members' deficit | | $ (3,017,580 16) |
| | | Total Liabilities & Member Deficit | $ 3,100,644 40 |

**Integrity Brands**

# Profit & Loss

**January through April 2016**

| | Accrual Basis<br>Jan - Apr 16 |
|---|---|
| **Revenues** | |
| Franchise fees | $ 207,500 00 |
| Royalty Fees | $ 423,340 02 |
| Net Sales | $ 180,469 16 |
| Total Revenue | $ 811,309 18 |
| **Expenses** | |
| Cost of Sales | $ 69,384 37 |
| Selling and marketing | $ 138,463 61 |
| General Administrative | $ 1,289,966 90 |
| Depreciation and amortization | $ 8,132 48 |
| Total Expenses | $ 1,505,947 36 |
| Loss from operations | $ 694,638 18 |
| **Other expense** | |
| Interest expense | $ 24,286 71 |
| Total other expense | $ 24,286 71 |
| Net Loss | $ (718,924 89) |
| Members' deficit, beginning of year | $ (515,454 56) |
| Retained earnings | $ (1,848,693 98) |
| Share issuance | |
| Share redemption | |
| Members' deficit, end of year | $ (3,083,073 43) |

**EXHIBIT J TO THE DISCLOSURE DOCUMENT**

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**FORM OF RELEASE**

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## GENERAL RELEASE

This General Release is made effective this ____ day of ____________, 20___ In consideration for the grant by INTEGRITY BRANDS, LLC, a Georgia limited liability company ("Franchisor"), to the undersigned of certain rights in connection with the operation of a UNCLE MADDIO'S PIZZA Restaurant and/or the transfer or renewal thereof, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned, individually and collectively, hereby unconditionally release, discharge, and acquit Franchisor, its past and present subsidiaries and affiliates, and its and their shareholders, owners, directors, officers, managers, members, partners, employees, agents, representatives, successors and assigns, from any and all liabilities, damages, claims, demands, costs, expenses, debts, indemnities, suits, disputes, controversies, actions and causes of action of any kind whatsoever, whether known or unknown, fixed or contingent, regarding or arising out of any prior or existing franchise relationship, development agreement, franchise agreement or any other agreement executed by any of the undersigned and Franchisor (or any subsidiary or affiliate of Franchisor), any UNCLE MADDIO'S PIZZA Restaurant (whether currently or previously owned or operated by the undersigned or any of them), or any other prior or existing business relationship between any of the undersigned and Franchisor (or any subsidiary or affiliate of Franchisor), which the undersigned or any of them individually or collectively has asserted, may have asserted or could have asserted against Franchisor (or any of the aforementioned related parties) at any time up to the date of this General Release, including specifically, without limitation, claims arising from contract, written or oral communications, alleged misrepresentations, and acts of negligence, whether active or passive This General Release shall survive the assignment or termination of any of the franchise agreements or other documents entered into by and between Franchisor and any of the undersigned This General Release is not intended as a waiver of those rights of the undersigned which cannot be waived under applicable state franchise laws nor is it intended to relieve Franchisor or any other person, directly or indirectly, from liability imposed by the Maryland Franchise Registration and Disclosure Law This General Release shall be governed by and construed in accordance with the laws of the State of Georgia without regard to its conflicts of law provisions

WITNESS ______________________________

______________________________

By ___________________________

Name ____________________

Title __________________________

______________________________

____________, Individually

______________________________

____________, Individually

**EXHIBIT K-1 TO THE DISCLOSURE DOCUMENT**

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**FORM OF**

**GUARANTEE PROVISION FOR**

**MARKET DEVELOPMENT AGREEMENT**

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## GUARANTEE PROVISION

(Principal Owners must execute the following)

As an inducement to Franchisor to enter this Agreement between Franchisor and Developer, the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Developer's obligations under this Agreement will be punctually paid and performed  Upon demand by Franchisor, the undersigned will immediately make each contribution or payment required of Developer under this Agreement

The undersigned herby waives (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Developer arising as a result of the undersigned's execution of and performance under this guarantee provision, for the express purpose that none of the undersigned shall be deemed a "creditor" of Developer under any applicable bankruptcy law with respect to Developer's obligations to Franchisor, (ii) all rights to require Franchisor to proceed against Developer for any payment required under this Agreement, proceed against or exhaust any security from Developer, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this guarantee provision or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Developer, (iii) any benefit of, any right to participate in, any security now or hereafter held by Franchisor, and (iv) acceptance and notice of acceptance by Franchisor of his, her or its undertakings under this guarantee provision, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled  Franchisor shall have no present or future duty or obligation to the undersigned under this guarantee provision, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Developer, any other guarantor, or any collateral securing any obligations of Developer to Franchisor  Without affecting the obligations of the undersigned under this guarantee provision, Franchisor may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of this Agreement or any indebtedness or obligation of Developer, or settle, adjust, release, or compromise any claims against Developer or any other guarantor, make advances for the purpose of performing any obligations of Developer under this Agreement, assign this Agreement or the right to receive any sum payable under this Agreement, and the undersigned each hereby jointly and severally waive notice of same and agree to be bound by any and all amendments and changes to this Agreement  The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of this Agreement

The undersigned hereby agrees to defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) ("Claims") resulting from, consisting of, or arising out of or in connection with any failure by Developer, its officers, directors, agents, or employees to perform any obligation under this Agreement, any amendment thereto, or any other agreement executed by Developer referred to therein  Notwithstanding any other language contained herein, the obligations of Guarantor(s) under this guarantee provision (including both the payment and performance obligations, and the indemnification obligations) shall not apply to any obligations or Claims arising due to the actions of third parties not under the operation, direction or control of Developer

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

Unless specifically stated otherwise, the terms used in this guarantee provision shall have the same meaning as in this Agreement This guarantee provision shall be interpreted and construed under the laws of the State of Georgia In the event of any conflict of law, the laws of Georgia shall prevail, without regard to, and without giving effect to, the application of the State of Georgia conflict of law rules Nothing in this guarantee provision is intended by the parties to subject this guarantee provision to any franchise or similar law, rule, or regulation of the State of Georgia or of any other state to which it would not otherwise be subject Any and all notices required or permitted under this guarantee provision shall be in writing and shall be personally delivered, in the manner provided under Section 20 of this Agreement

IN WITNESS WHEREOF, the undersigned has signed this guarantee provision as of the date of this Agreement

GUARANTOR(S)

______________________ ______________________

______________________ ______________________



QB\32665806 19

**EXHIBIT K-2 TO THE DISCLOSURE DOCUMENT**

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**FORM OF**

**GUARANTEE PROVISION FOR**

**FRANCHISE AGREEMENT**

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## GUARANTEE PROVISION

**(Principal Owners must execute the following)**

As an inducement to Franchisor to enter this Agreement between Franchisor and Franchisee, the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Franchisee's obligations under this Agreement will be punctually paid and performed Upon demand by Franchisor, the undersigned will immediately make each contribution or payment required of Franchisee under this Agreement

The undersigned herby waives (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this guarantee provision, for the express purpose that none of the undersigned shall be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Franchisor, (ii) all rights to require Franchisor to proceed against Franchisee for any payment required under this Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this guarantee provision or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee, (iii) any benefit of, any right to participate in, any security now or hereafter held by Franchisor, and (iv) acceptance and notice of acceptance by Franchisor of his, her or its undertakings under this guarantee provision, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled Franchisor shall have no present or future duty or obligation to the undersigned under this guarantee provision, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to Franchisor Without affecting the obligations of the undersigned under this guarantee provision, Franchisor may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of this Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under this Agreement, assign this Agreement or the right to receive any sum payable under this Agreement, and the undersigned each hereby jointly and severally waive notice of same and agree to be bound by any and all amendments and changes to this Agreement The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of this Agreement

The undersigned hereby agrees to defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) ("Claims") resulting from, consisting of, or arising out of or in connection with any failure by Franchisee, its officers, directors, agents, or employees to perform any obligation under this Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein Notwithstanding any other language contained herein, the obligations of Guarantor(s) under this guarantee provision (including both the payment and performance obligations, and the indemnification obligations) shall not apply to any obligations or Claims arising due to the actions of third parties not under the operation, direction or control of Franchisee

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

Unless specifically stated otherwise, the terms used in this guarantee provision shall have the same meaning as in this Agreement  This guarantee provision shall be interpreted and construed under the laws of the State of Georgia  In the event of any conflict of law, the laws of Georgia shall prevail, without regard to, and without giving effect to, the application of the State of Georgia conflict of law rules  Nothing in this guarantee provision is intended by the parties to subject this guarantee provision to any franchise or similar law, rule, or regulation of the State of Georgia or of any other state to which it would not otherwise be subject  Any and all notices required or permitted under this guarantee provision shall be in writing and shall be personally delivered, in the manner provided under Section 30 of this Agreement

IN WITNESS WHEREOF, the undersigned has signed this guarantee provision as of the date of this Agreement

GUARANTOR(S)

______________________________ ______________________________

______________________________ ______________________________

**EXHIBIT L TO THE DISCLOSURE DOCUMENT**

**FORM OF**

**PRINCIPAL OWNER'S STATEMENT**

## PRINCIPAL OWNER'S STATEMENT

This form must be completed and signed by the Franchisee and/or Developer, _________ _______

_________________________ (the "**Business Entity**"), and each of its principal owners under the ____________________ Agreement dated _______________, 20___ (the "**Agreement**") with **INTEGRITY BRANDS, LLC** (the "**Franchisor**"), if the Business Entity has multiple owners or if the Business Entity or the franchised business is owned by a business organization (like a corporation, partnership or limited liability company) Franchisor is relying on the truth and accuracy of this form in awarding the Agreement to the Business Entity

1 **Form of Owner** The Business Entity is a (check one)

(a) General Partnership ☐
(b) Corporation ☐
(c) Limited Partnership ☐
(d) Limited Liability Company ☐
(e) Other ☐
Specify ______________________________

2 **Business Entity** It was incorporated or formed on ________________, ___, under the laws of the State of _______________ It has not conducted business under any name other than its corporate, limited liability company or partnership name and the following names (if any) ___________ _______________________ The following is a list of all persons who have management rights and powers (e g , officers, managers, partners, etc ) and their positions (attach additional sheets if needed)

| **Name of Person** | **Position(s) Held** |
|---|---|
| | |
| | |
| | |
| | |
| | |

3 **Owners** The following list includes the full name and mailing address of each person who is a direct or indirect owner and fully describes the nature of each owner's interest in the Business Entity Attach additional sheets if necessary

| **Owner's Name and Address** | **Description of Interest*** | **% of Ownership** |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |

*Indicate whether ownership interest is direct or indirect For indirect ownership, include the name of each entity or trust through which ownership interests are held

4 **Governing Documents** Attached is an organizational chart showing the ownership structure of the Business Entity, including all direct and indirect parents, affiliates and subsidiaries The undersigned agree to provide copies of the documents and contracts governing the ownership, management and other significant aspects of the Business Entity (e g , articles of incorporation or organization, partnership or shareholder agreements, etc ) upon request from Franchisor

This Principal Owner's Statement is current and complete as of ____________________

**OWNER**

**INDIVIDUALS·**

Sign ________________________________
Print ________________________________

Sign ________________________________
Print ________________________________

Sign ________________________________
Print ________________________________

**EXHIBIT M TO THE DISCLOSURE DOCUMENT**

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**FORM OF**

**FRANCHISEE DISCLOSURE QUESTIONNAIRE**

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## FRANCHISEE DISCLOSURE QUESTIONNAIRE

As you know, Integrity Brands, LLC,("we", "us" or "our") and you are preparing to enter into a Development Agreement and/or Franchise Agreement for the operation of an UNCLE MADDIO'S Restaurant franchise The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, to be certain that you have been properly represented in this transaction, and to be certain that you understand the limitations on claims you may make by reason of the purchase and operation of your franchise **You cannot sign or date this Questionnaire the same day as the Receipt for the Franchise Disclosure Document (the "disclosure document"), but you must sign and date it the same day you sign the Development Agreement and/or Franchise Agreement and pay your development and/or franchise fee.** Please review each of the following questions carefully and provide honest responses to each question If you answer "No" to any of the questions below, please explain your answer on the back of this sheet

Yes__ No__ 1 Have you received and personally reviewed the Development Agreement, the Franchise Agreement and each exhibit and schedule attached to them?

Yes__ No__ 2 Have you received and personally reviewed the disclosure document we provided?

Yes__ No__ 3 Did you sign a receipt for the disclosure document indicating the date you received it?

Yes__ No__ 4 Do you understand all the information contained in the disclosure document, the Development Agreement and the Franchise Agreement?

Yes__ No__ 5 Have you reviewed the disclosure document, the Development Agreement and the Franchise Agreement with a lawyer, accountant or other professional advisor?

Yes__ No__ 6 Have you discussed the benefits and risks of developing and operating an UNCLE MADDIO'S Restaurant franchise with an existing UNCLE MADDIO'S Restaurant franchisee?

Yes__ No__ 7 Do you understand the risks of developing and operating an UNCLE MADDIO'S Restaurant franchise?

Yes__ No__ 8 Do you understand the success or failure of your franchise will depend in large part upon your skills, abilities and efforts and those of the persons you employ, as well as many factors beyond your control such as weather, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?

Yes__ No__ 9 Do you understand we have only granted you a limited territorial protection against us locating another UNCLE MADDIO'S Restaurant near your Restaurant(s) as set forth in your Development Agreement and Franchise Agreement and that another UNCLE MADDIO'S Restaurant franchise or company owned UNCLE MADDIO'S Restaurant may open anywhere outside your limited protected territory

Yes__ No__ 10 Do you understand we and our affiliates retain the exclusive unrestricted right to engage, directly or through others, in the production, distribution and sale of food products and other products under the UNCLE MADDIO'S Restaurant name or other mark, at any location, other than an UNCLE MADDIO'S Restaurant within your limited protected territory, or by any method of distribution even within your limited protected territory, and these other restaurants or methods of distribution may compete with your UNCLE MADDIO'S Restaurant(s) and adversely affect its sales?

Yes__ No__ 11 Do you understand that the only radius restriction concerning where another franchised or company UNCLE MADDIO'S Restaurant may open is the limited protected territory specified in your Development Agreement and Franchise Agreement?

Yes__ No__ 12 Do you understand that most disputes or claims you may have arising out of or relating to the Development Agreement and/or the Franchise Agreement must be litigated in the courts closest to our principal executive office or arbitrated at the office of the American Arbitration Association closest to our principal executive office?

Yes__ No__ 13 Do you understand that you (and your manager if you will employ one full-time) must satisfactorily complete our initial training course before we will allow your UNCLE MADDIO'S Restaurant to open?

Yes__ No__ 14 Has any employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating an UNCLE MADDIO'S Restaurant franchise that is not contained in the disclosure document or that is contrary to, or different from, the information contained in the disclosure document?

Yes__ No__ 15 Has any employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in the Development Agreement and the Franchise Agreement, concerning advertising, marketing, media support, marketing penetration, training, support service or assistance that is contrary to, or different from, the information contained in the disclosure document?

Yes__ No__ 16 Has any employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue an UNCLE MADDIO'S Restaurant franchise will generate, that is not contained in the disclosure document or that is contrary to, or different from, the information contained in the disclosure document?

Yes__ No__ 17 Do you understand that the Development Agreement and the Franchise Agreement contain the entire agreement between us and you concerning the franchise for the UNCLE MADDIO'S Restaurant, meaning any prior oral or written statements not set out in the Development Agreement or the Franchise Agreement will not be binding?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS

| | |
|---|---|
| ______________________________ | ______________________________ |
| Signature of Franchise Applicant | Signature of Franchise Applicant |
| ______________________________ | ______________________________ |
| Name (please print) | Name (please print) |
| ______________________________ | ______________________________ |
| Dated | Dated |
| ______________________________ | ______________________________ |
| Signature of Franchise Applicant | Signature of Franchise Applicant |
| ______________________________ | ______________________________ |
| Name (please print) | Name (please print) |
| ______________________________ | ______________________________ |
| Dated | Dated |

EXPLANATION OF ANY NEGATIVE RESPONSES [REFER TO QUESTION NUMBER AND USE ADDITIONAL PAPER IF NECESSARY]

**EXHIBIT N TO THE DISCLOSURE DOCUMENT**

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**RECEIPTS**

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# RECEIPT

This disclosure document summarizes provisions of the development agreement, the franchise agreement and other information in plain language Read this disclosure document and all agreements carefully

If INTEGRITY BRANDS, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration, whichever occurs first

If INTEGRITY BRANDS, 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 any applicable state agency (as listed in Exhibit "A" to this disclosure document)

We authorize the respective state agencies identified on Exhibit "A" to receive service of process for us if we are registered in the particular state

Issuance Date July 14, 2016

The name, principal business address, and telephone number of the franchise sellers offering the franchise are

| **Name** | **Principal Business Address** | **Telephone Number** |
|---|---|---|
| Matthew R Andrew, Jocelyn T Blain, Scott Goodrich, Tony Brewer, and Melissa McFarlin | 3575 Piedmont Road, NE<br>Building 15, Suite 250<br>Atlanta, Georgia 30305 | (404) 929-6654 |

I received a disclosure document dated July 14, 2016 (See the state effective date summary page for state effective dates ) The disclosure document included the following Exhibits

A State Agencies And Administrators and Franchisor's Agents For Service Of Process
B Market Development Agreement
C Franchise Agreement
D Franchisee Participation Agreement For Coca Cola
E Operations Manual Table Of Contents
F State Specific Addenda and Riders
G Current Franchisees
H List Of Franchisees Who Have Left The System
I Financial Statements
J Form of Receipt
K-1 Form of Guarantee Provision for Market Development Agreement
K-2 Form of Guarantee Provision for Franchise Agreement
L Principal Owner's Statement
M Franchisee Disclosure Questionnaire
N Receipt(s)

Date ______________________ Prospective Franchisee

______________________

Print Name ______________________

Date ______________________ Prospective Franchisee

______________________

Print Name ______________________

# RECEIPT

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If INTEGRITY BRANDS, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration, whichever occurs first

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L Principal Owner's Statement
M Franchisee Disclosure Questionnaire
N Receipt(s)

Date ______________________ Prospective Franchisee ______________________

Print Name ______________________

Date ______________________ Prospective Franchisee ______________________

Print Name ______________________