

## FRANCHISE DISCLOSURE DOCUMENT



### RUTH'S CHRIS STEAK HOUSE FRANCHISE, LLC

a Louisiana Limited Liability Company

1000 Darden Center Drive

Orlando, Florida 32837

407-245-4000

[www.ruthschris.com/franchising](http://www.ruthschris.com/franchising)

The franchise relates to the establishment and operation of a steak house restaurant offering a full bar which is identified by the marks "Ruth's Chris Steak House" and "Ruth's Chris." Ruth's Chris Steak House Franchise, LLC, a Louisiana Limited Liability Company, offers these rights.

The total investment necessary to begin operation of a Ruth's Chris Restaurant franchise is \$2,477,000 to \$6,380,000. This includes \$180,000 to \$250,000 that must be paid to us or our affiliates.

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 Sue Humphreys, 1000 Darden Center Drive, Orlando, Florida 32837, 407-245-4000, [shumphreys@darden.com](mailto:shumphreys@darden.com).

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like an attorney 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 (FTC). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: January 6, 2025

## How to Use This Franchise Disclosure Document

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

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

## What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## **SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE**

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

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

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

## DISCLOSURES REQUIRED BY MICHIGAN LAW

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§ 445.1501 – 445.1546 applies, the terms of this Addendum apply.

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
Consumer Protection Division  
Attn: Franchise Unit  
525 W. Ottawa Street  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
Lansing, Michigan 48913  
Telephone Number: (517) 373-7117

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

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- I. GENERAL RELEASE  
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**ITEM 1.**  
**THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language in this Disclosure Document, we refer to Ruth’s Chris Steak House Franchise, LLC as “we” or “us.” We refer to the individual or business entity (corporation, partnership, etc.) buying the franchise as “you.” Except for sole proprietorships, the term “you” does not include a business entity’s owners. To fully understand all of your and our rights and obligations to each other, you must still carefully review the actual agreements that you will execute. These will control if there is any dispute between us.

The Business

We have established, and continue to develop, a chain of upscale restaurants which offer steak and other entrees, hot and cold side dishes, and a full-service bar, for on-premises consumption. Ruth’s Chris Steak Houses provide products and services to the general public and occupy approximately 7,200 to 12,000 square feet typically located in urban and suburban areas.

The Franchise Offered

We offer a franchise agreement (the “Franchise Agreement”) that grants you the right to establish and operate one Ruth’s Chris Steak House restaurant (the “Restaurant”) at a location approved by and accepted by us (the “Location”).

We have developed and own design guidelines and specifications and procedures relating to the establishment and operation of full-service restaurants identified by the Proprietary Marks (as defined below) and featuring full bar service and a specialized menu primarily featuring steaks (the “System”). The characteristics of the System on the date of this Disclosure Document include special recipes and menu items; uniform standards, specifications, and procedures for operations, quality and uniformity of products and services offered; procedures for inventory, management, and financial control; training and assistance; and advertising and promotional programs. We may change, improve, and further develop all aspects of the System from time to time. Certain aspects of the System are described in our Confidential Operations Guidelines and other guidelines and written materials designated (including electronically stored or communicated materials) by us (the “Manuals”).

We will identify the System by means of the trademarks, trade names, service marks, logos, emblems, trade dress, and other indicia of origin that we designate (now or in the future) for use in connection with the System (the “Proprietary Marks”).

You must designate an “Executive Chef” and a “General Manager.” Your Executive Chef will be responsible for the daily operation of the Restaurant kitchen and all food preparation at or from the Restaurant. The Executive Chef must be an individual acceptable to us and must complete certain training. The General Manager will be responsible for the daily operation of the Restaurant. The General Manager must be an individual acceptable to us and must complete certain training. See Items 11 and 15 for more information regarding the Executive Chef and the General Manager.

You must also designate an “Operating Principal.” Your Operating Principal will be your representative and will have the authority to act on your behalf. If you are an individual, you will be the Operating Principal. The Operating Principal must serve as your General Manager or, subject to our consent, may designate another individual to serve as the General Manager.

Under the Franchise Agreement, we have characterized certain parties as “Controlling Principals.” These parties may consist of all holders of an ownership interest in you or your affiliate, and all officers and directors of you and your affiliates. The Franchise Agreement is signed by us and you, and your Controlling Principals must sign a guarantee in which they agree to be individually bound by certain obligations, including covenants concerning confidentiality and non-competition and to personally guarantee your performance under the Franchise Agreement (See Item 15).

#### The Franchisor and Its Parents, Predecessors and Affiliates

We were originally incorporated in Louisiana on July 1, 1972, under the name “Ruth Fertel, Inc.” (doing business as “Chris Steak House”). On July 24, 1985, we reincorporated in Louisiana under the name Ruth’s Chris Steak House Franchise, Inc. On August 1, 2011, Ruth’s Chris Steak House Franchise, Inc. converted from a corporation to a limited liability company. We maintain our principal place of business at 1000 Darden Center Drive, Orlando, Florida 32837. We do business only under our corporate name, “Ruth’s Chris” and “Ruth’s Chris Steak House.” Our agents for service of process are described in Exhibit F. We have never operated a business of the type described in this Disclosure Document. We have not previously offered franchises in any other line of business. Except as set forth in this Item 1, we do not engage in any other business.

Our parent company, RCSH Operations, Inc., was established as a California corporation on September 11, 2008. RCSH Operations, Inc.’s parent company is Ruth’s Hospitality Group, Inc. (“RHGI”), a Delaware corporation incorporated on May 11, 2005 under the name Ruth’s Chris Steak House, Inc. Before the acquisition described below, RHGI’s stock was traded on the NASDAQ stock exchange (RUTH).

On June 14, 2023, Darden Restaurants, Inc., a Florida corporation incorporated on March 30, 1995 (“Darden”), acquired RHGI through a merger of Ruby Acquisition Corporation, an indirect wholly-owned subsidiary of Darden with and into RHGI. Following the consummation of the merger, RHGI became an indirect, wholly-owned subsidiary of Darden. In connection with the completion of the merger, RHGI’s common stock ceased trading on the NASDAQ.

Darden has operated company-owned Ruth’s Chris Steak House restaurants since June 2023. As of May 26, 2024 (the end of Darden’s last fiscal year), Darden owns or operates 84 Ruth’s Chris Steak House restaurants in the United States. Darden also operates restaurants under the names “Olive Garden,” “LongHorn Steakhouse,” “Bahama Breeze,” “The Capital Grille,” “Eddie V’s,” “Seasons 52,” “Yard House,” “Cheddar’s Scratch Kitchen,” and “The Capital Burger.” As of May 26, 2024 (the end of Darden’s last fiscal year), Darden operates 912 Olive Garden restaurants in the United States and 8 Olive Garden restaurants in Canada, as well as 575 LongHorn Steakhouse restaurants, 43 Bahama Breeze restaurants, 66 The Capital Grille restaurants, 30 Eddie V’s restaurants, 44 Seasons 52 restaurants, 88 Yard House restaurants, 181 Cheddar’s Scratch Kitchen restaurants, and 4 The Capital Burger restaurants in the United States.

Our affiliate, Darden Corporation, which began as a Florida corporation incorporated on May 17, 1996 and subsequently converted to a Delaware corporation on November 12, 2015, previously offered franchises for Olive Garden® restaurants in the United States, Puerto Rico, Guam, and internationally beginning in 2013. As of May 26, 2024, Darden Corporation has 8 franchised Olive Garden® restaurants open in Puerto Rico, 1 in Guam, 31 in Latin America, 1 in the Middle East, and 1 in the Caribbean.

Our affiliate, Darden APAC, LLC, a Florida limited liability company formed on September 24, 2019, began offering franchises for Olive Garden restaurants in the Philippines in 2021. As of May 26, 2024, Darden APAC has 3 franchised Olive Garden restaurants open in the Philippines.

Our affiliate, Darden Concepts, Inc., which began as a Florida corporation incorporated on May 25, 2005 and subsequently converted to a Delaware corporation on November 10, 2015 (“Darden Concepts”), previously offered franchises for Olive Garden® restaurants in the United States, Puerto Rico, and Guam beginning in 2012. As of May 26, 2024, Darden Concepts had no open franchised Olive Garden® restaurants.

Our affiliate, Olive Garden Franchising, LLC, a Florida limited liability company formed on December 13, 2019, began offering franchises for Olive Garden restaurants in the United States and Canada in 2020. As of May 26, 2024, there are 2 franchised Olive Garden restaurant open in the United States.

Our affiliate, RARE Hospitality Management, LLC, a Delaware limited liability company formed on December 22, 1993, offered franchises for LongHorn Steakhouse restaurants in the United States, Puerto Rico, and Guam from 1997 until 2019. Our affiliate, RARE Hospitality International, Inc., a Georgia corporation formed on December 29, 1982 (“RHI”), began offering franchises for LongHorn Steakhouse restaurants internationally in 1997. Our affiliate, LongHorn Franchising, LLC, a Florida limited liability company formed on March 3, 2020, began offering franchises for LongHorn Steakhouse restaurants in the United States and Canada in 2021. As of May 26, 2024, RARE Hospitality Management, LLC has 18 franchised LongHorn Steakhouse restaurants open in the United States, Puerto Rico, and Guam, and RHI and LongHorn Franchising, LLC have no open franchised LongHorn Steakhouse restaurants.

Our affiliate, Capital Grille Franchising, LLC, a Florida limited liability company formed on November 29, 2023, began offering franchises for The Capital Grille restaurants in the United States in 2024. Our affiliate, Capital Grille Holdings, Inc., a North Carolina corporation incorporated on March 5, 1997, previously offered franchises for The Capital Grille restaurants internationally beginning in 2012 and previously offered franchises for The Capital Grille restaurants in the United States beginning in 2022. On February 1, 2024, Capital Grille Holdings, Inc. transferred its franchise-related assets to Capital Grille Franchising, LLC and, in connection with that transfer, Capital Grille Franchising, LLC assumed all of Capital Grille Holdings, Inc.’s existing franchise agreements. Our affiliate, RHI, previously offered franchises for The Capital Grille restaurants internationally beginning in 2012. Our affiliate, LongHorn Franchising, LLC, began offering franchises for The Capital Grille restaurants in Canada in 2022. As of May 26, 2024, Capital Grille Franchising, LLC has no open franchised The Capital Grille restaurants open in the United States and 2 franchised The Capital Grille restaurants open internationally, Capital Grille Holdings, Inc. has no franchised The Capital Grille restaurants open in the United States or internationally, and RHI and LongHorn Franchising, LLC have no open franchised The Capital Grille restaurants.

Our affiliate, Yard House Franchising, LLC, a Florida limited liability company formed on November 29, 2023, began offering franchises for Yard House restaurants in the United States in 2024. Our affiliate, Yard House USA, Inc., a Delaware corporation incorporated on June 13, 2007, previously offered franchises for Yard House restaurants in the United States beginning in 2022. As of May 26, 2024, there are no franchised Yard House restaurants open in the United States.

Our affiliate, Cheddar’s Casual Café, Inc., a Delaware corporation incorporated on April 17, 2003, began offering franchises for Cheddar’s Scratch Kitchen restaurants in 1984. As of May 26, 2024, there are 3 franchised Cheddar’s Scratch Kitchen restaurants open in the United States.

Darden Corporation began offering franchises for Bahama Breeze restaurants in the United States in 2018. As of May 26, 2024, there is 1 franchised Bahama Breeze restaurant open in the United States.

Our affiliate, Darden Direct Distribution, Inc., a Florida corporation incorporated on March 19, 2004 (“Darden Direct Distribution”). Darden Direct Distribution has never offered franchises in any line of business.

Darden, RCSH Operations, Inc., RHGI, Darden Corporation, Darden Concepts, Inc., Darden APAC, LLC, Olive Garden Franchising, LLC, RHI, RARE Hospitality Management, LLC, LongHorn Franchising, LLC, Capital Grille Franchising, LLC, Capital Grille Holdings, Inc., Yard House Franchising, LLC, Yard House USA, Inc., Cheddar's Casual Café, Inc., and Darden Direct Distribution share our principal business address.

Except as otherwise described above, no other parents, predecessors, or affiliates required to be disclosed in this Item directly offer franchises in any other line of business, or otherwise conduct business of the type being offered to you in this Disclosure Document.

### Market and Competition

The food service business is highly competitive in pricing, service, location, and food quality. Business is often affected by changes in consumer tastes, economic conditions, convenience, demographics, and traffic patterns. You must expect to compete with many other full-service quality dining restaurants offering a wide range of comparably priced food and beverage items. Competitors include large numbers of national and regional restaurant chains and franchised restaurant systems, as well as locally owned independent restaurants. Additionally, many of these competitors may have substantial financial, marketing, and other resources and may be well established in your market area. There is also active competition for management and service personnel, as well as for attractive commercial real estate sites suitable for restaurants.

### Special Industry Regulation

Some states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Restaurant, including those which (a) establish general standards, specifications and requirements for the construction, design and maintenance of the Restaurant premises; (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness; (e) control the sale of alcoholic beverages; and (f) regulate the proper use, storage and disposal of waste, insecticides, and other hazardous materials. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your franchise and should consider both their effect and cost of compliance.

In addition to the laws, regulations, and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupational Safety and Health Act, you should consider that certain aspects of the restaurant business are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local departments of health and other agencies have laws and regulations concerning the preparation of food and sanitary conditions of restaurant facilities. State and local agencies routinely conduct inspections for compliance with these requirements. Under the Clean Air Act and state implemented laws, certain state and local areas are required to attain, by the applicable statutory guidelines, the national air quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of those laws impose caps on emissions resulting from commercial food preparation.

To operate the Restaurant, you also will need to obtain a liquor license. State and local laws, regulations and ordinances vary significantly in the procedures, difficulty and cost associated with obtaining a license

to sell liquor and other alcoholic beverages, the restrictions placed on the manner in which liquor and other alcoholic beverages may be sold, and the potential liability imposed by dram shop laws involving injuries, directly and indirectly, related to the sale of liquor and other alcoholic beverages and their consumption. You will need to understand and comply with those laws in operating the Restaurant.

## **ITEM 2. BUSINESS EXPERIENCE**

### Director, Manager, and President: Bradley S. Smith

Bradley S. Smith has served as a Director and Manager of Ruth's Chris Steak House Franchise, LLC since August 29, 2023, and as President since April 1, 2024. He has also served as President of LongHorn Franchising, LLC since March 2020, President of Olive Garden Franchising, LLC since December 2019, Senior Vice President, Franchising for Capital Grille Holdings, Inc. since June 2019, Senior Vice President, Franchising for Darden since June 2019, and Senior Vice President, Franchising for Yard House USA, Inc. since October 2019. He served as Vice President of International Development for Darden from September 2017 to May 2019.

### Director, Manager, and Treasurer: Angela Simmons

Angela Simmons has served as Director and Manager of Ruth's Chris Steak House Franchise, LLC since December 31, 2023, and as Treasurer since April 1, 2024. Ms. Simmons has also served as Treasurer for LongHorn Steakhouse Franchising, LLC since March 2020, Treasurer for Olive Garden Franchising, LLC since December 2019, President and Treasurer for Capital Grille Holdings, Inc. since September 2020, Senior Vice President, Corporate Tax for Darden since June 2019, and President and Treasurer for Yard House USA, Inc. since September 2020. She served as Vice President, Corporate Tax for Darden from July 2014 to June 2019, and in various other positions for Darden from July 2004 to July 2014.

### Director, Manager, and Secretary: Tina Webster

Tina Webster has served as Director, Manager, and Secretary of Ruth's Chris Steak House Franchise, LLC since April 1, 2024. Ms. Webster has also served as the Secretary of Olive Garden Franchising, LLC since February 2021. She has additionally served as Vice President and Associate General Counsel for Darden since January 2021, Secretary for LongHorn Franchising, LLC since February 2021, Assistant Secretary for Capital Grille Holdings, Inc. since January 2021, and Assistant Secretary for Yard House USA, Inc. since January 2021. Ms. Webster was not employed from August 2019 to January 2021. Previously, Ms. Webster served as Vice President, Legal for Travel + Leisure Co., located in Orlando, Florida, from July 2010 to August 2019.

Unless otherwise stated above, each individual listed in Item 2 maintains an office at our headquarters in Orlando, Florida.

## **ITEM 3. LITIGATION**

No litigation is required to be disclosed in this Item.

## **ITEM 4. BANKRUPTCY**

No bankruptcy information must be disclosed in this Item.

**ITEM 5.  
INITIAL FEES**

Franchise Fee

You must pay a \$100,000 franchise fee upon signing of the Franchise Agreement for a specific location. All franchise fees are fully earned by us on our receipt and are non-refundable.

Generally, our franchise fees are uniformly imposed on our franchisees, however, in certain unique circumstances, we may reduce or waive a fee for a particular franchisee.

New Store Opening Assistance Training Expenses

We send our personnel to your Restaurant to conduct the New Store Opening and Training Assistance. You must reimburse us for all expenses we incur in connection with this training, such as costs of travel, lodging, meals, and wages (including benefits) for employees who conduct the training (the Pre-Opening Team). Once New Store Opening and Training Assistance is complete, we will send you an invoice for these costs. We estimate these costs will be \$80,000 to \$150,000, but these costs may be higher if your restaurant opening is beyond 16 months from the date of this Franchise Disclosure Document.

**ITEM 6.  
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	5% of Net Sales	By the 15 <sup>th</sup> day of each calendar month	See Note 1.
Global Marketing Fund Contribution	1% of Net Sales	Same as Royalty Fee.	We may increase the Global Marketing Fund Contribution, provided the combined total of the Global Marketing Fund Contribution and Local Marketing Expenditure will not exceed 4% of Net Sales. See Note 2.

Type of Fee	Amount	Due Date	Remarks
Local Marketing Expenditure	2% of Net Sales	You must spend this minimum amount on local marketing during each calendar quarter. If you fail to do so, we may collect such unspent amounts, which is due upon invoice, and deposit such amounts into the Global Marketing Fund.	We may increase the required Local Marketing Expenditure, provided the combined total of the Global Marketing Fund Contribution and Local Marketing Expenditure will not exceed 4% of Net Sales. See Note 2.
On-Site Assistance and Additional Training	Reimbursement for all training-related expenses for providing either or both pre-opening on-site assistance during the initial 15-day minimum period and/or for on-site assistance provided during the franchise term	Upon demand	See Note 3
Replacement or Continuing Training	Our then-current training fee	Upon invoice	Payable to us to provide training to your replacement or successor management-level personnel or if we designate or you request additional training.
Taxes on Payments to Us	Amount of tax	As required by the applicable government agency	See Note 4
Late Charges	Lesser of the maximum amount permitted by law or the prime commercial lending rate as quoted by the Wall Street Journal plus five percent (5%) on the day the payment is due	On demand	See Note 5
Interest	Lesser of the Wall Street Journal prime rate or the maximum rate permitted by applicable law	On demand	Due on all overdue amounts payable to us by you

Type of Fee	Amount	Due Date	Remarks
Audit Fees	Cost of audit	On demand	If an inspection reveals underpayment by 2% or more, you must reimburse us all costs and expenses we incurred in connection with the inspection. See Note 6
Relocation Fee	\$50,000	Prior to relocation	
Extension Fee	\$50,000 for 6-month extension, or \$100,000 for 12-month	Upon invoice	Payable to us if you request an extension of the Restaurant's Opening Deadline under the Franchise Agreement. Total cumulative extension may not exceed 12 months.
Transfer Fee	\$50,000	Prior to transfer	See Note 7
Renewal Fee	\$30,000	On signing renewal Franchise Agreement	See Note 8
Insurance Fee	Our then-current fee to compensate us for procuring insurance.	On demand	See Note 9
Product Inspection and Testing	Reasonable cost of inspection or the actual cost of testing.	When billed	See Note 10
Event of Default Fee (Franchise Agreement)	\$1,000 for each day following notice that an uncured default persists	Within five days of receipt of written notice from us	Payable to us as liquidated damages for each event of default that occurs during the term of the Franchise Agreement.
Correction of Deficiencies	Reasonable fee to cover expenses incurred in connection with correcting deficiency	On demand	See Note 11
Technology Fee	Then-current fee (currently \$0)	To be determined	See Note 12

Type of Fee	Amount	Due Date	Remarks
Legal Fees and Indemnification	Varies according to cost or loss incurred.	On demand	See Note 13
Collection costs and expenses	To be determined	On demand	See Note 14
Liquidated Damages	Based on formula (see Note 15)	Within 30 days of termination	See Note 15
Guest Satisfaction Monitoring	Reimbursement for the costs of any mystery shopper, guest satisfaction, or other related customer monitoring service	Upon invoice	See Note 16
Meetings / Conference	Our then-current fee	Upon invoice	Payable to us, at our sole option, for you and your managers to attend system-wide meetings.

All of the above fees are uniformly assessed (unless unique circumstances exist or the parties negotiate a different fee), fully earned upon receipt and non-refundable.

**Note 1.** “Net Sales” means Gross Sales minus mandatory taxes actually paid to a government authority, Franchisor approved discounts and marketing comps not to exceed two percent (2%) of Gross Sales annually, and any discretionary gratuity or service charges paid directly on your regular payroll cycle to tipped wage employees (positions limited to servers, bussers, and bartenders) whom are paid below government mandated minimum wage and where discretionary gratuities are all or part of the employee’s weekly/monthly wages. “Gross Sales” means the total sales of all goods or services whether on or off premises defined as the total selling price as listed on any approved menus plus any taxes, service charges or any other item(s) added to any guest receipt prior to any reductions of any kind such as discounts, comps, special offers, coupons, voucher credits, trade for product or services.

**Note 2.** See Item 11 of this Disclosure Document for more information about the Global Marketing Fund and minimum Local Marketing Expenditures.

**Note 3.** See Item 11 of this Disclosure Document for more information about our initial training requirements. We will provide initial tuition-free training to your management-level personnel: Operating Principal, General Manager, Executive Chef, and three Restaurant managers. You are responsible for all training related expenses incurred by persons attending the initial training program including, without limitation, costs of travel, lodging, meals and wages.

The Operating Principal, General Manager, Executive Chef, and other of your management-level personnel that we designate are required to attend additional training programs and seminars that we may offer from time to time. We may impose a reasonable fee for these programs and seminars except for the pro rata assessment of any third-party fees incurred in providing such programs (i.e., speaker’s fees and the like). You will be responsible for all attendance-related expenses including, without limitation, costs of travel, lodging, meals and wages.

**Note 4.** You are responsible for all taxes, if any government agency imposes a tax (except for income tax) unless the tax is credited against income tax that we otherwise must pay, you also must pay us an amount equal to the tax.

Note 5. If you fail to pay us any amount as and when due, we can impose a late charge for each 30 days that the payment continues to be unpaid.

Note 6. We have the right to review, audit, examine, and copy all of your books and records as we may require, and you must make your books and records available to us or our designees immediately upon request. If any inspection reveals that you have understated any amount that you are required to pay us, you must immediately pay us the understated amount plus interest. If an inspection discloses an understatement in any report of 2% or more, you must also reimburse us (in addition to interest and any late charges that may have accrued, as described in Note 7, above) all costs and expenses that we incurred in connection with the inspection (including reasonable accounting and attorney's fees). Although audit and inspection costs are uniformly imposed on all franchisees subject to this Disclosure Document, the cost of each audit or inspection may not be the same for each franchisee. Audit and inspection costs will vary depending on factors such as the audit or inspection firm utilized, billing arrangements and time spent to complete the audit or inspection.

Note 7. See Item 17 of this Disclosure Document for more information concerning your right to transfer your interest in the franchise.

Note 8. See Item 17 of this Disclosure Document for more information concerning your renewal rights.

Note 9. See Item 8 for more information about our minimum insurance requirements. If you fail to obtain and maintain required insurance, we have the right to procure the insurance on your behalf.

Note 10. See Item 8 of this Disclosure Document for more information about our supplier approval process.

Note 11. Should you fail to correct a deficiency detected during any inspection, we may correct the deficiency and charge you a reasonable fee in so acting.

Note 12. We do not presently offer a proprietary software package or software support to you or otherwise require you to obtain or access any aspects of the computer system or related technology systems, services, platforms, and software from or through us, but reserve the right to do so in the future. We may impose a technology fee if we require you to obtain or access technology systems, services, platforms, and software we require you to obtain or access through us or our affiliates. If we establish a technology fee, you must pay the then-current technology fee in connection with any aspects of the computer system or related technology systems, services, platforms, and software that we require you to obtain from or access through us, and we may increase or otherwise change the amount of the technology fee upon prior written notice to you, including upon changes in the technology systems, services, platforms, and software that you obtain or access through or from us or changes in our costs regarding such technology systems, services, platforms, and software.

Note 13. You must reimburse us all court costs and reasonable attorneys' fees that we may incur in enforcing the confidentiality and restrictive covenants in the Franchise Agreement, as well as legal fees and indemnification.

Note 14. You must reimburse us all collection costs and expenses, including costs and commission due to a collection agency, costs incurring in creating or replicating Net sales reports, reasonable legal fees, attorneys' fees, court costs, appellate costs, we incur in enforcing the terms of the Franchise Agreement, including in collection any monies you owe to us.

Note 15. If we terminate the Franchise Agreement due to your uncured default, you must pay, as liquidated damages and not a penalty, us the following amount: (i) where there are less than three (3) years remaining

in the agreement's term, the average Royalty Fee paid by Franchisee during the previous two (2) years of operation of the Restaurant multiplied by the number of months remaining in the term; (ii) where there are three (3) or more years remaining in the term and the Restaurant has operated for at least two (2) years, the average Royalty Fee paid by Franchisee during the previous two (2) years of operation of the Restaurant multiplied by twenty-four (24) months; and (iii) where there are three (3) or more years remaining in the term and the Restaurant has not opened or has operated for less than two (2) years, the average Royalty Fee paid by System franchisees for the month that termination is effective multiplied by twenty-four (24) months.

**Note 16.** If we elect to require, you must engage and use any mystery shopper, guest satisfaction, or other related customer monitoring service provider we designate, and you must pay the provider's then-current fees for such services. At our option, you may be required to reimburse us for the costs of the mystery shopper, guest satisfaction, or other related customer monitoring service rather than pay the third-party provider directly.

**ITEM 7.**  
**ESTIMATED INITIAL INVESTMENT**  
**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Is To Be Made</b>
Franchise Fee (non-refundable) <sup>(1)</sup>	\$100,000	Lump Sum	At signing Franchise Agreement	Us
Site Location Feasibility and Marketing Study <sup>(2)</sup>	\$5,000 to \$10,000	Lump Sum	As arranged	Suppliers
Real Estate and Improvements <sup>(3)</sup>	\$1,000,000 to \$3,500,000	As Arranged	As arranged	Lessor and Contractors
Equipment, Furniture and Fixtures <sup>(4)</sup>	\$750,000 to \$970,000	As Arranged	Prior to opening	Suppliers
Signage <sup>(5)</sup>	\$25,000 to \$85,000	As Arranged	Prior to opening	Suppliers
Pre-Opening Marketing and Public Relations <sup>(6)</sup>	\$30,000 to \$70,000	As Arranged	As Arranged	Suppliers
Pre-Opening & Training Inventory (Food & Beverages) <sup>(7)</sup>	\$90,000 to \$200,000	As Arranged	As Arranged	Suppliers
Initial Inventory (Food & Beverages) <sup>(8)</sup>	\$120,000 to \$350,000	As Arranged	As Arranged	Suppliers
Point of Sale Computer Hardware and Software and Office Material <sup>(9)</sup>	\$25,000 to \$150,000	As Arranged	As Arranged	Suppliers
Management Training Expenses <sup>(10)</sup>	\$57,000 to \$120,000	As Arranged	As Arranged	Suppliers, employees

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
New Store Opening Assistance Training Expense <sup>(11)</sup>	\$80,000 to \$150,000	As Arranged	As Arranged	Us
Alcoholic Beverages License and other Business Permits <sup>(12)</sup>	\$10,000 to \$180,000	Lump Sum	As Arranged	Licensing Authorities
Insurance deposits and Premiums (for first year) <sup>(13)</sup>	\$30,000 to \$45,000	Lump Sum	As Arranged	Insurers
Utility Deposits <sup>(14)</sup>	\$5,000 to \$100,000	Lump Sum	Monthly	Utility Companies
Additional Funds (3 months) <sup>(15)</sup>	\$150,000 to \$350,000	As Arranged	As Arranged	Suppliers, employees
<b>TOTALS</b>	<b>\$2,477,000 to \$6,380,000</b>			

Notes:

1. Initial Fees

See Item 5 for more information about the Franchise Fee.

2. Site Location Feasibility and Market Study

Prior to your opening of a System Restaurant, a demographic and market analysis should be conducted to determine population and density amounts, disposable household incomes, traffic counts and patterns, nature and scope of known competitors, and the like. These factors will need to be assessed prior to the acceptance of the location but not as a pre-condition of the signing of the Franchise Agreement. See Item 11 for additional information regarding site selection.

3. Real Estate and Improvements

System Restaurants typically are located in urban and suburban areas, and range in size from 6,000 to 12,000 square feet. Free-standing units in suburban locations will typically require from 60,000 to 87,120 square feet of land for the Restaurant and adequate parking facilities. The cost of commercial land or space (depending on whether you purchase or lease real estate) varies considerably depending upon the location and conditions affecting the market for commercial property. We estimate that rent for leased space may range from \$120,000 to \$360,000 per year, depending on factors such as size, condition, and location of the leased premises. You also may be required to pay a security deposit, which typically does not exceed the amount of two months' rent. Costs for converting improved real estate to a System Restaurant vary widely depending on the previous use and the condition of the property. Costs for purchasing real estate and constructing a Ruth's Chris Steak House Restaurant vary depending on the location and the condition of the property. You should consult a real estate professional in your geographic area before purchasing a franchise. The figures in the chart assume three months' rent and a security deposit.

4. Equipment, Furniture and Fixtures

You must purchase or rent kitchen equipment and restaurant and bar furnishings and fixtures. The figures in the chart assume that you will purchase these items.

5. Signage

You will need, among other things, a monument double-sided or pylon sign (free standing) and a building sign.

6. Pre-Opening Marketing and Public Relations

During the period beginning from 15 days before to 30 days after opening of the Restaurant you must arrange grand opening activities which may include digital advertising, local print advertising, radio, billboards, a direct mail campaign, a public relations program, specialty items, food and drinks, newspaper advertising, and related campaigns. You must also hold “rehearsal dinners” (training events) prior to opening day which shall include complimentary dinners for approximately 150 guests per evening. You are obligated to create and execute a marketing plan related to the grand opening for the restaurant. We must pre-approve all promotional expenditures.

7. Pre-Opening & Training Inventory (Food and Beverages)

The figures in the chart include the costs of food and beverages necessary for training and pre-opening events. Your beverage costs may vary depending upon local state alcohol distribution laws.

8. Initial Inventory (Food and Beverages)

The figures in the chart include the costs of your initial inventory of food, dry goods and beverages necessary to open and serve customers and your initial beverage order of core items. Food and dry goods are estimated for a 10-day and 16-day inventory, respectively.

9. Point of Sale Computer Hardware and Software & Office Material

See Items 8 and 11 for a description of required computer hardware and software.

10. Management Training Expenses

See Item 11 for a description of our training program. The figures in the chart include hotel and air travel expenses.

11. New Store Opening Assistance Training Expenses

See Item 11 for a description of our training program. The figures in the chart include any expenses incurred by our Pre-Opening Team, such as costs of travel, lodging, meals, and wages (including benefits), which you must pay to us upon receipt of an invoice. Your actual costs may be higher if the restaurant opening is beyond 16 months from the date of this Franchise Disclosure Document.

12. Alcoholic Beverages License and Other Business Permits

As described in Item 1, you will need to obtain from the state, city or county in which you operate the Restaurant a license for the on-premises sale of alcoholic beverages. You must obtain other necessary permits and licenses directly from government authorities or through your contractors.

You should check with your state licensing authority to determine the cost and availability of a liquor license as this cost varies widely.

13. Insurance Deposits and Premiums (for first year)

The estimated cost of annual premiums for the policies required by the Franchise Agreement will vary significantly based on your location, and the claims experience of commercial businesses in the area, as well as your claims experience in other businesses you operate.

14. Utility Deposits

The figure in the charts represents estimated deposits for telephone, electricity and other utilities.

15. Additional Funds (3 months)

These additional funds include on-hand working capital to defray the cost of office supplies, uniforms, pre-opening salaries and meals, temporary office facilities, the cost of recruiting employees, meals for the training team, and/or owner distributions.

These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as your management skill, experience and business acumen, local economic conditions, the prevailing wage rate, competition and the sales level reached during the initial period. In addition, inflation may impact various costs, including, among others, building costs, equipment, furniture, fixtures, signage, and inventory. In preparing these estimates, we relied on our affiliates' experience in opening and operating System Restaurants. The figures in the chart, however, are estimates of average expenses. Your actual expenses may exceed the estimates reflected in the chart. You should review these figures carefully and compare them with information you obtain from local sources, and then discuss your findings with a business or other legal advisor before you make a decision to purchase a Ruth's Chris Steak House franchise. Please note that these figures are not influenced by any particular level of sales as these expenses are incurred prior to the opening of the System Restaurant.

No part of the initial investment which is payable to us is refundable under any circumstances.

To our knowledge, the costs and expenses described above are not refundable; however, you should check with the third parties regarding their practices. We do not offer, either directly or indirectly, financing to you in connection with the initial investment.

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

### Approval of Suppliers

One of the benefits of opening a System Restaurant is the ability to take advantage of our relationships with various suppliers and the pricing programs that we have procured from these suppliers based on the volume purchasing of our System of Company/Affiliate-owned and franchised locations. Moreover, having sets of approved suppliers ensures greater quality control of our brand and a more consistent dining experience for our customers.

We have and may continue to develop for use in the System certain products, including proprietary products that are prepared from highly confidential secret recipes and that are our trade secrets. Because of the importance of quality and uniformity of production and the significance of those proprietary products in

the System, we must closely control the production and distribution of those proprietary products. Accordingly, if proprietary products become a part of the System, you must only use our secret recipes and other proprietary products, and must purchase solely from us or from a source designated by us all of your requirements for those proprietary products.

You must comply with all of our standards and specifications (including brand specifications) relating to the purchase of all core food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment and other products used or offered for sale at the Restaurant. These standards and specifications are provided to you in our Manuals. Except as provided below, you must obtain those items from suppliers (including manufacturers, distributors, and other sources) who continue to demonstrate the ability to meet our then-current standards and specifications for food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment, and other items used or offered for sale at System Restaurants, who possess adequate quality controls and capacity to supply your needs promptly and reliably; who we have approved in writing before any purchases by you from the supplier; and who we have not thereafter disapproved. Our approval of a supplier will not constitute a representation or warranty of any kind.

If you desire to purchase, lease, or use any products or other items from an unapproved supplier, you must submit to us a written request for approval, or request that the supplier itself do so. You must not purchase or lease from any supplier until and unless the supplier has been approved in writing by us. We will advise you of any such approval/disapproval within 30 days after receipt of your request. We may require that our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered either to us or to an independent laboratory which we have designated for testing. You or the supplier must pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the test. We may, at our option, re-inspect from time to time the facilities and products of any approved supplier and may revoke our approval upon the supplier's failure to continue to meet any of our then-current criteria. Nothing above may be construed to require us to approve any particular supplier.

Alternatively, in lieu of designating one or more approved suppliers for certain food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment, products, or services, we may, at our sole option, provide you with the then-current standards for such food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment, products, or services. If we, at our sole option, elect not to designate one or more approved suppliers for a particular food and beverage item, ingredient, supply, material, fixture, furnishing, equipment, or other product or service, then you may obtain such item, ingredient, supply, material, fixture, furnishing, equipment, product, or service from any supplier or source as long as such item, ingredient, supply, material, fixture, furnishing, equipment, product, or service fully satisfies our then-current standards.

You must permit us or our agents, at any reasonable time, to remove a reasonable number of samples of food or non-food items from your inventory, or from the Restaurant, without payment, for testing by us or an independent laboratory to determine whether the samples meet our then-current standards and specifications. We may require you to bear the cost of the testing if the supplier of the item has not previously been approved by us or if the sample fails to conform to our specifications.

You must purchase or lease and install and maintain at your expense, all fixtures, furnishings, equipment, decor items, signs, and related items as we may reasonably direct from time to time in the Manuals or otherwise in writing; and must refrain from installing or permitting to be installed on or about the Restaurant premises, without our prior written consent, any fixtures, furnishings, equipment, decor items, signs or other items not previously approved as meeting our standards and specifications. If any of the property described above is to be leased from a third party, the lease must be submitted to us for our approval at least 30 days before execution. Our approval may be conditioned upon the lease containing a provision that permits your

interest in the lease to be assigned to us upon the termination or expiration of the Franchise Agreement and that prohibits the lessor from imposing an assignment or related fee upon us in connection with the assignment. Our approval of the above-described items will not constitute a representation or warranty of any kind, including a representation that such items are free of defect or suitable for a particular purpose.

You must purchase the point-of-sale cash registers or systems, computer systems, software, and equipment that we approve. The point-of-sale system must be compatible with our data collection software. If the system you choose is not on the integration list for our data software, then you must pay us to have the point-of-sale system and related equipment integrated. We currently require you to obtain and use certain analytics software from an approved vendor we designate. Item 11 of this Disclosure Document provides more detailed information about our computer hardware and software requirements.

In addition, we may require you to purchase and utilize any upgrades, additions, enhancements or replacements of the hardware or software, some of which may be developed and licensed by or on behalf of us or an affiliate, or otherwise required by us at such cost as we or our approved vendors make such upgrades, additions, enhancements, and replacements available to franchisees (See Items 6 and 11). You may use standard, off-the-shelf general business applications software such as Microsoft Office obtained from an authorized reseller for use in the franchised Restaurant.

If we elect to require you to obtain or access any aspects of the computer system or related technology systems, services, platforms, and software from or through us, we may require you to pay us a monthly technology fee, as further detailed in Item 6. We do not current change a technology fee as we do not presently offer a proprietary software package or software support to you or otherwise require you to obtain or access any aspects of the computer system or related technology systems, services, platforms, and software from or through us. We may make changes to the types, nature, and ultimate vendor of any aspect of the computer system or any technology systems, services, platforms, and software we require you to obtain or access from or through us. When and if established, your precise monthly technology fee may change if there are changes in any aspect of the computer system or in the technology systems, services, platforms, and software we require you to obtain or access from or through us, or in our costs regarding such technology systems, services, platforms, and software.

In connection with your local marketing, you must use an advertising/marketing agency acceptable to us.

### Insurance

During the franchise term, you must obtain and maintain certain minimum types and amounts of insurance coverage as we periodically specify in the Manuals (which we may change from time to time). All required insurance must be written by an insurance carrier or insurance carriers acceptable to us, which insurance carrier must have and maintain an A.M. Best's Financial Strength Rating of A- (Excellent) or better and Financial Size Category of X or higher. Currently, we require the following types of insurance and minimum coverage limits for each Restaurant:

1. Comprehensive General Liability Insurance, including personal and advertising injury coverage, products liability insurance, and coverages for fire legal liability, and medical expenses, in the amount of at least \$2,000,000.00 combined single limit.
2. Liquor Legal Liability Insurance in the amount of at least \$2,000,000.00 combined single limit.
3. "All Risks" property coverage, including fire and extended coverage, vandalism, and malicious mischief insurance for the replacement value of the Restaurant's premises and its contents; crime

insurance, including but not limited to, employee dishonesty and loss of money and securities (both inside and outside the premises).

4. Automobile liability coverage, including coverage of owned, non-owned, and hired vehicles (including, without limitation, any vehicles performing off-site sales or deliveries), including personal injury, wrongful death, and property damage, with coverage in amounts not less than \$1,000,000.00 combined single limit.

5. Business interruption insurance, with limits not less than \$1,000,000 in the aggregate.

6. Cyber Liability Insurance in the amount of at least \$1,000,000.00 combined single limit.

7. Employment practices liability, unemployment insurance, and workers' compensation insurance in amounts provided or described by Applicable Law, and employers' liability insurance with coverage limits of not less than: \$1,000,000.00 each bodily injury by accident; \$1,000,000.00 bodily injury by disease; and \$1,000,000.00 each employee for bodily injury by disease.

8. Any other insurance required by the state or locality in which the Restaurant is located and operated.

9. An "umbrella" policy providing coverage excess to the policies described above, with limits of not less than \$5,000,000.00 (except that if you own five or more System Restaurants, this policy will maintain coverage with limits of not less than \$10,000,000.00).

Additional types of coverage and higher coverage limits might be appropriate for your particular Restaurant based upon, for example, the location of your Restaurant, and we recommend that you consult with your insurance advisor regarding the appropriate types of coverage and coverage limits sufficient to protect your Restaurant. In addition, in connection with any construction, renovation, refurbishment or remodeling of the Restaurant, you must maintain Builder's Risks insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to us.

At our request, you must furnish us with evidence of insurance coverage, including all schedules and endorsements that evidence coverage of us and our affiliates. If you fail or refuse to maintain any required insurance coverage, or to furnish satisfactory evidence to us, then we, at our sole option, and in addition to our other rights and remedies under the Franchise Agreement and/or Area Development Agreement, may obtain such insurance coverage on your behalf. If we do so, you must fully cooperate with our effort to obtain such insurance policies and pay us any costs and premiums that we incur. All policies must name us and our affiliates as additional insureds; include a waiver of subrogation provision or endorsement in favor of us and our affiliates; be primary and non-contributory to any other insurance that we or any of our affiliates has procured; provide for 30 days' prior written notice to us of any material modification, cancellation, or expiration of such policy; and include such other provisions as we may require from time to time.

#### Payments from Licensees and Franchisees for Goods and Services

Currently, neither we nor our affiliates are approved suppliers for any items you are required to purchase or lease in connection with the operation of the Restaurant. None of our officers own an interest in any approved supplier.

We or our affiliates may derive income from your purchases and leases to the extent that you purchase and lease goods directly from us or our affiliates. During the fiscal year ending May 26, 2024, neither we nor

our affiliates received revenue or other material consideration from required purchases or leases by our franchisees.

We did not receive rebates, revenue, or other material consideration from any suppliers based on franchisee purchases or leases during the fiscal year ending May 26, 2024, though we reserve the right to earn money for suppliers based on franchisees' purchases in the form of rebates, commissions, discounts, or other payments, and, subject to applicable law, we have no obligation to remit such funds to you or other franchisees.

We estimate that your required purchases and leases will account for 90% of your total purchases and leases in connection with establishing the Restaurant, and 90% of your purchases and leases in connection with the ongoing operation of the Restaurant.

Where appropriate and available, we may negotiate purchase arrangements with suppliers for the benefit of the System, including us, our affiliates, and franchisees, consistent with the terms that we negotiate on behalf of us. We do not provide you any material benefits (such as renewal rights or additional franchises) based on your use of designated or approved suppliers.

### **ITEM 9. FRANCHISEE'S OBLIGATIONS**

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

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Franchise Agreement 2.1 and 2.2	Items 8, 11 and 12
b. Pre-opening purchases/leases	Franchise Agreement 2.2, 7.4, 7.5, 7.6, 7.7(c), and 7.8; Exhibit B	Items 5, 6, 7, 8 and 11
c. Site development and other pre-opening requirements	Franchise Agreement 2.3, 2.4, 2.5, and 5.1	Items 6, 7 and 11
d. Initial and ongoing training	Franchise Agreement 5.8 and 6.6	Items 6, 7 and 11
e. Opening	Franchise Agreement 2.5, 7.5 and Exhibit E	Item 11
f. Fees	Franchise Agreement 3.2(h), 4, 6.6, 8, 11.3, 12.6 and 14.2(i)	Items 5, 6, 7 and 11
g. Compliance with standards and policies/operating manual	Franchise Agreement 7.4, 7.5 and 8;	Items 11 and 14
h. Trademarks and proprietary information	Franchise Agreement 7.9, 8, 9, 10, 17.2, and 18.3	Items 13 and 14
i. Restrictions on products/services offered	Franchise Agreement 7.5	Item 16

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
j. Warranty and customer service requirements	Franchise Agreement 7.5	Item 9
k. Territorial development and sales quotas	Franchise Agreement 1.4	Item 12
l. Ongoing product/service purchases	Franchise Agreement 7.4, 7.5, 7.6, and 7.8	Items 6 and 8
m. Maintenance, appearance and remodeling requirements	Franchise Agreement 3.2(b), 7.2, 7.3 and 17.2	Items 8 and 11
n. Insurance	Franchise Agreement 12 and 17.2	Items 7 and 8
o. Advertising	Franchise Agreement 5.4 and 8	Items 6, 8 and 11
p. Indemnification	Franchise Agreement 15	Item 6
q. Owner's participation / management / staffing	Franchise Agreement 6.3, 6.4 and 6.5	Item 15
r. Records / reports	Franchise Agreement 11 and 17.2	Item 6
s. Inspections / audits	Franchise Agreement 5.3, 7.4 and 11.3	Items 6 and 11
t. Transfer	Franchise Agreement 14 and 17.2	Items 6 and 17
u. Renewal	Franchise Agreement 3.2	Items 6 and 17
v. Post-termination obligations	Franchise Agreement 10.3(b) and 18	Items 6 and 17
w. Non-competition covenants	Franchise Agreement 10.3 and 18.7	Item 17
x. Dispute resolution	Franchise Agreement 21	Items 6 and 17
y. Personal Guaranty	Franchise Agreement 6.2(k)	Item 15

**ITEM 10.  
FINANCING**

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

**ITEM 11.  
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS & TRAINING**

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

Pre-Opening Obligations

Prior to the opening of the Restaurant to the public, we will offer certain services to you pursuant to the Franchise Agreement.

1. We will provide design guidelines and specifications for a System Restaurant. (Franchise Agreement, Sections 2 and 5.1).
2. Assign you a Pre-Opening Coordinator and, upon request, provide advice and recommendations regarding the pre-opening, construction, build-out, supply, administrative services, and marketing, sales, and promotion programs, and opening issues and matters. (Franchise Agreement, Section 6.6(c), 6.6(g), and 6.6(h)).
3. If, during an on-site inspection, we identify instances where your construction or remodeling is inconsistent with, or does not meet, our standards, we will notify you in writing of the deficiencies. (Franchise Agreement, Section 2.5).
4. Provide initial training programs for you and your management-level personnel and Opening Team for on-site training. For additional information, see “Training” below. (Franchise Agreement, Section 6.6(a), 6.6(b).).

#### Post-Opening Obligations

After the opening of the Restaurant to the public, we will offer the following additional services to you pursuant to the Franchise Agreement.

1. If, during the term of the Franchise Agreement, we develop and license to you any computer software to be used in the operation of the Restaurant, then we also will make available to you at a reasonable cost any upgrades, enhancements or replacements to the software that are developed from time to time by us or on our behalf. (Franchise Agreement, Section 5.2.)
2. From time to time, our representatives will make visits to the Restaurant and will evaluate the products sold and services rendered at the Restaurant. (Franchise Agreement, Section 5.3.)
3. Provide initial training programs for your successor and replacement management-level personnel. We have the right to charge you our then-current training fee for any initial training for your successor or replacement management-level personnel. At our option, we may provide continuing training for you and your management-level personnel. You must pay our then-current training fee for any continuing or additional training. You will be responsible for all costs and expenses related to any training, including travel, lodging, meals, wages, and other living expenses for your employees. In addition, at your request or as we deem appropriate, we will provide you with on-site remedial training. You must pay our then-current compensation rate for the services of our trainers, plus their travel, lodging, meal, and related costs. You will be solely responsible for all employment and personnel decisions involving your business and Restaurant(s), including all hiring decisions. We will not provide any assistance in hiring any of your employees. For additional information, see “Training” below. (Franchise Agreement, Section 6.6(a), 6.6(d), 6.6(f).)
4. We may provide you with advice and written materials concerning techniques of managing and operating System Restaurants that we have developed from time to time, including information about new developments and improvements in restaurant equipment and food products, source specifications, and packaging and preparation of food items. (Franchise Agreement, Section 5.5.)

5. From time to time, as we deem appropriate, we will provide you a list of approved suppliers. (Franchise Agreement, Section 5.7.) See Item 8 of this Disclosure Document for more information about approved suppliers.
6. We may conduct system-wide meetings periodically, including an annual operations conference. You and your management-level personnel must attend such meetings and conferences. At our option, we may require you to pay our then-current fee for you and your management-level personnel to attend such meetings or conferences. Any costs incurred by you or your personnel in attending such events will be your responsibility. (Franchise Agreement, Section 6.6(e).)
7. With respect to the offer and sale of all menu and beverage items and other products and services, we may from time to time offer guidance concerning what we believe to be the optimum selling prices for the goods, products and services. We reserve the right to establish minimum and/or maximum prices you may charge for food and beverage products, as permitted by law. We may establish a maximum price for any given good, product, or service nationwide or within an advertising market (as we determine). If we establish maximum prices, you will charge prices no higher than the maximum prices we specify. (Franchise Agreement, Section 7.5(d).)
8. We may require you and all System Restaurants to use a common type or version of point-of-sale or other computer hardware and software systems for all sales processing, inventory, order tracking, accounting, payroll, operations and other functions as may otherwise be required by us. Alternatively, we may develop or have developed for us a proprietary software package for use in all System Restaurants. (Franchise Agreement, Section 7.6(d).)
9. We will administer the Global Marketing Fund for the creation and development of marketing, advertising, and related programs and materials. We will direct all advertising and marketing programs under the Global Marketing Fund. (Franchise Agreement, Section 8.) For additional information, see “Advertising” below.

#### Site Selection and Opening (Franchise Agreement, Section 2.)

You assume all liability, expense and responsibility for locating, obtaining and developing the site for, and for constructing and equipping, the Restaurant. You must comply with the guidelines for site selection, including the following.

You are responsible for locating an acceptable site for your Restaurant. We anticipate that the premises for the majority of Restaurants will be leased, but you are not prohibited from acquiring a site that we have approved. Within 120 days following the effective date of your Franchise Agreement, you must locate and submit a report to us, with all of the information regarding the proposed site as required in the Manuals (“360 Site Report”). We will consider information in your 360 Site Report (which may include, without limitation, area maps, initial site plans, initial floor plans and layouts, initial business and operating plan (including Gross Sales, Net Sales, and expense projections), basic demographic and traffic pattern information, local transportation and parking facilities, and location of competing establishments). You must receive our written consent before developing the site. (Franchise Agreement, Section 2.1.)

After our receipt of all required site information and materials, we may, at our sole option and subject to the availability of our personnel, direct one or more of our representatives to visit the proposed site. The first such site visit will be without additional charge to you. For all subsequent site visits, regardless of whether undertaken at our initiative or at your request, you must promptly reimburse us for all travel expenses, wages and consultants’ fees incurred by us in connection with or related to such site visit(s). For the purpose of this paragraph “travel expenses” means costs and expenses incurred by or assessed in connection with

travel, hotel/lodging, transportation, meals, and, with regard to our employees', agents' and/or representatives' expenses, our then-current per diem charge determined by us in advance.

We will have 30 days after receipt of the 360 Site Report and materials to accept or reject, at our sole option, the proposed site as the location for the Restaurant. No site may be used for the location of the Restaurant unless it is first accepted by us in writing. Our acceptance of a site will not be deemed to be a representation or warranty that the site will be successful or attain a level or range of performance. If we disapprove a site, you must propose a new site (and submit a 360 Site Report for such new proposed site). If an acceptable site cannot be agreed upon within the time allowed to meet the scheduled opening date, we may agree to extend that date.

Within 90 days after we have accepted the site for the Restaurant as described above, you must acquire by purchase or lease, at your expense, such Site for the Restaurant. If you will lease the premises for the Restaurant, the lease must contain certain specified terms. You must submit a copy of the executed contract of sale or lease within 10 days after execution.

You must obtain any architectural, engineering, and design services necessary for the construction of the Restaurant at your expense, from a qualified and licensed architectural design firm chosen by you. You must retain a professional commercial kitchen designer to complete food service documents which shall be submitted, reviewed and approved by us. You must use the design guidelines and specifications for construction of System Restaurants, as necessary for the construction of the Restaurant, and must submit the proposed plans to us for review within 60 days of lease execution or purchase date. If we determine that the proposed plans do not satisfy our architectural, trade dress or design standards and specifications for a System Restaurant or are not consistent with the best interests of the System, we may prohibit the implementation of the plans. In this event, we will notify you of any objection(s) within 30 days after receiving the plans. If we do not timely reject the plans, you may use the plans.

If we reject the plans proposed by you, we will provide you with a reasonably detailed list of changes necessary to make the plans acceptable. We will, upon a resubmission of the plans incorporating the necessary changes, notify you within 15 days after receiving the resubmitted plans whether the revised plans are acceptable. If the plans (as changed) are still not acceptable, we will notify you of our objections as described above, and you must again resubmit the plans in accordance with the procedures described above until the plans are approved by us. If we fail to notify you of any objection within the 15-day period, you may use the resubmitted plans.

Once we have accepted the plans and issued a construction approval letter, if any substantial changes that alter the floor plan, operational efficiency, exterior esthetic or interior materials need to be made to the plans, you must notify us and obtain our prior acceptance of the revised plans.

Our acceptance of any plans proposed by you will not constitute a representation or warranty, expressed or implied, that the plans are free of architectural or other design errors, or that the plans will comply with applicable building or zoning laws; thus, we will have no liability to you or any other party with respect to the design guidelines and specifications.

You are responsible for obtaining all zoning classifications and clearances required by state or local laws, ordinances, or regulations that are necessary as a result of any restrictive covenants relating to the Location. Before beginning the construction of the Restaurant, you must (i) obtain all permits, licenses, and certifications required for the lawful construction or remodeling and operation of the Restaurant, and (ii) certify in writing to us that you have obtained the insurance coverage specified in the Franchise Agreement and that you have obtained all required approvals, clearances, permits, and certifications. Upon

request, you must provide to us additional copies of your insurance certificates or policies and copies of all approvals, clearances, permits, and certifications.

Within 30 days after final acceptance of all plans, receipt of governmental approvals, and other pre-conditions, you must commence construction or renovation (as applicable) of the Restaurant, and must then diligently pursue construction or renovation until completion. “Commencement of construction” means the time at which any site work (such as demolition of any existing facilities or excavation for new facilities) is initiated by you or on your behalf at the Location. During the time of construction or renovation, you must provide us with periodic reports, photographs, and/or videos we request regarding the progress of the construction or renovation. In addition, we may make on-site inspections to evaluate the progress of the construction or renovation. If, based upon the program reports or any inspections, we determine that construction or renovation is inconsistent with the accepted plans, we will notify you in writing of the deficiencies, and you must correct the deficiencies when and as we require. You must provide us at least 30 days advance written notice of scheduled date for completion of construction or renovation and projected opening date. Within a reasonable time after the date of completion of construction or renovation, we may conduct an inspection of the completed Restaurant.

You may not open the Restaurant for business without our written authorization, and we may condition that authorization upon your strict compliance with the Franchise Agreement, including the approved plans.

You must promptly complete all exterior and interior preparations for the Restaurant, including installation of equipment, fixtures, furnishings, and signs, pursuant to the plans and specifications which we approve, and must comply with all other pre-opening obligations. If you fail to comply with any of those obligations, we may prohibit you from commencing business.

You must comply with all pre-opening obligations and must then open the Restaurant and commence business on or before the opening deadline. You must provide a written report to us in the form we specify detailing all construction and development costs and expenses for the Restaurants within 30 days after opening. If you fail to begin operations by the required opening deadline, we may terminate the Franchise Agreement. Alternatively, in lieu of termination, if you fail to begin operating by the required opening deadline, you may purchase (i) up to two six-month extensions (for a total extension of 12 months) of the Restaurant’s opening deadline for \$50,000 per six-month extension (for a total cost of \$100,000) or (ii) a single 12-month extension of the Restaurant’s opening deadline for \$100,000. If you fail to begin operations within one year of the required opening deadline, we may terminate the Franchise Agreement, even if you had paid an extension fee. (Franchise Agreement, Sections 2.5 and 17.2.)

We estimate that our franchisees will open their Ruth’s Chris Steak House Restaurant 180-365 days after signing the Franchise Agreement or the first payment of consideration for the franchise. Factors which may affect this time period may include the time necessary to locate an acceptable site, to obtain necessary financing, to obtain permits and licenses necessary to construct and operate the Restaurant, to complete construction or remodeling (as it may be affected by other conditions, shortages, delivery schedules and other similar factors) to complete landscaping and to complete required training, as described below.

### Manuals

After you sign your Franchise Agreement, we will give you access to our Manuals. The Manuals may be in electronic format. A copy of the table of contents of the Manuals is attached to this Disclosure Document as Exhibit H. We consider the contents of the Manuals to be proprietary and confidential and you are bound by the restrictive covenants regarding our confidential information set forth in the Franchise Agreement

with respect to your use of the Manuals. The Manuals for operation of the Restaurant contain 800 pages. (Franchise Agreement, Section 5.5.)

## Training

### *Initial Training Program:*

You and your management-level personnel—your Operating Principal, General Manager, Executive Chef, and at least three (3) Restaurant managers—must attend and successfully complete, to our satisfaction, our initial training program. The management-level personnel for the Restaurant must complete the initial training at least 60 days before the opening date of the Restaurant. Your other owners, officers, directors, and development personnel may attend our initial training. We offer the initial training program on an as-needed basis. Our initial training may be conducted at our corporate offices in Orlando, Florida or at any of our affiliate-owned Restaurants. At our option, we may require an approved third party to conduct any training (including the initial training), meetings, or conferences. (Franchise Agreement, Section 6.6.)

We do not charge you any fee for your initial management-level personnel to attend the initial training. We reserve the right to charge our then-current training fee for to provide initial training to any replacement or successor management-level personnel you hire. Any replacement or successor management-level personnel must complete our initial training to our satisfaction before serving in such management-level position. You are solely responsible for all costs and expenses you and your personnel incur in connection with any training, including the cost of obtaining required certifications, compensation/wages, travel, lodging, meals, and other living expenses and miscellaneous costs.

If you fail to satisfy your initial training obligations, we may prohibit you from opening and commencing business at the Restaurant or, if you fail to cure your failure to satisfy the initial training program requirements within 30 days following notice from us, we may terminate the Franchise Agreement. (Franchise Agreement, Sections 2.5, 17.2.)

The following is a summary of the subjects covered and an estimate of the number of hours of classroom and on the job training allocated to the Initial Training Program. The format includes discussion, observation, hands-on application and daily validations. The ELITE manual outlines, describes and allows for validation of the Leadership skillsets while the S-MAC learning system provides the required information and validations for all staff positions.

### **TRAINING PROGRAM (Initial)**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location</b>
New Employee Orientation	8	0	Pre-approved certified learning center
MID Training Program	168	252	Pre-approved certified learning center
2 Week Home Transition	0	100	Pre-approved certified learning center

Our Learning and Development Partner will lead our training program. The Learning and Development Partner will have at least three years of restaurant management and/or training experience. Other employees of us or our affiliates who have training experience or experience in the operation of a Ruth's Chris Steak House (for example, opening, operations, or systems management) may also assist in training. The training materials for the initial Darden Approved Management Training currently consist of the Manuals (including the Manual, recipe book, training manual and marketing catalog), checklists, demonstrations, live instruction, and on-the-job instruction. Our initial training program is subject to change, without notice, to

reflect updates in the materials, methods, and Manuals and changes in personnel.

*Executive Operations Overview:*

We also offer a 3-week Executive Operations Overview designed to familiarize owners with the daily operations of a Ruth’s Chris Steak House.

There are six 10-hour training days per week. The format includes discussion, observation, hands-on application and daily validations. The ELITE manual outlines, describes and allows for validation of the Leadership skillsets while the S-MAC learning system provides the required information and validations for all staff positions. Certified coaches along with the local management team will facilitate the training and validation process. Their length of experience in the field varies based on tenure and previous work experience.

Training may only be conducted at our corporate offices in Orlando, Florida, at any of our affiliate-owned Restaurants, or a certified RCSH Learning Center. The location will be determined on a space availability basis and requires a minimum 3 week notice prior to a candidate being assigned to a Learning Center.

The following is a summary of the subjects covered and an estimate of the number of hours of classroom and on the job training allocated to the Executive Operations Overview training program.

**TRAINING PROGRAM (Executive)**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location</b>
Back of the House (prep, line positions, dish room, expo)	24	36	Our corporate office and/or a Restaurant we designate
Front of the House (host, bar, server, SA, runner)	24	36	Our corporate office and/or a Restaurant we designate
Shift Leadership (open, close, MID, GM follows, culture)	12	48	Our corporate office and/or a Restaurant we designate

As of May 26, 2024, pre-approved certified learning center locations for the Initial Training Program and the Executive Operations Overview training for both classroom and on-the-job training took place at our affiliate-operated restaurants.

Opening Training:

We will provide you with one or more of training personnel (the “Opening Team”) to provide on-site new restaurant opening training at your Restaurant in connection with the opening of a Restaurant. Such on-site training, which will involve approximately 40 hours of classroom training and 160 hours of on-the-job training, may occur before or after the Restaurant’s grand opening. You must reimburse us for all reasonable cost and expenses we incur in providing the Opening Team, including salaries, wages, personnel costs, travel, lodging, meals, and other living expenses and miscellaneous costs. Except as otherwise provided in this Item 11, you will be responsible for training all Restaurant personnel under the specifications and standards. (Franchise Agreement, Section 6.6(b).)

Additional Training:

At our option, we may provide continuing training from time to time. You, your management-level personnel, and other Restaurant personnel as we designate must attend and complete any continuing training programs or seminars that we require. Such additional or continuing training often pertains to new food recipes or updates to the system or brand standards. You must pay our then-current training fee for any continuing or additional training. You will be responsible for all costs and expenses related to any training, including travel, lodging, meals, wages, and other living expenses and miscellaneous costs. In addition, at your request or as we deem appropriate, we will provide you with on-site remedial training. You must pay our then-current compensation rate for the services of our trainers, plus their travel, lodging, meal, and related costs. (Franchise Agreement, Section 6.6(d).)

You and your management-level personnel must attend any system-wide meetings (including our annual operations conference) that we require. At our option, we may require you to pay our then-current fee for you and your management-level personnel to attend such meetings or conferences. You will be solely responsible for any costs and expenses incurred by you or your personnel in connection with attending such meetings or conferences, including travel, lodging, meals, wages, and other living expenses and miscellaneous costs. (Franchise Agreement, Section 6.6(e).)

### Advertising

All advertising, marketing, and promotional materials that you use in connection with your Restaurant must be approved by us and conform to the standards and requirements that we specify. We will review and approve or disapprove your local advertising, marketing, and promotional materials and campaigns. You may not use any advertising, marketing, and promotional materials that we have not approved in writing or have disapproved. We may make available to you from time to time, at your expense, certain sample promotional materials, including newspaper mats, coupons, merchandising materials, point-of-purchase materials, special promotions, and similar advertising and promotional materials. You must also participate in certain promotions and advertising programs that we establish as an integral part of our System, provided these activities do not contravene regulations and laws of appropriate governmental authorities. (Franchise Agreement, Section 8.1, 8.5, 8.6, 8.9.)

We have no obligation to conduct advertising, except through the Global Marketing Fund described below. We have established and intend to maintain a URL website, [www.ruthschris.com](http://www.ruthschris.com), promoting the System and identifying the location of franchise and company-owned Restaurants. We advertise nationally through our website. You are required to authorize us to identify and promote your Restaurant on our website and further authorize us to modify our website and to conduct promotions on a system-wide basis, and you and your Restaurant will participate in all such promotions. You are prohibited from establishing or utilizing your own URL website, mobile apps appearing on smartphones or other electronic devices (including, for example, Android Marketplace or the Apple Store), or social media webpage to promote your Restaurant, except as described in our Manuals. (Franchise Agreement, Section 8.9.)

### Global Marketing Fund

We administer a Global Marketing Fund (the “Global Marketing Fund,” formerly known as the National Advertising Fund) for the marketing, advertising, and promotion of Ruth’s Chris restaurants and for the creation and development of marketing, advertising, and related programs and materials, including electronic, print, and Internet media, as well as the planning and purchasing of national, international, regional, and/or local advertising. The Global Marketing Fund is intended to maximize recognition of our trademarks and patronage of Ruth’s Chris restaurants. The Global Marketing Fund will not be used by us for the targeted purpose of promoting franchise sales, but the application of the Global Marketing Fund may indirectly benefit franchise sales. (Franchise Agreement, Section 8.1.)

You are required to make a continuous, monthly contribution to the Global Marketing Fund (“Global Marketing Fund Contribution”) in an amount of 1% of the Net Sales of your Restaurant. As of the date of

this Disclosure Document, our existing franchisees in the United States contribute 1% of their Net Sales to the Global Marketing Fund. We may adjust the required amount of your Global Marketing Fund Contribution at any time upon 30 days' prior written notice to you, provided the combined total of the Global Marketing Fund Contribution and the amount you are required to spend on local marketing (as further described below) for your Restaurant will not exceed 4% of Net Sales of your Restaurant. (Franchise Agreement, Section 8.5.)

Restaurants owned by us or our affiliates do not contribute a percentage of Net Sales to the Global Marketing Fund.

We will direct all advertising and marketing programs that the Global Marketing Fund finances, with sole control over the creative concepts and materials, research methods, sponsorships, and endorsements used and their geographic, market, and media placement and allocation. We may use the Global Marketing Fund to pay the costs of research, creation and production of video, audio, electronic, and written advertising and marketing programs; administration of regional, multiregional, national, and international advertising and marketing programs, product and customer research and surveys, and testing and related development activities; promotional events; purchasing, participating in, developing, maintaining, and updating online, social media, radio, television, and billboard advertising and programming; employing marketing, social media, advertising and promotional agencies to assist therewith; conducting community relations activities; supporting public relations; creation and maintenance of websites and online presence; and such other advertising, marketing, and promotional activities as we determine are appropriate. The Global Marketing Fund may provide you with samples of advertising, marketing formats, promotional formats, and other materials at no cost as we deem appropriate, but you will be responsible for the cost of purchasing multiple copies of such materials if you want to use them and you will be responsible for the cost of using and placing such materials locally. We or an affiliate have an in-house advertising function that works with outside regional and national advertising agencies. (Franchise Agreement, Section 8.1.)

We have no obligation to spend any amount on advertising in an area where each franchisee is located. In administering the Global Marketing Fund, we are not required to make expenditures for you that are equivalent or proportionate to your contribution or to ensure that any particular franchisee benefits directly or proportionately from the administration of the Global Marketing Fund and placement of advertising and marketing. (Franchise Agreement, Section 8.3.)

The Global Marketing Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except we may use the Global Marketing Fund for the reasonable salaries, administrative costs, travel expenses, and overhead we incur in connection with the administration of the Global Marketing Fund and its programs. The Global Marketing Fund will be operated solely as a conduit for collecting and expending the Global Marketing Fund Contributions as outlined above. The Global Marketing Fund Contributions are not held in a trust or escrow account and we do not have any fiduciary obligations to you with respect to the Global Marketing Fund or your Global Marketing Fund Contribution. We may spend in any fiscal year an amount that is greater or less than the total aggregate Global Marketing Fund Contributions received from all franchisees. The Global Marketing Fund may borrow from us, our affiliates, or others. Any funds not spent in the fiscal year in which they accrue may be invested for future use and will be carried forward and used in connection with marketing, advertising and promotional programs and activities conducted during subsequent fiscal years. All interest earned on monies contributed to the Global Marketing Fund will be used to pay advertising costs before other assets of the Global Marketing Fund are expended. (Franchise Agreement, Section 8.2, 8.3.)

We will prepare an unaudited annual statement of monies collected and costs incurred by the Global Marketing Fund. We will furnish the statement to you upon your reasonable written request. We are not required to audit the Global Marketing Fund but we may do so at our discretion. (Franchise Agreement, Section 8.2.)

We may suspend or terminate (and, if terminated, reinstate) the Global Marketing Fund. If the Global Marketing Fund is terminated, all unspent monies on the date of termination accrued will be distributed to the franchisees in proportion to their respective contributions to the Global Marketing Fund accrued during the preceding three-month period, and each franchisee must use any such amounts for local advertising (in addition to the Local Marketing Expenditures discussed below). (Franchise Agreement, Section 8.4.)

During the fiscal year ending May 26, 2024, monies from the Global Marketing Fund (formerly known as the National Advertising Fund) was spent in the following approximate amounts: 42% on working media, 34% on brand support, 6% on production, and 6% on research. The remaining 12% balance of the Global Marketing Fund rolled over to the next fiscal year. We did not use any monies in the Fund to solicit new franchisees.

### Local Marketing

In addition to the contributions that you pay to the Global Marketing Fund, you must spend, at a minimum, 2% of the Net Sales of your Restaurant for local advertising and promoting your Restaurant (“Local Marketing Expenditure”). We may adjust the amount of the Local Marketing Expenditure upon 30 days’ prior notice, provided the combined total of the Global Marketing Fund Contribution and the Local Marketing Expenditure will not exceed 4% of Net Sales of your Restaurant. At our request, you will furnish us with copies of invoices and other documentation reasonably satisfactory to us, evidencing your local advertising. If we determine that your documented spending on local advertising during the then-most recently completed calendar quarter was less than the minimum required amount of the Local Marketing Expenditure, we may collect the unspent amounts directly from you and deposit such amounts into the Global Marketing Fund, without any liability or obligation to use such amounts for your local advertising. You will utilize an advertising or marketing agency acceptable to us. We may withdraw our approval at any time if such agency fails to follow the standards or other guidelines for advertising as described in the Manual. The Local Marketing Expenditure will be used to pay for the cost of implementing local marketing plans developed by us and adapted and implemented by you, subject to our approval. Acceptable Local Marketing Expenditure include amounts spent by you for advertising media and community relations, such as television, radio, Internet, newspaper, billboards, posters, direct mail, collateral and promotional items, advertising on public vehicles (transit and aerial) and the cost of producing approved materials necessary to participate in these media. Local Marketing Expenditures do not include amounts spent for items that we, in our sole judgment, deem inappropriate for meeting the minimum requirement for Local Marketing Expenditures, including permanent on-premises signs, point-of-purchase materials and store hours, complimentary charges, donations, lighting, menus, personnel salaries or administrative costs, transportation vehicles (even though such vehicles may display the Marks), discounts, free offers and personnel or crew member incentive programs. (Franchise Agreement, Section 8.5.)

There is currently no franchisee advertising council. We reserve the right to form, change, or dissolve a franchisee advertising council to provide advice on advertising or marketing issues. If we establish an advertising council, it will serve only in an advisory capacity and may consist of franchisees, personnel from Restaurants operated by us or our affiliates, or other personnel employed by us or our affiliates, as we designate. If an advertising council is established, its recommendations will not be binding on us or our affiliates.

### Grand Opening Marketing

You must create and execute a marketing, publicity, and/or promotional program related to the grand opening of the Restaurant, the content of which shall be subject to our prior review and approval and must include rehearsal dinners as we require. Such grand opening marketing must be commenced not later than 15 days prior to opening of the Restaurant and shall continue for at least 30 days thereafter.

## Advertising Cooperatives

You will not be required to participate in any local or regional advertising cooperative.

## Computer System

We may require you to purchase, license, or otherwise use point-of-sale system (“POS System”), audio/visual systems, labeling printer machine, temperature monitoring equipment, operations, catering, on-line ordering, delivery, back office, accounting, customer service, loyalty program processing and other hardware and software in the operation of your Restaurant, including additions, upgrades, enhancements and replacements of the current software and hardware (including POS System) and audio/visual systems. Before opening and starting the operation of your Restaurant, you must purchase and install a computer system (including computer hardware and software) and POS System that we require or approve, as well as internet connections and service, required dedicated telephone and power lines and other related accessories, peripherals, consoles, and equipment. The POS System must be connected to a communications medium specified by us at all times and be capable of accessing the Internet via a designated third party network for the purpose of implementing software, transmitting and receiving data, accessing the Internet for ordering, and maintaining the POS System. We may also require to you to obtain a license or sublicense for any proprietary software that we specify. (Franchise Agreement, Section 7.7.)

We require that you implement and use a reporting system as approved by us and may also require you to purchase and maintain remote servers, off-site electronic repositories, and broadband or other high speed Internet connections. You may be required to pay a software license fee for some or all software we require you to use. You must acquire, install, and maintain such anti-virus and anti-spyware software as we require and must comply with such data security and consumer privacy policies as we may prescribe from time to time as set forth in the Manuals or imposed by applicable law.

You must: (a) use any proprietary software programs, system documentation manuals, and other proprietary materials that we require in connection with the operation of the Restaurant; (b) input and maintain in your computer such data and information as we prescribe; and (c) purchase new or upgraded software programs, system documentation manuals, and other proprietary materials at then-current prices whenever we adopt new or upgraded programs, manuals, and materials system-wide. You must enter into all software license agreements, “terms of use” agreements, and software maintenance agreements, in the form and manner prescribed by our approved software suppliers, and pay all fees imposed under the agreements.

We currently require all franchisees to obtain, install, and use a POS System (including a gift card reader and such other add-on consoles) that meet our standards and specifications and that we approve. We currently do not designate an approved supplier for the POS System, and you may select any POS System that is compatible with our current data collection and polling system.

We currently require you to obtain and use certain analytics software from an approved third-party vendor we designate. You may be responsible for the vendor’s then-current fees. Currently, there is no initial integration fee or ongoing fee in connection with the required analytics software if the vendor has an existing pre-built integration with the POS System you have selected. If you have selected a POS System for which the vendor does not have a pre-built integration, then you must meet the vendor’s data transfer and alignment requirements and pay the vendor a one-time custom integration fee of \$7,500 for your first location and \$395 for each additional location, with no ongoing fees at present.

We currently require all franchisees to obtain, install, and use temperature monitoring equipment that conform to our standards and specifications. You must purchase or license data collection and temperature monitoring software for your Restaurant from our then currently approved supplier. You must also purchase or license the labeling software and hardware for your Restaurant from our then currently approved supplier.

We estimate the cost of purchasing or leasing all required computer hardware and software systems to be approximately \$20,000 to \$45,000.

We have established and maintain an Intranet, through which we may disseminate updates to the Manuals and other confidential information. We will have no obligation to maintain the Intranet indefinitely and may discontinue it at any time without liability to you. We have established policies and procedures for the website and Intranet's use. These policies, procedures and other terms of use address issues such as (i) restrictions on the use of abusive, slanderous, or otherwise offensive language in electronic communications; (ii) confidential treatment of materials that we transmit via the Intranet; (iii) password protocols and other security precautions; (iv) grounds and procedures for our suspension or revocation of a franchisee's access to the Intranet; and (v) a privacy policy governing our access to and use of electronic communications that franchisees post on the Intranet. We expect to adopt and adhere to a reasonable privacy policy; however, as administrator of the Intranet, we can technically access and view any communication that any person posts on the Intranet. The Intranet facility and all communications that are posted to it will become our property, free of any claims of privacy or privilege that you or any other person may assert. (Franchise Agreement, Section 7.8.)

You must purchase and install all necessary additions to the Restaurant's computer system and establish and continually maintain electronic connection with the Intranet and that allows us to send messages to and receive messages from you. Your obligation to maintain connection with the Intranet will continue until the Franchise Agreement's expiration or termination (or, if earlier, until we discontinue the Intranet).

You must comply with such data security and consumer privacy policies as we may prescribe from time to time as set forth in the Manuals or imposed by applicable law.

If you fail to comply with any policy or procedure governing the Intranet, we may temporarily suspend your access to all or any aspect of the Intranet (such as a chat room, bulletin board, list serve, or similar feature) until you fully cure the breach.

We may periodically modify and update our standards for the computer system. If we do, you will be required to acquire and install at your cost the modified computer system (including hardware and software) within 90 days of our written notice to you. We may also require to you periodically update, upgrade or replace the POS System, including hardware and/or software. We may, at any time, require that you upgrade your payment processing hardware and software including requiring you to use "chip and pin" technology to ensure that credit card payment processing is consistent with PCI-DSS. You will not be required to replace the POS System any more frequently than once every three years.

If we elect to require you to obtain or access any aspects of the computer system or related technology systems, services, platforms, and software from or through us, we may require you to pay us a monthly technology fee, as further detailed in Item 6. We do not current change a technology fee as we do not presently require you to obtain or access any aspects of the computer system or related technology systems, services, platforms, and software from or through us. When and if established, your precise monthly technology fee may change if there are changes in any aspect of the computer system or in the technology systems, services, platforms, and software we require you to obtain or access from or through us, or in our costs regarding such technology systems, services, platforms, and software. We may make changes to the types, nature, and ultimate vendor of any aspect of the computer system or any technology systems, services, platforms, and software we require you to obtain or access from or through us.

You will be responsible for the cost of ongoing maintenance, repairs, upgrades, and updates to the computer system and POS System. Neither we, our affiliates, nor any third parties are responsible for such costs. We estimate your annual cost of any maintenance, updates, upgrades, or support contracts related to the computer system and POS System will be at least \$500 to \$2,500. The precise cost of maintaining,

updating, upgrading or replacing your point-of-sale system, audio/visual system and other required technology cannot be estimated at this time because it will depend on the specific systems you select, your repair history, local costs of computer maintenance and service in your area, and technological advances that we cannot predict.

The POS System will store information concerning your sales, inventory, accounting and other operations. You may not modify or manipulate (except for pricing) the database for the computer software systems without our prior consent. We may retrieve from your POS System and other technology any and all information we consider necessary, desirable, or appropriate, including regarding including customer, sales, sales mix, usage, and other operations data. You must provide us access to your POS System at such times as we request. We may require you to electronically link the POS System to the Intranet, at your cost and expense. There is no contractual limitation on our right to access information from your POS System or other required technology. If necessary, we may utilize remote access to provide required upgrades and installation of hardware your POS System. You will have independent access to the information that will be generated or stored in the POS System and reporting system, but you may not manipulate the data that is generated or block or restrict our access to the data.

## **ITEM 12. TERRITORY**

You will have the right to establish one Ruth’s Chris Steak House Restaurant at a location that is acceptable to us. The location of the Restaurant will be identified on Exhibit B and the first page of the Franchise Agreement as the “Location.” When the Location is identified, we will assign the Restaurant an area (“Assigned Area”). The Assigned Area may be an area within a certain radius surrounding the Restaurant or may be encompassed by streets, zip codes, cities, counties, states, or natural boundaries, and will be identified on Exhibit B and the first page of the Franchise Agreement. Factors utilized to determine the Assigned Area include population densities, geographic limitations and constraints, marketing audiences, competition, existence and proximity of other System Restaurants, traffic/growth patterns, and the like.

The Franchise Agreement grants you only a license for the operation of a single System Restaurant at the specified Location. During the term of the Franchise Agreement, so long as you are in full compliance with the Franchise Agreement, we will not establish or authorize any person other than you the right to establish a traditional System Restaurant in the Assigned Area. We retain all other rights not expressly granted to you in the Franchise Agreement. We and our affiliates, and our and their franchisees and licensees, may operate System Restaurants at or within non-traditional locations, including within the Assigned Area, such as airports, conventions centers, casinos, sports stadiums and arenas, and similar venues. In addition, we and our affiliates may, among other things, conduct, or may authorize a third party to conduct, any of the following activities:

1. Advertise and promote sales of System Restaurants (generally), using any method that may appear in or be visible to customers at located within the Assigned Area;
2. Offer and sell collateral and ancillary products and services, such as gift certificates, clothing items and memorabilia, in the Assigned Area under the Proprietary Marks even though those products and services may be similar to items offered by the Restaurant;
3. Offer and sell, including within the Assigned Area, the same or similar products that are authorized for sale at System Restaurants under the Proprietary Marks or under other trademarks or trade dress and through any other channel of distribution, whether such channel of distribution is now in existence or is hereafter developed and whether at retail or wholesale, including, without limitation, sales through catalogs, e-commerce, carts or kiosks, mass merchandise, supermarkets, institutions,

- virtual kitchens, club stores and any other outlet or method of distribution pursuant to any terms and conditions as Company may deem appropriate;
4. Offer and sell any products and services or operate other restaurants under any names and marks *other than* the Proprietary Marks within the Assigned Area;
  5. Establish and operate a System Restaurant anywhere outside the Assigned Area, regardless of proximity to or impact upon the Assigned Area or to the Restaurant; or
  6. Operate one or more sites on the World Wide Web portion of the Internet that advertise the System Restaurants, allow customers and potential customers to make reservations at System Restaurants (including the Restaurant), sell gift certificates, clothing items or Ruth's Chris Steak House memorabilia, or permit other activities (whether or not similar), even though the Web site is accessible to or viewable by persons in the Assigned Area. You are strictly prohibited from selling any products on the World Wide Web utilizing our Proprietary Marks;
  7. Develop, own, and sell franchises for other franchise systems for the same or similar products and services using trade names and trademarks other than the Proprietary Marks that may operate in the Assigned Area; and
  8. Purchase, be purchased by, merge, or combine with businesses that directly compete with System Restaurants and that may operate businesses in the Assigned Area.

The continuation of your territorial protection does not depend upon your achieving any stated sales volume, market penetration or other contingency. We will not alter or modify the Assigned Area unless you are in default of the Franchise Agreement. The Franchise Agreement does not grant you any options, rights of first refusal or similar rights to acquire additional franchise rights for System Restaurants to be located in the Assigned Area.

We will also assign to you an "Area of Primary Responsibility" within which you must make reasonable efforts to advertise and promote the Restaurant consistent with your pre-approved advertising program that we will assist you in preparing, budgeting and implementing. The Area of Primary Responsibility is not exclusive to you (except to the extent that it overlaps the Assigned Area), is described in Exhibit B of the Franchise Agreement and is generally made up of the zip codes and/or counties immediately adjacent to the Assigned Area. Your failure to advertise and promote the Restaurant within the Area of Primary Responsibility is a breach of the Franchise Agreement. You are not precluded from advertising outside the Area of Primary Responsibility.

You may not relocate the Restaurant without our express written consent, which we will not unreasonably withhold. You may, at any time, request our approval to relocate the Restaurant to another site within the Assigned Area. As part of the request, you must state the address (or general location) to which you desire to relocate the Restaurant and the reason you wish to relocate, and any other information that we request. If we grant you the right to relocate the Restaurant, then you must comply with our then-current site selection and construction procedures as part of determining a new site for the Restaurant, pay a relocation fee of \$50,000, and may be required to execute the then-current franchise agreement along with any addenda to reflect the relocation. The new location must open within 30 days of closure of the existing Restaurant.

Except as described above, we and our affiliates may establish other franchised or company Restaurants under the Proprietary Marks and/or under other marks that may compete with your location. We and our affiliates may merchandise and distribute goods and services identified by the Proprietary Marks (or any other marks) through methods or channels of distribution other than outlets similar to your Restaurant. We

have no obligation to compensate you for any such sales in the territory or the Assigned Area. We reserve all rights to use and license the System other than those we expressly grant you under the Franchise Agreement.

As noted in Item 1, our affiliate Darden operates, and various of our affiliates franchise, restaurants in the United States and elsewhere under the trademarks “Olive Garden,” “LongHorn Steakhouse,” “Bahama Breeze,” “The Capital Grille,” “Eddie V’s,” “Seasons 52,” “Yard House,” “Cheddar’s Scratch Kitchen,” and “The Capital Burger”, some of which brands offer steak or other products or services that are similar to and competitive with those offered by Ruth’s Chris restaurants. These restaurants may be located in or may advertise, solicit, or accept orders within your Assigned Area. No party is obligated to pay compensation to any other party for soliciting customers from the other party’s market, territory, or assigned area. We do not expect that there will be conflicts between restaurants of the various affiliated brands regarding territory, customers, or franchisor support, though any conflicts that arise will be addressed on a case-by-case basis. Darden and our relevant affiliates share the same principal business address: 1000 Darden Center Drive, Orlando, Florida 32837. We and our affiliates do not maintain physically separate offices and training facilities for the various brands.

### ITEM 13. TRADEMARKS

RHGI owns all rights in and to the Proprietary Marks that you will use in the operation of the Restaurant, and it has registered the following principal Proprietary Marks on the Principal Register of the United States Patent and Trademark Office.

Mark	Registration No.	Registration Date
	1,164,124	8/4/81
Ruth’s Chris (word mark)	2,374,574	8/8/00
	2,321,545	2/22/00
Ruth’s Table (words)	2,850,613	6/8/04
	3,334,040	11/13/07

All required affidavits of continuing use have been filed.

Effective December 25, 2016, we entered into a license agreement with RHGI which granted to us, among other things, an exclusive right to use certain of RHGI’s trademarks (including the Proprietary Marks) and intellectual property rights and to grant licenses to franchisees to use among other marks the Proprietary Marks. The license agreement continues until terminated by RHGI. RHGI may terminate the license agreement if we do not cure a default within 60 days after receiving written notice from RHGI. The grounds for default enumerated in the license agreement, include but are not limited to, if we: conduct any portion of our business or use RHGI’s marks and rights in a manner which threatens the validity, integrity, or goodwill of such marks; attempt to transfer or license RHGI’s marks or rights contrary to the license agreement; become insolvent; or otherwise breach the license agreement. Upon termination of the license

agreement, any then effective franchise agreement that we have entered will revert to RHGI. Except with respect to this license agreement with RHGI, there are no agreements currently in effect which significantly limit our right to use or license others to the Proprietary Marks in a manner material to you.

Except as described below, there are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, any state trademark administrator or any court, and there are no pending interference, opposition or cancellation proceeding or any pending material litigation involving the Proprietary Marks which are relevant to your use of the Proprietary Marks.

All goodwill arising from your use of the Proprietary Marks will inure to our benefit. You may not contest, or assist others in contesting, the validity of the Proprietary Marks. Any unauthorized use of the Proprietary Marks will be considered a default under the Franchise Agreement.

Unless we otherwise authorize or require, you must operate and advertise the Restaurant only under the name "Ruth's Chris Steak House" without prefix or suffix. You may not use the Proprietary Marks as part of your corporate or other legal name, and you must obtain our approval of your corporate or other legal name before applying for or filing it with the applicable government authority. You must comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and must execute any documents that we or our attorneys consider necessary to protect the Proprietary Marks or to maintain their continued validity and enforceability. You may not cause or allow the Proprietary Marks to be used or displayed, in whole or in part, as an Internet domain name, or in connection with any Internet home page, web site, or other Internet-related activity without our express prior written consent, and then only in the manner and in accordance with the procedures, standards and specifications that we establish.

During the term of the Franchise Agreement, you must identify yourself as the owner of the Restaurant, and as our franchisee, in conjunction with your use of the Proprietary Marks (including uses on invoices, order forms, receipts and contracts). You must display a notice with the content and form and at the conspicuous locations at the Restaurant premises as we may designate in writing. You may not use the Proprietary Marks to incur any obligation or indebtedness on our behalf or on behalf of our affiliates.

All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Restaurant), and other items that we designate must reflect the Proprietary Marks in the form, color, location and manner that we prescribe.

You must notify us immediately by telephone, and thereafter in writing, of any apparent infringement of or challenge to your use of any of the Proprietary Marks, of any claim by any person of any rights in any Proprietary Mark, and you and the Controlling Principals may not communicate with any person other than us, our counsel and your counsel in connection with any infringement, challenge or claim. The Franchise Agreement does not require us to take any affirmative action when notified of infringement, and, except as described below, does not require us to participate in your defense in the event of any challenge to your use of the Proprietary Marks, but we will take whatever action we deem appropriate in connection with any infringement or challenge. We have the exclusive right to control any settlement, litigation, or proceeding (including actions before the United States Patent and Trademark Office) arising out of any alleged infringement, challenge, or claim or otherwise relating to any Proprietary Mark. You must execute all instruments and documents, render any assistance, and do any other acts or things that may, in our opinion, reasonably be necessary or advisable to protect and maintain our interests in any litigation or other proceeding or to otherwise protect and maintain our interests in the Proprietary Marks. We will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding arising out of your use of any of the Proprietary Marks (including settlement amounts) if you and the Controlling

Principals used the Proprietary Marks and assisted in the proceeding in full compliance with the terms of the Franchise Agreement.

We have the right to substitute different Proprietary Marks for use in identifying the System and the Restaurant. If we substitute any of the Proprietary Marks, we may require you, at your expense, to discontinue or modify your use of any of the Proprietary Marks or to use one or more additional or substitute Proprietary Marks.

Except as set forth in this Item 13, we know of no superior prior rights or infringing use which could materially affect your use of the Proprietary Marks.

#### **ITEM 14.**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

We claim common law copyright and/or trade secret protection, and/or have obtained registered copyrights, for many elements of the System, including our proprietary recipes, trade dress, the Manuals, and certain menus, photographs, design elements of our Proprietary Marks, and advertising materials. Any copyright registrations have terms that are decades in the future and decisions regarding any extensions would be evaluated near the time of expiration based on continued usage or material changes in use. There are no currently effective determinations of the US Copyright Office or federal courts regarding our copyrighted works.

There are no currently effective determinations of the United States Patent and Trademark Office, United States Copyright Office (Library of Congress) or any court regarding the works for which we claim copyright protection. As noted in Item 13, we have entered into a license agreement with RHGI which grants us the right to use and to license others to use certain intellectual properties, including many elements of the System. Except for this agreement, there are no agreements that significantly limit your right to use the works that we claim copyright protection for.

We encourage you to notify us of any claims or infringement of any copyrighted works, but you are not obligated to do so. The Franchise Agreement does not require us to take any affirmative action when notified of infringement or to participate in your defense in the event of any challenge to your use of the copyrighted works, but we will take whatever action we deem appropriate in connection with any infringement or challenge. We will have the exclusive right to control any settlement, litigation, or proceeding (including actions before the Copyright Office) arising out of any alleged infringement, challenge, or claim or otherwise relating to any of our copyrighted works. We are not obligated to indemnify you for expenses or damages in a proceeding involving copyrighted works that may be licensed to you.

We consider our copyrighted works to be part of the System and, therefore, we can require you to modify or discontinue use of the subject matter covered by the copyright at any time.

We claim proprietary rights in certain of our recipes (which may be included in the Manuals) and other information contained in our Manuals and other written directives and consider them to be trade secrets. You and each of your Controlling Principals must maintain the confidentiality and trade secret status of this information.

Neither you nor any of your Controlling Principals may, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, or corporation, any confidential information, knowledge, or know-how concerning the methods of operation of the Restaurant that are communicated to them or of which they otherwise may be apprised

in connection with the operation of the Restaurant. You and your Controlling Principals may divulge the confidential information only to those of your employees that must have access to it in order to operate the Restaurant. Any and all information, knowledge, know-how, techniques, and any materials used in or related to the System that we provide you in connection with the Franchise Agreement (including the Manuals; design guidelines and specifications; marketing information and strategies; site evaluation and selection guidelines and techniques; recipes; and other information communicated in writing and through other means, including electronic media (*e.g.*, Intranet, CD ROM, computer disk, or video and audio tape)) is deemed confidential for purposes of the Franchise Agreement. Neither you nor your Controlling Principals may at any time, without our prior written consent, copy, duplicate, record, or otherwise reproduce those materials or information, in whole or in part, nor otherwise make them available to any unauthorized person.

You must require and obtain the execution of similar confidentiality covenants from your General Manager, the Executive Chef, and any other of your personnel who receive or will have access to the confidential information. You also must require all persons owning a direct or indirect interest in Franchisee who are not required to sign the Franchise Agreement as a Controlling Principal to also execute similar covenants.

If you or a Controlling Principal develops any new product, recipe, process, or improvement in the operation or promotion of the Restaurant, you must notify us promptly and provide us with all necessary related information, without compensation. You and your Controlling Principals acknowledge that any such new product, recipe, process, or improvement will become our property subject to your right to use such product, recipe, process or improvement consistent with the terms of the Franchise Agreement, and we may use or disclose that information to other franchisees or developers as we determine to be appropriate.

The Manuals, any written and/or electronic directives, and any other materials issued by us and any modifications to such materials will supplement the Franchise Agreement. The Manuals, written and/or electronic directives, other materials and any other confidential communications provided or approved by us will at all times remain our sole property, must at all times be kept in a secure place on the Restaurant premises, and must be returned to us immediately upon request or upon termination or expiration of the Franchise Agreement. We may from time to time revise the contents of the Manuals and the contents of any other materials created or approved for use in the operation of the Restaurant. You must comply with each new or changed standard.

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

Upon execution of the Franchise Agreement, you must designate and retain an individual to serve as the Operating Principal. If you are an individual, you must perform all obligations of the Operating Principal.

The Operating Principal must, during the entire period he serves as such, meet the following qualifications: (a) devote sufficient efforts to the supervision and conduct of the Restaurant; (b) meet our educational, experience, financial and such other reasonable criteria for such individual, as set forth in the Manuals or otherwise in writing and/or electronically by us; and (c) either serve as the General Manager or, subject to our consent, designate another individual (the Operating Principal's designee) to serve as the General Manager of the Restaurant. Any individual designated by an Operating Principal to serve as the General Manager also may, subject to our consent, perform the duties and obligations of the Operating Principal; provided, that the Operating Principal must take all necessary action to ensure that such designee conducts and fulfills all of such obligations in accordance with the terms of the Franchise Agreement and that the Operating Principal will remain fully responsible for such performance.

If, during the term of the Franchise Agreement, the Operating Principal or any designee is not able to continue to serve in the capacity of Operating Principal or no longer qualifies to act as such in accordance with the Franchise Agreement, you must promptly notify us and designate a replacement within 60 days after the Operating Principal or such designee ceases to serve or be so qualified, such replacement being subject to the same qualifications and restrictions listed above. You must provide for interim management of your business in accordance with the Franchise Agreement until such replacement is designated. Franchisee, Operating Principal and the Controlling Principals are required (unless waived by us in writing) to execute a personal guaranty of the Franchisee's obligations under the Franchise Agreement (Franchise Agreement Exhibit A).

Not later than 60 days after site acceptance, you must designate and thereafter retain at all times a General Manager and any other management personnel that we consider necessary for the operation and management of the Restaurant. The General Manager will be responsible for the daily operation of the Restaurant. The General Manager may, but need not, be one of the Controlling Principals. The General Manager must, during the entire period he or she serves as General Manager, meet the following qualifications:

1. satisfy our then-current business experience criteria, including any ongoing training that we may require, as set forth in the Manuals or otherwise in writing;
2. devote full time and best efforts to the supervision and management of the Restaurant; and
3. not later than 60 days prior to the opening of the Restaurant, have satisfied our training requirements.

If, during the term of the Franchise Agreement, the existing General Manager is not able to continue to serve in that capacity or no longer qualifies to act as the General Manager, you must promptly notify us and designate a replacement General Manager within 60 days after the former General Manager ceases to serve, the replacement General Manager being subject to the same qualifications listed above. You must provide for interim management of the Restaurant, in full compliance with the terms of the Franchise Agreement, until the replacement General Manager is designated and trained.

Not later than 60 days after site acceptance, you must designate and retain at all times an Executive Chef and any other personnel that we consider necessary for the operation of the Restaurant kitchen and all food preparation at or from the Restaurant. The Executive Chef will be responsible for the daily operation of the Restaurant kitchen and all food preparation at or from the Restaurant. The Executive Chef must, during the entire period he or she serves as Executive Chef, meet the following qualifications:

1. satisfy our then-current business experience criteria, including any ongoing training that we may require, as set forth in the Manuals or otherwise in writing;
2. devote full time and best efforts to the supervision and management of the Restaurant kitchen and all food preparation at or from the Restaurant; and
3. not later than 60 days prior to the opening of the Restaurant have satisfied our training requirements.

If, during the term of the Franchise Agreement, the existing Executive Chef is not able to continue to serve in that capacity or no longer qualifies to act as the Executive Chef, you must promptly notify us and designate a replacement within 60 days after the former Executive Chef ceases to serve, the replacement Executive Chef being subject to the same qualifications listed above. You must provide for interim

management of the Restaurant kitchen and food preparation, in full compliance with the terms of the Franchise Agreement, until the replacement Executive Chef is designated and trained.

You must designate and retain at all times Secondary Managers necessary for the operation of the Restaurant. Secondary Managers are salaried shift managers. These Secondary Managers must, during the entire period he or she serves, meet the following qualifications:

1. satisfy our educational and business experience criteria, including any on-going training and education that we may require, as set forth in the Manuals or otherwise in writing;
2. devote full time and best efforts to the supervision and management of the Restaurant;
3. be an individual acceptable to us; and
4. not later than 45 days prior to the opening of the Restaurant have satisfied our training requirements.

The above personnel must execute confidentiality covenants in the form attached to the Franchise Agreement as Exhibit D.

#### **ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL**

You must sell and offer for sale all menu items, products and services that we require, and must sell these items in the manner and style (including, without limitation, service style and sequence) that we prescribe. You also must execute any documents or instruments that we deem necessary to facilitate your provision of these services. You must offer any online ordering and delivery options we require.

You may sell and offer for sale only the menu items, products and services that we have expressly approved for sale in writing. You must maintain in sufficient supply and use and sell at all times only those food and beverage items, ingredients, products, materials, supplies (including, without limitation, glassware, smallware, plateware, and packaging), and paper goods that conform to our standards and specifications (including products specified by name brand). You must prepare all menu items according to our recipes and procedures for preparation contained in the Manuals or other written directives, including the prescribed measurements of ingredients, and you may not deviate from our standards and specifications by using or offering non-conforming items or differing amounts of any items, without our prior written consent. You must discontinue selling and offering for sale any menu items, products or services, or providing those menu items, products, or services, in any manner or through any method of distribution that we have disapproved in writing at any time.

With respect to the offer and sale of all menu and beverage items and other products and services, we may from time to time offer guidance concerning what we believe to be the optimum selling price for the goods, products and services. We reserve the right to establish minimum and/or maximum prices you may charge for food and beverage products, as permitted by law. We may establish maximum prices for any given good, product or service nationwide or within an advertising market (as we determine). If we establish maximum prices, you will charge prices no higher than the maximum prices we specify. You must execute any instruments or other writings which we require to facilitate the provision of such goods, products and services. If you elect to sell any or all of its goods, products and services at any price which we recommend, we make no guarantee or warranty that offering the goods, products and services at the recommended price will enhance your sales or profits.

There are no franchisor-imposed restrictions or conditions, other than those already disclosed, that limit access to customers.

**ITEM 17.  
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the agreements attached to this disclosure document.**

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a.	Length of the franchise term	3.1	15 years.
b.	Renewal or extension of the term	3.2	You have the right to renew the franchise (provided that all conditions are met) for two successive term of 5 years (or, if shorter, until the expiration or termination of your right to possess the Location premises), assuming we are still offering franchise in the market area where the Restaurant is located and we have not made a decision to withdraw from such geographic market.
c.	Requirements for you to renew or extend	3.2	You must give us written notice; must modernize the Restaurant; must have satisfied all monetary obligation owed to us, our affiliates, and third-party suppliers, must not be in default of the Franchise Agreement or any other agreement between you and us or our affiliates, and must have substantially complied with all such agreements during their respective terms; must present us with evidence that you have the right to remain in possession of the Location premises; must execute our then-current form of franchise agreement (which may contain terms and conditions materially and substantially different from your Franchise Agreement); must pay us a renewal fee equal to \$30,000 as applicable at time of renewal; must have met and fully complied with all of our Restaurant staffing requirements throughout the term of the Franchise Agreement (including all renewal terms); you must be able to maintain all licenses and permits necessary to operate the Restaurant; you and your Controlling Principals must execute a general release (our current form of General Release is attached as Exhibit I); and you must comply with our then-current qualifications and criteria for new franchisees, including training requirements.
d.	Termination by you	Not applicable.	Not applicable.
e.	Termination by us without cause	Not applicable.	Not applicable.
f.	Termination by us with “cause”	17	We can terminate the Franchise Agreement with cause.
g.	“Cause” defined – curable defaults	17.3	Your failure to pay any monies due us within five days after receive written notice of default; your failure to cure a default within 30 days after notice from us.
h.	“Cause” defined – defaults which cannot be cured	17.1, 17.4	The Franchise Agreement will terminate automatically if you (or in some cases, any of your Controlling Principals) become insolvent or make a general assignment for the benefit of creditors; file a petition in bankruptcy; are adjudicated bankrupt or insolvent, or if a receiver or

	Provision	Section in Franchise Agreement	Summary
			<p>custodian is requested or consented to by you, or appointed by any court of competent jurisdiction; if proceedings for a composition of creditors is instituted; if a final judgment against you remains unsatisfied or of record for 30 days or longer (unless a <i>supersedeas</i> bond is filed); if you are dissolved; if you or any of your principals publicly offer any interest in the franchisee entity, if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Restaurant premises or equipment is instituted and not dismissed within 30 days; or if the Restaurant property is scheduled for sale after levy.</p> <p>We can terminate the Franchise Agreement, effective upon notice to you, without providing you an opportunity to cure if you offer or sell any products or services at an unauthorized location; if you fail to construct or remodel the Restaurant as required; if you abandon the Restaurant or lose possession of the Restaurant premises or the right to do business (except in the case of a force majeure); if you or any of the Controlling Principals is convicted of certain types of crime; if your continued operation of the Restaurant threatens public health or safety and such threat or danger is not cured within 24 hours of notice; if you fail to propose qualified replacement key personnel; if you or any of the Controlling Principals purports a transfer in violation of the Franchise Agreement; if you or any of the Controlling Principals fail to comply with the in-term covenants or violate the confidentiality provisions of the Franchise Agreement; if you knowingly maintain false books or records or submit false reports; if you or the Controlling Principals breach any covenants, or has falsely made any representations or warranties; if you misuse the Proprietary Marks; if you or any of the Controlling Principals has continued in material default of the agreement; if you or any Controlling Principals commit repeated defaults (3 or more in any consecutive 12-month period) of the Franchise Agreement; if you refuse, neglect, fail to perform, or breach any provision of any other franchise or other agreement with Company and/or its affiliates and any of Company's approved suppliers and fail to cure any such neglect, failure, default or breach within the cure period specified in such agreement; if you fail to achieve a passing score on consecutive inspections.</p>
i.	Your obligations on termination/non-renewal	18	<p>You must cease operations; cease using our confidential methods, computer software, procedures, techniques and Proprietary Marks; cancel all assumed names containing the marks "Ruth's Chris," "Ruth's Chris Steak House" or any other Proprietary Marks. If you operate another business, you may not use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, or use any other description or representation which falsely suggests or represents an association or connection with us. You and the Controlling Principals must pay all amounts due and owing to us and our affiliates, pay liquidated damages to us if the Franchise Agreement is terminated due to your default, return (or destroy at our direction) all materials relating to the operation of the Restaurant, and comply with all post-term confidentiality and non-compete covenants. You must provide us for inspection an itemized list of all advertising and sales promotion materials, and we will have the option to purchase them at cost. If you lease the Restaurant premises or any equipment, we will have the right</p>

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
			to assume those leases. We also will have the option to purchase all of the furnishings, equipment (including computer systems), signs, fixtures, motor vehicles, supplies, and inventory relating to the operation of the Restaurant. If we do not exercise our purchase and lease options, you must de-identify the Restaurant premises so that it is distinguishable from other System Restaurants. At our request, you must assign to us all rights to the Restaurant's telephone numbers, e-mail addresses, URL's domain names, Internet listings, social media sites / accounts, and Internet accounts relating to the Restaurant.
j.	Assignment of contract by us	14.1	We may freely transfer our equity interests and our interest in the Franchise Agreement. We may sell our assets, the Proprietary Marks or the System to a third party; may offer our securities privately or publicly; may merge, spin-off, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout, or other restructuring.
k.	"Transfer" by you - defined	14.2	Neither you nor any Controlling Principals (or any such person's successors or assigns) may sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in the Franchise Agreement, Restaurant, location, or any equity interest in you without our prior written consent.
l.	Our approval of transfer by you	14.2	We may condition our consent upon your compliance with certain obligations, described in Item 17(m), below.
m.	Conditions for our approval of transfer	14.2	Transfers generally are not permitted until you have constructed and opened the Restaurant in accordance with the terms of the Franchise Agreement. To obtain our consent to effect a transfer after opening, all obligations owed to us and to your trade creditors must be satisfied; you may not be in default of the Franchise Agreement or any other agreement; the transferor and its controlling principals must sign a general release (our current form of General Release is attached as Exhibit D); the transferee must meet our then-current criteria for new franchisees; the transferee must assume in writing the transferor's obligations and/or must sign our then-current form of franchise agreement for the remainder of the franchise term; the transferee must renovate the Restaurant premises; the transferor will remain liable to us for all obligations incurred up to the date of transfer; the transferee and certain of its employees must attend our then-current initial training program; you must pay the transfer fee equal to \$50,000; and, if the transferee is not an individual, it must provide us certain written representations.
n.	Our right of first refusal to acquire your business	14.6	If you or any Controlling Principal wish to transfer any ownership interest in the franchisee entity or if you receive or request any bona fide offer from a third party for a transfer of all or part of your interest in the assets of the Restaurant or Franchise Agreement, then you or the proposed seller must notify us of the proposed transfer and offer us the right of first refusal to purchase the interest on the same terms and conditions offered by the third party. If the third party offer provides for payment of consideration other than cash, we have the right to substitute a cash equivalent.
o.	Our option to purchase your business	18	No provision to buy the business. Upon termination or expiration of the Franchise Agreement, however, we have the right to assume your lease

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
			for the Restaurant premises and any equipment leases, the option to purchase the Restaurant's assets, and the option to assume the Restaurant's telephone numbers and other assets of the Restaurant (subject to federal and state law). See Item 17(i).
p.	Your death or disability	14.7	<p>In the event of your death (or the death of any of your Controlling Principals) such person's interest in the Franchise Agreement must be transferred within 12 months from the date of death.</p> <p>In the event of your permanent disability (or the permanent disability of any of your Controlling Principals) such person's interest in the Franchise Agreement must be transferred within six months from the date we provide you notice of the required transfer. The Franchise Agreement defines "permanent disability" as "any physical, emotional, or mental injury, illness or incapacity that would prevent a person from performing his or her obligations under the Franchise Agreement for a period of at least 90 consecutive days and from which condition recovery within 90 days from the date of determination of disability is unlikely.</p> <p>All transfers under this section are subject to the conditions on transfer described in this Item 17(m).</p>
q.	Non-competition covenants during the term of the franchise	10.3(a)(ii)	Neither you nor any of the Controlling Principals may own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations, or joint ventures), advise, assist, make loans to, any business of a character and concept similar to the Restaurant, including a fine dining restaurant business or any food service business which offers steak as a primary menu item, and which business is located in the United States and otherwise within a 10-mile radius of any System Restaurant in existence or under construction.
r.	Non-competition covenants after the franchise is terminated or expires	10.3(b)(ii)	For a two-year period following termination, expiration, or transfer of the Franchise Agreement (or a Controlling Principal's interest in the Franchise Agreement, as applicable), neither you nor your Controlling Principals may own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations, or joint ventures), advise, assist, make loans to, any business of a character and concept similar to the Restaurant, including (1) a fine dining restaurant business, and (2) any food service business which offers steak as a primary menu item, and which business is located in the Assigned Area, or within a 10-mile radius of any System Restaurant in existence or under construction (or where land has been purchased or a lease has been executed for the construction of a System Restaurant) as of the date of termination, expiration or transfer, as applicable.
s.	Modification of the agreement	22.2	Except for changes to the Manuals (which we can make unilaterally, provided that the fundamental terms of the Franchise Agreement are not thereby changed), no amendment, change, or variance from the Franchise Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

	<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
t.	Integration/ merger clause	22.2	The Franchise Agreement, the documents referred to in the Franchise Agreement and all exhibits to the Franchise Agreement constitute the entire, full and complete agreement between you and the Controlling Principals and us concerning the Ruth's Chris Steak House franchise. Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u.	Dispute resolution by arbitration or litigation	21.2	Except for certain claims, all disputes must first be mediated. Such non-binding mediation will be conducted by the American Arbitration Association in Orange County, Florida.
v.	Choice of forum	21.3	Litigation must be in the state or federal courts encompassing Orange County, Florida (subject to state law).
w.	Choice of law	21.9	Florida law applies (subject to state law).

**ITEM 18.  
PUBLIC FIGURES**

We do not use any public figures to promote our franchise. However, we may use the likeness of and statements from our founder, the late Ruth U. Fertel, in advertising to promote our franchise.

**ITEM 19.  
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised Ruth's Chris Steak House Restaurants. 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 Ruth's Chris Steak House Restaurant, however, we may provide you with the actual records of that Ruth's Chris Steak House Restaurant. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Sue Humphreys, 1000 Darden Center Drive, Orlando, Florida 32837, Telephone No.: 407-245-4000, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20.  
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**

**Systemwide Outlet Summary  
For years 2022 to 2024<sup>(1) (2)</sup>**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	52	52	0
	2023	52	52	0
	2024	52	51	-1
Company-owned	2022	76	77	+1
	2023	77	80	+3
	2024	80	84	+4
<b>Total Outlets</b>	<b>2022</b>	<b>128</b>	<b>129</b>	<b>+1</b>
	<b>2023</b>	<b>129</b>	<b>132</b>	<b>+3</b>
	<b>2024</b>	<b>132</b>	<b>135</b>	<b>+3</b>

**Table No. 2**

**Transfers of Outlets from Franchisees to New Owners  
(other than Franchisor or Franchisor's Affiliate)  
For Years 2022 to 2024<sup>(1) (5)</sup>**

State	Year	Number of Transfers
Alabama	2022	0
	2023	0
	2024	0
Arkansas	2022	0
	2023	0
	2024	0
Connecticut	2022	0
	2023	0
	2024	0
Florida	2022	0
	2023	0
	2024	0
Georgia	2022	0
	2023	0
	2024	0
Idaho	2022	0
	2023	0
	2024	0
Indiana	2022	0
	2023	0
	2024	0
Louisiana	2022	0
	2023	0

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
	2024	0
Maryland	2022	0
	2023	0
	2024	0
Michigan	2022	0
	2023	0
	2024	0
Mississippi	2022	0
	2023	0
	2024	0
Missouri	2022	0
	2023	0
	2024	0
Nevada	2022	0
	2023	0
	2024	0
New Jersey	2022	0
	2023	0
	2024	0
North Carolina <sup>(6)</sup>	2022	0
	2023	0
	2024	0
Pennsylvania	2022	0
	2023	0
	2024	0
Puerto Rico	2022	0
	2023	0
	2024	0
South Carolina	2022	0
	2023	0
	2024	0
Tennessee	2022	0
	2023	0
	2024	0
Texas	2022	0
	2023	0
	2024	0
Utah	2022	0
	2023	0

State	Year	Number of Transfers
	2024	0
Virginia	2022	0
	2023	0
	2024	0
Wisconsin	2022	0
	2023	0
	2024	0
Totals	2022	0
	2023	0
	2024	0

**Table No. 3**

**Status of Franchised Outlets  
For Years 2022 to 2024<sup>(1) (3) (4) (5)</sup>**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Alabama	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Arkansas	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Connecticut	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	1	0	0
Georgia	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Idaho	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Indiana	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2024	4	0	0	0	0	0	4
Louisiana	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Maryland	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
Michigan	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Missouri	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Nevada	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
New Jersey	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
North Carolina <sup>(6)</sup>	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Pennsylvania	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Puerto Rico	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
South Carolina	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Tennessee	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Utah	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
	2024	3	0	0	0	0	0	3
Virginia	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Wisconsin	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<b>Totals</b>	<b>2022</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52</b>
	<b>2023</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52</b>
	<b>2024</b>	<b>52</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>51</b>

**Table No. 4**

**Status of Company-Owned Outlets  
For Years 2022 to 2024<sup>(1) (2) (3)</sup>**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Arizona	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
California	2022	12	0	0	0	0	12
	2023	12	1	0	0	0	13
	2024	13	0	0	0	0	13
Colorado	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
District of Columbia	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Florida	2022	13	1	0	0	0	14
	2023	14	0	0	0	0	14
	2024	14	1	1	0	0	16
Hawaii	2022	4	0	0	1	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Illinois	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Kentucky	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Louisiana	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Maryland	2022	2	0	0	1	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Massachusetts	2022	3	0	0	0	0	3
	2023	3	1	0	0	0	4
	2024	4	0	0	0	0	4
Michigan	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	1	0	0	0	2
Minnesota	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Mississippi	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
New Jersey	2022	5	1	0	0	0	6
	2023	6	0	0	0	0	6
	2024	6	0	0	0	0	6
New York	2022	3	1	0	0	0	4
	2023	4	1	0	1	0	4
	2024	4	1	0	0	0	5
North Carolina	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
New Mexico	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Nevada	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Ohio	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Oklahoma	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Oregon	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Pennsylvania	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Tennessee	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Texas	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
Virginia	2022	3	0	0	0	0	3
	2023	3	1	0	0	0	4
	2024	4	0	0	0	0	4
Washington	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
<b>Totals</b>	<b>2022</b>	<b>76</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>77</b>
	<b>2023</b>	<b>77</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>80</b>
	<b>2024</b>	<b>80</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>84</b>

Table No. 5

Projected Openings as of May 26, 2024

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Outlet In the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Alabama	0	0	0
Arkansas	0	0	0
Connecticut	0	0	0
Florida	0	0	1
Georgia	0	0	0
Idaho	0	0	0
Indiana	0	0	0
Louisiana	0	0	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchise Outlet In the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Fiscal Year
Maryland	0	0	0
Michigan	0	0	0
Minnesota	0	0	1
Mississippi	0	0	0
Missouri	0	0	0
Nevada	0	0	0
New Jersey	0	0	0
North Carolina	0	0	0
Pennsylvania	0	0	1
Puerto Rico	0	0	0
South Carolina	0	0	0
Tennessee	0	0	0
Texas	0	0	0
Utah	0	0	0
Virginia	0	0	0
Wisconsin	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>3</b>

NOTES:

1. States not included had no Ruth’s Chris Steak House Restaurants operating during 2022-2024.
2. For purposes of this Disclosure Document, the term “company-owned” refers to Ruth’s Chris Steak House restaurants that have been owned and/or operated by our affiliate, Darden, since 2023. Darden operates four restaurants (in Michigan, Nevada, North Carolina, and Oklahoma) on behalf of certain franchisees, and these restaurants are included within the company-owned restaurants.
3. If multiple events occurred affecting an outlet, the tables show the event that occurred last in time.
4. Exhibit C lists the name of all current franchised locations and the addresses and telephone numbers of each outlet as of May 26, 2024.
5. Exhibit D lists each Ruth’s Chris franchisee who had a Franchise Agreement transferred, terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the fiscal year ending May 26, 2024 or failed to communicate 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.

We have franchisees who may have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. We are not aware of any trademark-specific franchisee organizations associated with the System and no independent franchisee organizations have asked to be included in this disclosure document.

**ITEM 21.**  
**FINANCIAL STATEMENTS**

Exhibit A to this Disclosure Document contains our audited financial statements as of May 26, 2024 and May 28, 2023, and for the years ending May 26, 2024, May 28, 2023 and May 29, 2022. In addition, we have included unaudited financial statements for the period beginning May 27, 2024 through November 30, 2024. Our fiscal year end is the last Sunday in May each year.

**ITEM 22.**  
**CONTRACTS**

The agreements attached that you may be required to sign: Exhibit B - Franchise Agreement; Exhibit I - General Release.

**ITEM 23.**  
**RECEIPTS**

The last two pages of this disclosure document are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy; please keep the other copy along with this disclosure document.

**EXHIBIT A**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**FINANCIALS STATEMENTS**

Exhibit A

**RUTH'S CHRIS STEAK HOUSE FRANCHISE, LLC**

Financial Statements

May 26, 2024 and May 28, 2023

(With Independent Auditor's Report Thereon)

# RUTH'S CHRIS STEAK HOUSE FRANCHISE, LLC

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Ruth's Chris Steak House Franchise, LLC:

### Opinion

We have audited the financial statements of Ruth's Chris Steak House Franchise, LLC (the "Company"), which comprise the balance sheets as of May 26, 2024, and May 28, 2023, and the related statements of operations, member's equity, and cash flows for the fiscal year ended May 26, 2024, the five-month period ended May 28, 2023, and the fiscal year ended December 25, 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of May 26, 2024, and May 28, 2023, and the results of its operations and its cash flows for the fiscal year ended May 26, 2024, the five-month period ended May 28, 2023, and the fiscal year ended December 25, 2022, in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

*Withum Smith & Brown, PC*

September 13, 2024

Ruth's Chris Steak House Franchise, LLC

Balance Sheets as of  
 May 26, 2024 and May 28, 2023  
 (in thousands)

Assets	<u>05/26/2024</u>	<u>05/28/2023</u>
Current Assets:		
Cash	\$ —	\$ 1
Royalties receivable	1,669	1,727
Other receivables	213	—
Intercompany receivable	256,938	229,161
Total current assets	<u>258,820</u>	<u>230,889</u>
Intellectual property rights	27,000	27,000
Total assets	<u>\$ 285,820</u>	<u>\$ 257,889</u>
 Liabilities and Member's Equity		
Current liabilities:		
Other payables	\$ 22	\$ 27
Deferred franchise fees	245	242
Total current liabilities	<u>267</u>	<u>269</u>
Deferred franchise fees-non-current	1,922	2,174
Total liabilities	<u>2,189</u>	<u>2,443</u>
Member's equity:		
Additional paid in capital	27,000	27,000
Retained earnings	256,631	228,446
Total member's equity	<u>283,631</u>	<u>255,446</u>
Total liabilities and member's equity	<u>\$ 285,820</u>	<u>\$ 257,889</u>

See accompanying notes to financial statements.

Ruth's Chris Steak House Franchise, LLC

Statements of Income

for the fiscal year ended May 26, 2024, the five month period ended May 28, 2023 and  
the fiscal year ended December 25, 2022

(In thousands)

Revenue:	<u>05/26/2024</u>	<u>05/28/2023</u>	<u>12/25/2022</u>
Franchise royalties - external	\$ 17,057	\$ 7,757	\$ 18,344
Franchise royalties - related party	21,468	9,960	24,455
Franchise advertising contributions	7,687	854	1,912
Initial franchise fees	249	80	314
Total Revenue	<u>46,461</u>	<u>18,651</u>	<u>45,025</u>
Expenses:			
Salaries and benefits	67	81	157
Management service fees	9,956	167	428
Advertising	7,687	854	1,912
Bad debt expense	—	(44)	(35)
Other operating expenses	273	84	181
Total expenses	<u>17,983</u>	<u>1,142</u>	<u>2,643</u>
Income before income taxes	28,478	17,509	42,382
Provision for income taxes	293	138	360
Net income	<u>\$ 28,185</u>	<u>\$ 17,371</u>	<u>\$ 42,022</u>

See accompanying notes to financial statements.

Statements of Member's Equity

for the fiscal year ended May 26, 2024, the five month period ended May 28, 2023 and  
the fiscal year ended December 25, 2022

(In thousands)

	<b>Additional paid in capital</b>	<b>Retained earnings</b>	<b>Total</b>
Balance at December 26, 2021	\$ 27,000	\$ 169,053	\$ 196,053
Net income	—	42,022	42,022
Balance at December 25, 2022	27,000	211,075	238,075
Net income	—	17,371	17,371
Balance at May 28, 2023	27,000	228,446	255,446
Net income	—	28,185	28,185
Balance at May 26, 2024	\$ 27,000	\$ 256,631	\$ 283,631

See accompanying notes to financial statements.

Statements of Cash Flows

For the fiscal year ended May 26, 2024, the Five Month Period ended May 28, 2023  
and the fiscal year ended December 25, 2022

(In thousands)

	<u>05/26/2024</u>	<u>05/28/2023</u>	<u>12/25/2022</u>
Cash flows from operating activities:			
Net income	\$ 28,185	\$ 17,371	\$ 42,022
Adjustments to reconcile net income to cash flows provided by operating activities:			
Changes in assets and liabilities:			
Royalties receivable	58	716	270
Other receivables	(213)	—	—
Other payables	(5)	5	(16)
Deferred franchise fees	(249)	(80)	46
Net cash flows provided by operating activities	<u>27,776</u>	<u>18,012</u>	<u>42,322</u>
Cash flows from financing activities:			
Intercompany receivable	<u>(27,777)</u>	<u>(18,012)</u>	<u>(42,321)</u>
Net cash flows used in financing activities	<u>(27,777)</u>	<u>(18,012)</u>	<u>(42,321)</u>
Net change in cash	(1)	—	1
Cash at beginning of period	1	1	—
Cash at end of period	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 1</u>

See accompanying notes to financial statements.

Ruth's Chris Steak House Franchise, LLC  
Notes to the Financial Statements

**Note (1) Nature of Operations**

Ruth's Chris Steak House Franchise, LLC (the Company) was a wholly owned subsidiary of RCSH Operations, Inc. (RCSH), which is a wholly owned subsidiary of Ruth's Hospitality Group, Inc. (RHGI). RHGI was an SEC public registrant that owns and operates the Ruth's Chris Steak House concept. As of June 14, 2023 Darden Restaurants, Inc. (Darden) acquired all of the outstanding stock of RHGI and changed the fiscal year end to align with Darden's fiscal year. Otherwise there have been no changes to the legal entities reporting relationships of RHGI, RCSH Operations, Inc. or the Company. RHGI and the Company have entered into an agreement that grants the Company an exclusive right and license to use RHGI's intellectual property. The Company sub-licenses the intellectual property of RHGI to RHGI's wholly owned operating subsidiaries that own and operate Ruth's Chris Steak House restaurants. The Company also sells franchise rights to Ruth Chris Steak House franchisees, giving the franchisees the exclusive right to operate Ruth's Chris Steak House restaurants in a particular location designated in the franchise agreement.

The following table details the number of company-owned and operated RHGI restaurants, as well as those operated under franchise agreements, as of May, 26, 2024, May 28, 2023 and December 25, 2022:

Number of restaurants	5/26/2024	5/28/2023	12/25/2022
Company-owned	80	77	77
Franchised <sup>1</sup>	74	74	74

<sup>1</sup> Includes international franchisee-owned restaurants in Aruba, Canada, China, Hong Kong, Indonesia, Japan, Mexico, Singapore and Taiwan

**Note (2) Significant Accounting Policies**

Accounting policies and methods of their application that significantly affect the determination of financial position, results of operations and cash flows are as follows:

**(a) Basis of Presentation**

The financial statements are prepared in conformity with U.S. generally accepted accounting principles. The Company utilizes a 52-or 53-week reporting period ending on the last Sunday of May. Fiscal 2024, which ended May 26, 2024, consisted of 52 weeks. The five-month period ended May 28, 2023 consisted of a 22-week period. The fiscal year ended December 25, 2022 had a 52-week reporting period which aligned with RCSH's fiscal year end.

Ruth's Chris Steak House Franchise, LLC  
Notes to the Financial Statements

**(b) Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the period reported. Actual results could differ from those estimates.

**(c) Intercompany Receivable**

Certain cash transactions of the Company are handled by RHGI on behalf of the Company. Such transactions are accounted for through an intercompany receivable account. Amounts that accumulate in the intercompany receivable account may be reclassified as contributions to, or distributions from the Company. As of May 26, 2024 and May 28, 2023 the intercompany receivable had a balance of \$256.9 million and \$229.2 million, respectively. During the fiscal year ended May 26, 2024, the five month period ended May 28, 2023, and the fiscal year ended December 25, 2022 no portion of the intercompany receivable balance was reclassified as a distribution or contribution.

The Company has entered into a Management and Marketing Services agreement whereby the Company pays RHGI and Darden Corporation fees to reimburse for management and marketing services undertaken on behalf of the Company. Fees increased in fiscal 2024 due to the change in calculation in the intercompany agreements.

**(d) Royalties Receivable**

Royalties receivable consist of royalties and advertising fees, which relate to our ongoing business agreements with franchisees, net of any allowance for credit losses. The allowance for credit losses is based upon management's assessment of historical and expected net collections, using a forward-looking approach that incorporates lifetime expected credit losses based on current and expected future business and economic conditions and other collection indicators. Royalties receivables are written off after collection efforts have been followed in accordance with the Company policies. While management believes that the allowance for credit losses is appropriate, if actual bad debts differ from the estimates, the Company's results of operations may vary significantly. There was no allowance for credit losses as of May 26, 2024 or May 28, 2023.

**(e) Intellectual Property Rights**

The intellectual property rights is indefinite lived and consists of the non-exclusive, royalty-free right and license to use RCSH intellectual property, including the right to grant licenses to use RCSH intellectual property to Ruth's Chris Steak House restaurants owned by RHGI and to franchisees.

Ruth's Chris Steak House Franchise, LLC  
Notes to the Financial Statements

During fiscal 2024, the intellectual property rights were valued using the relief from royalty method, a variation of the income approach. The relief from royalty method is a common approach to value intangible assets such as franchise agreements. The principle behind this method is that the value of the intangible asset is equal to the present value of the after-tax royalty savings attributable to owning the intangible asset.

The Company performs intellectual property right impairment testing on an annual basis or when a triggering event occurs. As of May 26, 2024 and May 28, 2023, the financial statement carrying value of the company's intellectual property rights was \$27 million.

**(f) Fair Value of Financial Instruments**

The Company's significant financial instruments are royalties receivables and deferred franchise fees. The fair value of these financial instruments approximate their carrying values based on their short terms to maturities.

**(g) Advertising Expenses**

Advertising expenses for the fiscal year ended May 26, 2024, for the five month period ended May 28, 2023, and for the fiscal year end December 25, 2022 were \$7.7 million, \$0.9 million, and \$1.9 million, respectively.

**(h) Revenue Recognition**

Franchise royalties, which are a percentage of net sales of franchised restaurants, are recognized in the period the related sales occur. Revenue from area development and franchise fees are recognized as the performance obligations are satisfied over the term of the franchise agreement and are included within deferred franchise fees on the balance sheet. Advertising contributions, which are a percentage of net sales of franchised restaurants, are recognized in the period the related sales occur.

The Company recognizes initial franchise fees over the contractual life of the applicable franchise agreement. During the fiscal year ended May 26, 2024, the five month period ended May 28, 2023 and the fiscal year ended December 25, 2022, the Company recognized initial franchise fees of \$0.2 million, \$0.1 million, and \$0.3 million, respectively. At May 26, 2024 and May 28, 2023, deferred franchise fees were \$2.2 million and \$2.4 million, respectively.

**(i) Income Taxes**

As a Single-Member Limited Liability Company (SMLLC) the Company is treated as a disregarded entity pursuant to Treasury Regulations Sections 301.7701-3 for federal income tax purposes. Generally, disregarded entities are not subject to entity-level federal or state income taxation and, as such, the Company does not provide income taxes under FASB Accounting Standards Codification Topic 740 except for foreign taxes incurred. The Company pays foreign taxes on franchise income related to certain foreign franchise restaurants. Foreign taxes are

Ruth's Chris Steak House Franchise, LLC  
Notes to the Financial Statements

computed using the parent company, Darden Restaurants, Inc. tax rate for fiscal year ended May 26, 2024, included in the provision for income taxes on the Statements of Income.

There were no unrecognized tax benefits as of May 26, 2024 for current or prior years. Further, no interest or penalties have been included since no reserves were recorded and no significant increases or decreases are expected to occur within the next 12 months. When applicable, interest and penalties will be reported as a component of income tax expense.

***(j) Recently Issued Accounting Standards Not Yet Adopted***

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which updates income tax disclosures related to the rate reconciliation and requires disclosure of income taxes paid by jurisdiction. The amendment also provides further disclosure comparability. For non-public entities, the amendments are effective for fiscal years beginning after December 15, 2025. Early adoption is permitted. The amendments should be applied prospectively; however, retrospective application is permitted.

Management has determined that these new accounting standards are not expected to have a material impact to the Financial Statements.

***(k) Recently Adopted Accounting Standards***

As of May 28, 2023, we adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-13 Financial Instruments - Credit Losses (Topic 326). The amendments in this update require entities to estimate an expected lifetime credit loss on financial assets ranging from short-term trade accounts receivable to long-term financings. This guidance impacts, among other items, how a company determines liabilities associated with financial guarantees related to assigned leases. The adoption of this guidance did not have a material impact on our financial statements.

**Note (3) Commitments and Contingencies**

The Company is involved in certain legal matters that they consider incidental to their business. In management's opinion, none of these legal matters will have a material effect on the Company's financial position or results of operations

**Note (4) Subsequent Events**

The Company has evaluated subsequent events through September 13, 2024, the date on which the accompanying financial statements were available to be issued and determined that there are no items to disclose other than noted below.

## **UNAUDITED FINANCIAL STATEMENTS**

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

Ruth's Chris Steak House Franchise, LLC

**RC Franchised Locations - Region 21**

**Account Trend Listing (13 Month) in Whole Dollars - YTD**

**For Period Ended November, 2024**

2:20 PM

Report ID: PRDMTR13

2024

Nov

**\*\*\*Current Assets\*\*\***

10040 - Operating Cash	12,050.77
<b>Cash and Cash Equivalents</b>	<b>12,050.77</b>
12075 - Royalty Income Receivable	1,663,636.24
12079 - Franchise Development Fees Receivable	100,000.00
12080 - Misc Accts Receivables	50,309.09
<b>Receivables</b>	<b>1,813,945.33</b>
14040 - Prepaid - Miscellaneous	-
<b>Prepaid Expenses and Other Current Assets</b>	<b>-</b>
<b>Total Current Assets</b>	<b>1,825,996.10</b>

**Total Assets 1,825,996.10**

**\*\*\*Current Liabilities\*\*\***

22056 - Media Payments - TV & Radio	-
<b>Trade Accounts Payable</b>	<b>-</b>
22804 - Deferred Development Fee - Current	239,522.16
<b>Unearned Revenue - Other</b>	<b>239,522.16</b>
<b>Total Unearned Revenues</b>	<b>239,522.16</b>
22675 - Miscellaneous Liability	22,270.18
<b>Miscellaneous Current Liabilities</b>	<b>22,270.18</b>
<b>Other Current Liabilities</b>	<b>22,270.18</b>
<b>Total Current Liabilities</b>	<b>261,792.34</b>

**\*\*\*Long Term Liabilities\*\*\***

27414 - Deferred Development Fee - Non-Current	1,896,808.10
<b>Other Non-Current Liabilities</b>	<b>1,896,808.10</b>
<b>Other Liabilities</b>	<b>1,896,808.10</b>
<b>Total Liabilities</b>	<b>2,158,600.44</b>

**\*\*\*Equity\*\*\***

**Current Retained Earnings 7,456,542.86**

<b>Retained Earnings, Excluding Translation</b>	<b>7,456,542.86</b>
<b>Total Equity</b>	<b>7,456,542.86</b>

<b>Total Liabilities and Equity</b>	<b>9,615,143.30</b>
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**\*\*\*Revenue\*\*\***

38100 - Franchise Royalty Fee Income	7,158,812.63
38200 - Area Development Fee Income	122,950.99
38600 - Franchise Inventory Sales	1,753,608.52
38601 - Global Marketing Fund Income	1,474,070.69
38602 - Other Franchise Revenue	37,887.27
<b>Franchise/CPG Revenue</b>	<b>10,547,330.10</b>

<b>Net Sales/Revenue</b>	<b>10,547,330.10</b>
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**\*\*\*Expenses\*\*\***

45005 - Franchise Inventory Cost of Sales	1,689,467.82
<b>Food and Beverages</b>	<b>1,689,467.82</b>

<b>Total Costs of Sales</b>	<b>1,689,467.82</b>
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71010 - Local Marketing	1,346,637.30
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<b>Marketing (Selling)</b>	<b>1,346,637.30</b>
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82009 - Working Meals	-
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82010 - Offsite Business Meals & Entertainment	2,513.35
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82011 - Meetings	-
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82020 - Lodging	17.17
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82030 - Airfare	-
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82060 - Other Travel	-
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82064 - Candidate Travel - Other	-
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82080 - Outside Seminars/Conferences non-DRU	1,380.99
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82083 - Training Meals	-
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<b>Travel</b>	<b>3,911.51</b>
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83010 - Computer/Office Supplies	-
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83023 - Outside Print Services	-
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83030 - Training Design	-
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83039 - Outside Consultants	-
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83049 - Membership Dues - Deductible	-
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83068 - Outside Auditing Expense	20,800.00
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83074 - Legal Counseling - Non-Employment	-
83083 - Outside Services - Other	-
83091 - Cellular Telephone	-
83097 - Restaurant Connectivity Allocation	29,970.61
83100 - Postage - RSC	-
83261 - Miscellaneous Department Expense	-
83265 - Bank Service Fee	-
<b>Department Expenses</b>	<b>50,770.61</b>
<b>Total Department Expense and Other</b>	<b>50,770.61</b>
81010 - Regular Labor/Salary	-
81060 - FICA	-
81061 - State Unemployment	-
<b>Labor - Admin</b>	<b>-</b>
81063 - Insurance	-
81064 - Profit Sharing	-
81069 - Post Employment Qtrly Exp	-
<b>Benefits</b>	<b>-</b>
<b>Total Labor and Benefits</b>	<b>-</b>
<b>General and Administrative Before Allocations</b>	<b>54,682.12</b>
84010 - GMR Allocation	-
<b>Administrative Allocations</b>	<b>-</b>
<b>Total General and Administrative</b>	<b>54,682.12</b>
<b>Total Selling, General and Admin.</b>	<b>1,401,319.42</b>
<b>Total Costs and Expenses</b>	<b>3,090,787.24</b>
<b>Earnings Before Interest and Taxes</b>	<b>7,456,542.86</b>
<b>Earnings Before Taxes</b>	<b>7,456,542.86</b>
<b>Earnings After Taxes</b>	<b>7,456,542.86</b>

Numbers may not add and percentages may not calculate due to rounding.

**EXHIBIT B  
TO THE FRANCHISE DISCLOSURE DOCUMENT**

**Franchise Agreement**



**RUTH'S CHRIS STEAK HOUSE FRANCHISE, LLC**

**FRANCHISE AGREEMENT**

Exhibit B

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## EXHIBITS

- EXHIBIT A – GUARANTY AND ASSUMPTION OF OBLIGATIONS
- EXHIBIT B – ASSIGNED AREA, AREA OF PRIMARY RESPONSIBILITY AND LOCATION
- EXHIBIT C – STATEMENT OF OWNERSHIP INTERESTS AND CONTROLLING PRINCIPALS
- EXHIBIT D – CONFIDENTIALITY AGREEMENT
- EXHIBIT E – CONFIRMATION OF OPENING DATE
- EXHIBIT F – FRANCHISEE CODE OF BUSINESS CONDUCT

**RUTH'S CHRIS STEAK HOUSE  
FRANCHISE AGREEMENT**

**SUMMARY PAGE**

“EFFECTIVE DATE” \_\_\_\_\_, 20\_\_

“COMPANY” Ruth’s Chris Steak House Franchise, LLC  
1000 Darden Center Drive  
Orlando, FL 32837  
Attn: Legal Department  
Phone: (407) 333-7440

“FRANCHISEE” \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Phone: \_\_\_\_\_

“CONTROLLING PRINCIPALS/GUARANTORS” \_\_\_\_\_ (see Exhibit C)

“LOCATION” \_\_\_\_\_

“FRANCHISE FEE” \$100,000 (see Section 4.1)

“ROYALTY FEE” 5% of Net Sales (See Section 4.2)

“GLOBAL MARKETING FUND CONTRIBUTION” 1% of Net Sales (See Section 8)

“OPENING DEADLINE” \_\_\_\_\_ (see Section 2.5)

“OPENING DATE” \_\_\_\_\_ (see Exhibit E)

“INITIAL TERM” From the Effective Date to the earlier of (a) 15 years after the Opening Date or (b) the expiration or termination of Franchisee’s right to possess the premises of the Restaurant (see Section 3.1)

## **RECITALS:**

A. Company, as the result of the expenditure of time, skill, effort, and money, has developed and owns or has rights to the System (see Section 19 for definitions), which relates to the establishment and operation of full-service Ruth's Chris restaurants featuring a specialized menu and full bar service;

B. Company identifies the System by means of the Proprietary Marks, which currently include the trademarks and names "RUTH'S CHRIS" and/or "RUTH'S CHRIS STEAK HOUSE";

C. Company continues to develop, use, and control the use of the Proprietary Marks in order to identify for the public the source of the services and products marketed under the Proprietary Marks and under the System, and to represent the System's Standards;

D. Franchisee understands and acknowledges the importance of the System and Company's Standards and the necessity of operating the business licensed under this Agreement in conformity with Company's Standards; and

E. Franchisee desires to use the Proprietary Marks and the System in connection with the operation of a System Restaurant at the Location, as well as to receive the training and other assistance provided by Company in connection with the System.

## **AGREEMENT**

In consideration of the mutual undertakings and commitments set forth in this Agreement, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

### **1. GRANT**

1.1 Grant. In reliance on the representations and warranties of Franchisee and its Controlling Principals, Company grants to Franchisee, upon the terms and conditions in this Agreement, the right and license, and Franchisee accepts the right and obligation, to operate the Restaurant at the Location.

1.2 Location and Relocation. The specific street address accepted by Company for the Restaurant is set forth on the Summary Page and Exhibit B and is identified as the "Location". If a Location for the Restaurant has not been obtained by Franchisee and approved by Company as of the Effective Date, Franchisee will acquire a site for the Restaurant, subject to Company's written consent, in accordance with Section 2 of this Agreement. This Agreement does not grant to Franchisee the right to operate a Restaurant or to offer or sell any products or services described under this Agreement at or from any other site, except for delivery programs, catering events, promotions, non-Internet gift card/merchandise sales or other similar activities conducted outside of the Restaurant but within the Assigned Area; such activities must be approved by Company and conducted in accordance with the Standards.

Company has the right (but not obligation) to establish Restaurant delivery, catering, fundraising, and/or delivery programs, either on its own or in conjunction with one or more outside vendors. Franchisee must offer any online ordering and delivery options Company requires. Other programs Company establishes may be mandatory or optional. Franchisee must use any approved technology, equipment (such as computer or POS related equipment) or software Company requires and comply with all other rules and procedures Company specifies. Franchisee must pay any fees and costs associated with participating in these programs. Company may define designated service areas for these programs. Company can modify or terminate these programs by notice to the participating System Restaurants.

Franchisee may not relocate the Restaurant without the express written consent of Company, which shall not be unreasonably withheld. Franchisee may, at any time, request approval of Company to relocate the Restaurant to another site in the Assigned Area. As part of the request, Franchisee must state the address to which Franchisee desires to relocate the Restaurant, the reasons Franchisee desires to relocate, and any other information requested by Company. Company may condition its consent to the relocation on, among other things, the requirement that Franchisee execute the then-current form of franchise agreement being offered by Company along with any addenda to reflect the relocation. The new location for the Restaurant must open within thirty (30) days of closure of the existing Restaurant. Franchisee must pay a fee (“Relocation Fee”) of Fifty Thousand Dollars (\$50,000) and continuing fees as required by Company during any time period between closing of the existing Restaurant and opening of the new Restaurant.

1.3 Assigned Area, Limited Exclusivity and Limitations. The Assigned Area for the Restaurant is described in Exhibit B. Except as otherwise provided in this Agreement, and subject to Franchisee’s full compliance with this Agreement, Company will not establish or authorize any person other than Franchisee to establish a System Restaurant in the Assigned Area during the Term.

Company retains all other rights not expressly granted herein. Notwithstanding Company’s grant of rights to Franchisee in the Assigned Area, Company, its Affiliates, and their respective franchisees and licensees may operate System Restaurants at or within airports, convention centers, casinos, sports stadiums and arenas or similar venues in the Assigned Area, including facilities that are identified by the Proprietary Marks (“Non-Traditional Location”). In addition, Company and its Affiliates may or may authorize a third party to, among other things, conduct the following activities:

(a) Advertise and promote sales of System Restaurants (generally), using any method that may appear in or be visible to customers at locations within the Assigned Area;

(b) Offer and sell collateral and ancillary products and services, such as clothing items, and memorabilia, in the Assigned Area under the Proprietary Marks, even though those products and services may be similar to items offered by the Restaurant;

(c) Offer and sell, including within the Assigned Area, the same or similar products that are authorized for sale at System Restaurants under the Proprietary Marks or under other trademarks or trade dress and through any other channel of distribution, whether such channel of distribution is now in existence or is hereafter developed and whether at retail or wholesale, including, without limitation, sales through catalogs, e-commerce, carts or kiosks, mass merchandise, supermarkets, institutions, virtual kitchens, club stores and any other outlet or method of distribution pursuant to any terms and conditions as Company may deem appropriate;

(d) Offer and sell any products and services or operate other restaurants under any names and marks *other than* the Proprietary Marks within the Assigned Area;

(e) Establish and operate a System Restaurant anywhere outside of the Assigned Area, regardless of proximity to or impact upon the Assigned Area or the Restaurant;

(f) Operate one or more sites on the World-Wide Web portion of the Internet that advertise the System Restaurants, allow customers and potential customers to make reservations at System Restaurants (including the Restaurant), sell items, including clothing items or Ruth’s Chris Steak House memorabilia, or permit other activities (whether or not similar), even though the Web site is accessible to or viewable by persons in the Assigned Area;

(g) Develop, own, and sell franchises for other franchise systems for the same or similar products and services using trade names and trademarks other than the Proprietary Marks that may operate in the Assigned Area; and

(h) Purchase, be purchased by, merge, or combine with businesses that directly compete with System Restaurants and that may operate businesses in the Assigned Area.

1.4 Area of Primary Responsibility. Company has assigned to Franchisee an Area of Primary Responsibility, which is described in Exhibit B. Franchisee will make all commercially reasonable efforts to advertise and promote the Restaurant in the Area of Primary Responsibility, in accordance with Section 8. The Area of Primary Responsibility is not exclusive to Franchisee for any purpose.

## **2. SITE SELECTION, PLANS AND CONSTRUCTION**

2.1 Responsibility for Site Selection. Franchisee assumes all liability, expense and responsibility for locating, obtaining and developing the Location for, and for constructing and equipping, the Restaurant. Franchisee agrees that its decision to develop and operate the Restaurant at a site that Company accepts is based solely on Franchisee's own independent investigation of the suitability of that site for a Restaurant. Company assumes no liability or responsibility for: (1) evaluation of the soil of the site for hazardous substances; (2) inspection of any structure at the site for asbestos or other toxic or hazardous materials; (3) compliance with the ADA; or (4) compliance with any other Applicable Law. It is Franchisee's sole responsibility to obtain satisfactory evidence and/or assurances that the site and any structures on the site are free from environmental contamination and in compliance with the requirements of the ADA. Franchisee shall comply with the guidelines for site selection prescribed by Company in the Manuals or otherwise in writing, including the following:

(a) Prior to acquiring by lease or purchase a site for the Restaurant, Franchisee shall locate a site for the Restaurant that satisfies the Standards for site selection set forth in the Manuals and shall submit to Company a complete 360 Site Report for Franchisee's proposed site, which must include all information that Company requires, including, without limitation, area maps, initial site plans, initial floor plans and layouts, initial business and operating plan (including Gross Sales, Net Sales, and expense projections), basic demographic and traffic pattern information, local transportation and parking facilities, and location of competing establishments. Franchisee must submit the site information required in this Section 2.1(a) by no later than one hundred twenty (120) days after the Effective Date;

(b) After Company's receipt of the 360 Site Report in compliance with the Standards under Section 2.1(a), Company may, at its sole option and subject to availability of personnel, direct its representatives to visit the proposed site. The first visit shall be without additional charge to Franchisee. For each subsequent visit, whether undertaken at Company's initiative or at Franchisee's request, Company reserves the right, at Company's sole option, to require to Franchisee to promptly reimburse Company for all travel expenses, wages and consultants' fees incurred by Company in connection with or related to such visit. For the purpose of this Section 2.1(b), "Travel Expenses" shall mean costs and expenses incurred by or assessed in connection with travel, including, without limitation, hotel/lodging, transportation, meals, and, with regard to Company's agents' and/or representatives' expenses, Company's then-current per diem charge, determined by Company in advance; and

(c) Company shall have thirty (30) days after receipt of the 360 Site Report in compliance with the Standards under Section 2.1(a) to accept or reject, at its sole option, the proposed site as the Location for the Restaurant. No site may be used for the Location of the Restaurant unless Franchisee

first receives Company's written acceptance of that site. Once accepted, the site will be added to the Summary Page and Exhibit B as the Location. Franchisee agrees that Company's acceptance of a site as the Location shall not be deemed to be a representation or warranty that the Location will be successful or attain a level or range of performance.

2.2 Site Acquisition. No later than ninety (90) days after Company accepts the Location, Franchisee shall acquire by purchase or lease, at Franchisee's sole expense, the Location. If Franchisee will occupy the premises of the Restaurant under a lease, Franchisee shall submit a copy of the executed lease to Company within ten (10) days after execution.

2.3 Governmental Approvals. Franchisee is responsible for obtaining all zoning classifications and clearances required by state or local laws, ordinances, or regulations or that are necessary as a result of any restrictive covenants relating to the Location. Before beginning the construction of the Restaurant, Franchisee will:

(a) Obtain all approvals, clearances, permits, licenses, and certifications required for the lawful construction, renovation and operation of the Restaurant; and

(b) Certify in writing to Company that Franchisee has obtained the insurance coverage specified in Section 12 and that Franchisee has obtained all required approvals, clearances, permits, licenses, and certifications. Franchisee must provide to Company additional copies of Franchisee's insurance certificates or policies and copies of all approvals, clearances, permits, and certifications.

2.4 Building Plans. Franchisee must obtain any architectural, engineering, and design services necessary for the construction of the Restaurant at Franchisee's expense, from a qualified and licensed architectural design firm chosen by Franchisee. Franchisee must retain a professional commercial kitchen designer to complete food service documents, which shall be submitted, reviewed and approved in the manner set forth in the Franchise Design and Review Process set forth in the Manuals. Franchisee will use any design guidelines and specifications for construction of System Restaurants as provided in the Manuals or otherwise in accordance with Section 5.1, to develop proposed plans for the construction of the Restaurant. Franchisee must submit the proposed plans for the Restaurant to Company for review by no later than sixty (60) days after execution of the lease or purchase date for the Location. No later than thirty (30) days after Company's receipt of the proposed plans, if Company determines that the proposed plans do not satisfy any Company's Standards for a System Restaurant or are not consistent with the best interests of the System, Company may reject such plans. If Company does not timely reject the plans, Franchisee's plans shall be deemed acceptable.

If Company rejects Franchisee's proposed plans, Company will provide Franchisee with a reasonably detailed list of changes necessary to make the plans acceptable. Company will, upon a resubmission of the plans incorporating the necessary changes, notify Franchisee within fifteen (15) days after receiving the resubmitted plans whether the revised plans are acceptable. If the plans (as changed) are still not acceptable, Company will notify Franchisee of its objections as described above, and Franchisee will again resubmit the plans in accordance with the procedures described above until the plans are accepted by Company. If Company fails to notify Franchisee of any objection within the 15-day period, Franchisee may use the resubmitted plans.

Once Company has accepted the plans and issued a Construction Approval Letter, if any substantial changes that alter the floor plan, operational efficiency, exterior aesthetic, or interior materials need to be

made to the plans, then Franchisee must notify Company and obtain Company's prior acceptance of the revised plans.

Franchisee acknowledges that acceptance by Company of any plans proposed by Franchisee does not constitute a representation or warranty, express or implied, by Company that the plans are free of architectural or other design errors, or that the plans will comply with applicable building or zoning laws; thus, Company will have no liability to Franchisee or any other party with respect to the plans and specifications.

2.5 Construction and Opening. Unless otherwise agreed, within thirty (30) days after final acceptance of all plans, receipt of governmental approvals, and other pre-conditions, Franchisee must commence construction or renovation (as applicable) of the Restaurant, and will then diligently pursue construction or renovation until completion. For purposes of this Agreement, "commencement of construction" means the time at which any site work (such as demolition of any existing facilities or excavation for new facilities) is initiated by or on behalf of Franchisee at the Location. During the time of construction or renovation, Franchisee will provide Company with periodic reports, photographs, and/or videos requested by Company demonstrating the progress of the construction or renovation. Company may make on-site inspections to evaluate the progress of the construction or renovation. If, based upon the progress reports or any inspections, Company determines that construction or renovation is inconsistent with the accepted plans, Company will notify Franchisee in writing of the deficiencies, and Franchisee must correct the deficiencies as and when required by Company. Franchisee will provide at least thirty (30) days advance written notice to Company of the scheduled date for completion of construction or renovation and projected opening date. Within a reasonable time after the date of completion of construction or renovation, Company may, but is not required to, conduct an inspection of the completed Restaurant.

Franchisee may not open the Restaurant for business without Company's written authorization, and Company may condition that authorization upon Franchisee's strict compliance with this Agreement, including the approved plans.

Any liens, if any, on the Location must be cleared prior to Franchisee opening the Restaurant and commencing business. Furthermore, Franchisee must have a certificate of occupancy for the prior to Franchisee opening the Restaurant and commencing business.

Franchisee will promptly complete all exterior and interior preparations for the Restaurant, including installation of equipment, fixtures, furnishings, and signs, pursuant to the plans and specifications accepted by Company, and will comply with all other pre-opening obligations of Franchisee, including the training obligations described in Section 6.6. If Franchisee fails to comply with any of those obligations, Company may prohibit Franchisee from commencing business.

Franchisee will comply with all pre-opening obligations and must open the Restaurant and commence business on or before the Opening Deadline as set forth on the Summary Page, unless Company consents in writing to an extension of such Opening Deadline and Franchisee pays the Extension Fee.

If Franchisee fails to comply with any of such obligations (including failing to timely open and/or failing to properly notify Company of the Restaurant's opening), Company will have the right to prohibit Franchisee from commencing business and Franchisee shall reimburse Company for any and all resulting costs and expenses. Franchisee's failure to open the Restaurant and commence business in accordance with this Section 2.5 is an Event of Default. Alternatively, if Franchisee fails to open the Restaurant and

commence business in accordance with this Section 2.5, Franchisee may pay an Extension Fee to extend the Opening Deadline as set forth below.

In lieu of default and termination pursuant to Section 17.2, if Franchisee fails to open the Restaurant and commence operations on or before the Opening Deadline, Franchisee may, upon prior notice to Company and payment of the applicable Extension Fee prior to the Opening Deadline, extend the Restaurant's Opening Deadline by either six (6) months or twelve (12) months. The Opening Deadline may be extended twice, for up to twelve (12) months, if Franchisee elects a six (6) month extension of the Opening Deadline; provided that, the maximum amount of cumulative time the Opening Deadline may be extended is twelve (12) months. If Franchisee fails to open the Restaurant within one (1) calendar year of the Opening Deadline, notwithstanding Franchisee's payment of the Extension Fee, Company may terminate this Agreement immediately upon written notice to Franchisee.

The date the Restaurant actually opens for business to the public in accordance with this Agreement (the "Opening Date") will be set forth on a confirmation agreement in substantially the form of Exhibit E.

Franchisee must provide a written report to Company in a form specified by Company detailing all construction and development costs and expenses for the Restaurant within thirty (30) days after the opening of the Restaurant. Franchisee agrees that Company may share these costs and expenses with other existing and prospective franchisees of System Restaurants.

2.6 Lease Requirements. If the site of the Restaurant is leased, Franchisee agrees that the relevant lease contains the following terms:

(a) During the Term of this Agreement, the site of the Restaurant will be used only for the operation of the Restaurant.

(b) The landlord consents to Franchisee's use of the Proprietary Marks and signs, interior and exterior decor items, color schemes, plans, specifications and related components of the System as Company may prescribe for the Restaurant.

(c) The landlord agrees to furnish Company with copies of any and all letters and notices sent to Franchisee pertaining to the lease and the site at the same time that such letters and notices are sent to Franchisee.

(d) Company will have the right to enter the site to make any modification or alteration necessary to protect the System and Proprietary Marks or to cure any Event of Default under this Agreement or under the lease, without being guilty of trespass or any other crime or tort, and the landlord will not be responsible for any expense or damages arising from Company's action in connection therewith.

(e) In the event of Franchisee's default under the terms of the lease, Company may, but is not required, to cure the default and may assume the lease in Company's name. If Company elects to cure the default and assume the lease, Company will notify the landlord of its intent to cure such default and to assume the lease. Within thirty (30) days after Company receives notice of the default, Company will have the option, in its sole discretion, to cure the default and not assume the lease. Company will cure the default within thirty (30) days of such election or, if the default cannot be reasonably cured within such thirty (30) day period, then Company will commence and proceed to cure the default within such time as is reasonably necessary to cure the default. If Company elects to assume the lease, the landlord agrees to recognize Company as the tenant under the lease and Franchisee will no longer have any rights thereunder.

Company will have the option, to be exercised within 30 days after lease assumption to purchase from Franchisee any or all of the furnishings, equipment (including any Computer Systems not licensed by Company), signs, fixtures, motor vehicles, supplies, and inventory of Franchisee related to the operation of the Restaurant, at fair market value.

(f) Franchisee will be permitted to assign the lease to Company or its Affiliates upon the expiration or termination of this Agreement and the landlord consents to such assignment and agrees not to impose or assess any assignment fee or similar charge or accelerate rent under the lease in connection with such assignment, or require Company to pay any past due rent or other financial obligation of Franchisee to the landlord, it being understood that the landlord will look solely to the Franchisee for any rents or other financial obligations owed to the landlord prior to such assignment. The landlord and Franchisee acknowledge that Company is not a party to the lease and will have no liability under the lease, unless and until the lease is assigned to, or assumed by, Company.

(g) Except for the Franchisee's obligations to the landlord for rents and other financial obligations accrued prior to the assignment of the Lease, in the event of such assignment, Company or any Affiliate designated by Company will agree to assume from the date of assignment all obligations of Franchisee remaining under the lease, and in such event Company or any Affiliate will assume Franchisee's occupancy rights, and the right to sublease the site, for the remainder of the term of the lease.

(h) Notwithstanding anything contained in the lease, Company is expressly authorized, without the consent of the lessor, to sublet the site to an authorized franchisee, provided such subletting is specifically subject to the terms of the lease and further provided Company remains liable for the performance of the terms of the lease and provided the Franchisee expressly assumes all obligations of the lease. Company will notify the lessor as to the name of the Franchisee within ten (10) days after such subletting.

(i) Franchisee will not assign the lease or renew or extend the term thereof without the prior written consent of Company.

(j) The landlord and Franchisee will not amend or otherwise modify the lease in any manner that could affect any of the foregoing requirements without the prior written consent of Company.

(k) The terms set forth in this Section 2.6 will supersede any conflicting terms of the lease.

### **3. TERM AND RENEWAL**

3.1 **Term.** Unless sooner terminated as provided in Section 17, the Initial Term of this Agreement begins on the Effective Date stated on Summary Page and continues until the earlier of (a) fifteen (15) years after the Opening Date, or (b) the expiration or termination of Franchisee's right to possess the premises of the Restaurant.

3.2 **Renewal.** Franchisee may, at its option, but subject to compliance with each of the conditions set forth below, request to enter into a new franchise agreement to operate the Restaurant at the Location for up to two (2) Renewal Terms, assuming that (i) Company is still offering franchises in the market area where the Restaurant is located and (ii) Company has not made a decision to withdraw from the geographic market of the Restaurant. At the expiration of the second Renewal Term, Franchisee shall have no additional rights to renew the franchise granted in this Agreement. If Franchisee desires to renew

the franchise, then each of the following conditions must be met before and/or at the time of each respective renewal (as appropriate):

(a) Franchisee must give Company written notice of Franchisee's election to renew the franchise not less than nine (9) months nor more than twelve (12) months before the end of the Initial Term or first Renewal Term ("Renewal Notice");

(b) Unless Franchisee has modernized the Restaurant as required by Company during the five (5) consecutive years immediately prior to the date of the Renewal Notice, Franchisee must modernize the Restaurant to be in full compliance with the then-current Standards for new System Restaurants, as required by Company;

(c) Franchisee must have satisfied all monetary obligations owed by Franchisee or its Affiliates to Company and its Affiliates under this Agreement or any other agreement, and to any third-party suppliers;

(d) Franchisee must not be in default of any provision of this Agreement or any other agreement, including that Franchisee must not have received a notice of default more than three times during the Term;

(e) Upon request by Company, Franchisee must present satisfactory evidence that Franchisee has the right to remain in possession of the Location for the operation of the Restaurant for the Renewal Term;

(f) Franchisee must be able to maintain all licenses and permits, including but not limited to a liquor license, necessary to continue to operate the Restaurant at the Location for the Renewal Term;

(g) Franchisee must have executed Company's then-current form of franchise agreement, which will supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement.

(h) Franchisee and the Controlling Principals must have executed and delivered to Company a general release in the form prescribed by Company of all claims against Company and its Affiliates, officers, directors, shareholders, partners, agents, representatives, independent contractors, servants, and employees in their corporate and individual capacities, including claims arising under this Agreement or under Applicable Law;

(i) Franchisee shall pay Company a Renewal Fee; and

(j) Franchisee must satisfy and comply with Company's then-current qualifications and criteria for new franchisees, including training requirements.

3.3 Holdover. In the event the parties continue to perform under this Agreement after expiration of the Initial Term or a Renewal Term, as applicable, without executing a new agreement, this Agreement will be deemed to extend on a month-to-month basis and both parties will have the right to terminate (and prevent further extensions of) this Agreement upon at least thirty (30) days' written notice.

#### **4. FEES**

4.1 Franchise Fee. Simultaneously with the execution of this Agreement, Franchisee must pay to Company the Franchise Fee, in the amount set forth on the Summary Page of this Agreement, in consideration of the pre-opening support and other services provided by Company. The Franchise Fee is fully earned and is nonrefundable in consideration of administrative and other expenses incurred by Company in granting this franchise and for Company's lost or deferred opportunity to franchise to others.

4.2 Royalty Fee and Reports. Franchisee acknowledges and agrees that:

(a) During the Term, Franchisee will pay to Company a continuing Royalty Fee equal to the percentage of Net Sales set forth on the Summary Page of this Agreement. The Royalty Fee and any other periodic fee required by this Agreement is due and payable on the due date designated by Company, which is currently the 15<sup>th</sup> day after the end of the preceding Accounting Period, based on the Net Sales for the applicable, preceding Accounting Period. The first Royalty Fee payment will be made for the partial Accounting Period beginning on the Opening Date and ending on the last day of the Accounting Period. Payments shall be made using the method required by Company, which may include Electronic Funds Transfer ("EFT") or other pre-authorized debit payment or wire transfers. All payments must be *received* by Company no later than 5:00 p.m. EST on the 15<sup>th</sup> day of the Accounting Period, provided that day is a Business Day. If the date on which a payment would otherwise be due is not a Business Day, then payment is due on the next Business Day. If, due to any Applicable Law, Company is prohibited from receiving a percentage royalty based on alcoholic beverage sales, gambling device revenues, or other similar percentage payouts, Franchisee shall pay Company a Royalty Fee on all Net Sales, except these alcoholic beverage sales, gambling device, and/or other revenues in the same dollar amount as would have been paid if Franchisee paid the specified Royalty Fee percentage on all Net Sales.

(b) Franchisee must submit the Gross Sales and Net Sales daily via Company's intranet system or through other electronic data interfaces that Company may require, at Franchisee's cost. Franchisee must verify the accuracy of the Gross Sales and Net Sales figures by Wednesday at midnight (Eastern Time) of each week for the preceding week. Franchisee must submit to Company all reports with respect to the preceding calendar month of the Restaurant's operation by the dates and in the form and content as Company periodically prescribes. The report may include, without limitation, the following information for the preceding calendar month of the Restaurant's operation: (i) Amount of Gross Sales, Net Sales, and gross receipts of the Restaurant, amount of sales tax, and the computation of the Royalty Fee and Global Marketing Fund; (ii) Quantities of products purchased and the sources from which each product was obtained; (iii) Copies of Franchisee's most recent sales tax return, monthly cash register sales summaries or details, and monthly balance sheets and statements of profits and losses, including a summary of Franchisee's costs for utilities, labor, rent, and other cost items; and (iv) If requested by Company to verify Franchisee's Gross Sales or Net Sales, all such books and records as Company may require.

4.3 Other Fees.

(a) Global Marketing Fund. Franchisee must pay to Company a non-refundable Global Marketing Fund Contribution, which is due at the same time and in the same manner as the Royalty Fee.

(b) Payments. If Company provides any services or items to Franchisee, Franchisee shall pay all charges for such services or items no later than thirty (30) days after invoice date using the method of payment required by Company. Other fees include, but are not limited to, pre-opening/opening training and support, renewal or transfer fees, and promotional advertising.

4.4 Late Payment Charge. Any payment or report not actually received by Company on or before the due date will be considered past due, whether or not Company has demanded payment. If any payment is not made by Franchisee on or before the date on which it is due, Company may impose a late charge equal to the lesser of:

(a) The maximum amount permitted by law, or

(b) The Prime Commercial Lending Rate as quoted by the Wall Street Journal on the day upon which such payment is due, plus five percent (5%). For each thirty (30) days that the payment continues to be unpaid, Company may impose an additional late charge equal to the accrued interest generated by calculating the Wall Street Journal prime plus five percent (5%). In any instance, only one late fee shall be charged. These late charges are intended to reimburse Company's expenses and to compensate Company for its inconvenience, and do not constitute interest.

4.5 No Offset. All payments of the Royalty Fee and other amounts are due by Franchisee without deduction or offset. Franchisee may not withhold payments due Company under this Agreement on grounds of alleged nonperformance by Company under this Agreement.

4.6 Calculation of Net Sales. Company may, from time to time, authorize certain items to be excluded from Net Sales. Any such authorization may be revoked or withdrawn at any time in writing by Company in its sole discretion. Cash shortages (including as a result of theft, loss, or employee dishonesty) will not be deducted in the determination of Net Sales. In the event of a dispute, the amount of Net Sales will be determined based on all available records, including the records of the electronic cash register system or point-of-sale system used by Franchisee, tax returns, and records of purchases by Franchisee.

4.7 Application of Payments. Company has the right to apply any of Franchisee's payments to any of its past due indebtedness to Company and its Affiliates. Company has the right to set off any amounts Franchisee owes Company against any amounts Company might owe Franchisee.

4.8 Partial Payments. No payment by Franchisee or acceptance by Company of any monies due under this Agreement for a lesser amount than due shall be treated as anything other than a partial payment on account. Franchisee's payment of a lesser amount than due with an endorsement, statement or accompanying letter to the effect that payment of the lesser amount constitutes full payment shall be given no effect, and Company may accept the partial payment without prejudice to any rights or remedies Company may have against Franchisee. Acceptance of payments by Company other than as set forth in this Agreement shall not constitute a waiver of Company's right to demand payment in accordance with the requirements of this Agreement or a waiver by Company of any other remedies or rights available to Company pursuant to this Agreement or under Applicable Law. Notwithstanding any designation by Franchisee, Company shall have sole discretion to apply any payments by Franchisee to any of Franchisee's past due indebtedness for Royalty Fees, Global Marketing Fund and fees, purchases from Company or Company's affiliates, interest or any other indebtedness. Company has the right to accept payment from any other entity as payment by Franchisee. Acceptance of that payment by Company will not result in that other entity being substituted for Franchisee.

4.9 Collection Costs and Expenses. Franchisee must pay to Company on demand any and all collection costs and expenses (including costs and commissions due a collection agency, costs incurred in creating or replicating reports demonstrating Net Sales of the Restaurant, reasonable legal fees, attorneys' fees, court costs, expert witness fees, discovery costs and reasonable legal fees, attorneys' fees and costs

on appeal, together with interest charges on all of the foregoing) incurred by Company in enforcing the terms of this Agreement, including in collecting any monies owed by Franchisee to Company.

## **5. COMPANY'S OBLIGATIONS**

Company will provide the services described below with regard to the Restaurant. Although Company may, voluntarily, provide additional services, no additional duties may be implied because Company provides those additional services. Company has no implied duties or other duties not expressly stated in this Agreement.

5.1 **Building Plans.** Company will provide to Franchisee design guidelines and specifications for a System Restaurant (in accordance with Section 2.4, Franchisee must independently, at Franchisee's expense, have design guidelines and specifications included in the proposed plans for the Restaurant).

5.2 **Computer Software.** If (during the Term) Company develops any computer software and requires that software to be used in the operation of the Restaurant pursuant to Section 7.7, then Company will also make available to Franchisee at no additional cost any upgrades, enhancements, or replacements to the software that are developed from time to time by or on behalf of Company and Franchisee must execute any software license and related documents to effect same. If such computer software is not mandatory, and Franchisee desires to license it from Company, then Franchisee shall pay a reasonable cost for all such computer software, upgrades, enhancements, and replacements that are developed from time-to-time by Company or as reasonably required.

Company may require, but in no event sooner than once every three (3) years, the installation and use of other software as developed by third parties. If so, Franchisee shall bear the cost of purchasing, leasing, licensing, or subscribing to such required software, necessary hardware, installation, upgrades, enhancements, or replacements.

5.3 **Inspections and Assistance.** From time to time, Company's representatives will make visits to the Restaurant and will evaluate the products sold and services rendered at the Restaurant as more fully described in Section 7.5. In addition, Company's representatives will provide on-site pre-opening and post-opening assistance at the Restaurant in accordance with the provisions of Sections 2.5 and 6.6(c).

5.4 **Advertising Materials and Programs.** Company may, from time-to-time and at no cost to Franchisee, provide a variety of advertising and promotional materials and information to Franchisee for use in marketing and conducting local advertising for the Restaurant.

If Franchisee proposes to use any advertising or promotional materials not provided by Company, Company may review and approve or disapprove all advertising and promotional materials (including trademark, and business listings and everything proposed to be posted to the Internet), pursuant to Section 8.

Company has established and will administer a Global Marketing Fund in accordance with Section 8.

5.5 **Other Assistance.** Company may provide Franchisee with access to the Manuals and other advice and written and/or electronic materials concerning techniques of managing and operating System Restaurants developed by Company from time to time, if any, including: (a) information about new developments and improvements in restaurant equipment and food products; (b) purchasing and source

specifications; (c) the packaging and preparation of food items; (d) real estate support and (e) general accounting, bookkeeping and financial reporting.

5.6 Materials and Supplies. From time to time at Company's discretion, at a reasonable cost, Company may make available for resale to Franchisee's customers various merchandise identifying the System and/or displaying the Proprietary Marks, such as clothing items and pre-packaged food products. Similarly, Company may make available from time to time certain restaurant equipment and decor items at a reasonable cost.

5.7 Supplier Lists. Prior to opening, and thereafter from time to time as Company deems appropriate, Company will provide Franchisee a list of approved suppliers as described in Section 7.4. Company reserves the right to require Franchisee to purchase food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment, products, or services from any approved supplier. Alternatively, in lieu of designating one or more approved suppliers for certain food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment, products, or services, Company may, at its sole option, provide Franchisee with the then-current Standards for such food and beverage items, ingredients, supplies, materials, fixtures, furnishings, equipment, products, or services.

5.8 Training. Company will conduct an initial training program for Franchisee and its management-level personnel (including Franchisee's Operating Principal, General Manager, Executive Chef, and at least three (3) Restaurant managers) in accordance with the provisions of Section 6.6. Subject to Company's reasonable discretion, experienced franchisees and their management-level employees may not be required to attend initial training for second and additional Restaurants.

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

6.1 Best Efforts. Franchisee covenants that it will undertake its best efforts to operate the Restaurant so as to achieve optimal results.

6.2 Representations and Warranties. Franchisee and each of the Controlling Principals represent, warrant, and covenant (and acknowledge that Company is relying on the following representations, warranties, and covenants as a predicate for entering into this Agreement and granting the rights described herein) that:

(a) Franchisee is duly organized, validly existing, and in good standing under the law of the jurisdiction of its formation.

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

(c) Franchisee's Governing Documents will at all times provide that the activities of Franchisee are confined exclusively to the operation of System Restaurants, unless otherwise consented to in writing by Company.

(d) The execution of this Agreement and the consummation of the transactions contemplated by this Agreement are within the powers of Franchisee in accordance with Franchisee's Governing Documents, and have been duly authorized by Franchisee.

(e) Franchisee's Governing Documents will at all times provide that the transfer of any interest in Franchisee will be subject to the transfer restrictions in Section 14 of this Agreement.

(f) Franchisee will at all times be the tenant or owner of the real estate upon which the Restaurant is operated and will own, lease or sublease all of the assets of the Restaurant including the equipment, fixtures and furnishings.

(g) Copies of Franchisee's Governing Documents, resolutions authorizing entry into and performance of this Agreement, buy-sell agreements or other documents restricting the sale or transfer of ownership interests in Franchisee, and any other documents requested by Company, have been furnished to Company before execution of this Agreement or upon completion of the documents, and Franchisee will provide Company copies of any modifications to those documents if requested by Company.

(h) The present ownership interests in Franchisee are accurately and completely described in Exhibit C. Franchisee will maintain at all times a current list of all owners of record and all beneficial owners of any class of ownership interests in Franchisee. Franchisee will make its list of owners available to Company upon request.

(i) Franchisee and each of the Controlling Principals have provided Company with their most recent respective financial statements. Those financial statements present fairly the financial position of Franchisee and each of the Controlling Principals, as applicable, at the dates indicated therein (and, with respect to Franchisee, the results of its operations and its cash flow for the years then ended). No liabilities, adverse claims, commitments, or monetary obligations of any nature exist as of the date of this Agreement, whether accrued, unliquidated, absolute, contingent or otherwise, that are not reflected as liabilities on those financial statements.

(j) If, after the execution of this Agreement, any individual ceases to qualify as a Controlling Principal (as defined in Section 19.1) or if any individual succeeds to or otherwise comes to occupy a position that would, upon designation by Company, qualify that individual as a Controlling Principal, Franchisee will notify Company within ten (10) days after the change. Upon designation of that individual by Company as a Controlling Principal, that individual will execute any documents and instruments (including, as applicable, this Agreement) that may be required by Company to be executed by others in similar positions.

(k) During the Term of this Agreement unless otherwise stated herein, the Controlling Principals will, jointly and severally, guarantee Franchisee's performance of all of Franchisee's obligations, covenants and agreements under this Agreement pursuant to the terms and conditions of the Guaranty contained in Exhibit A of this Agreement, and will otherwise bind themselves to the Controlling Principal's obligations as stated in this Agreement. The guaranty obligations contained herein and Exhibit A shall be deemed personal in nature and will terminate upon the death of any personal guarantor. Notwithstanding the foregoing, the guaranty obligations shall remain the liability of the estate of any deceased guarantor if the obligation giving rise to the guaranty exists or is pending yet unliquidated at the date of death of the personal guarantor.

(l) The representations, warranties, and covenants set forth in this Section 6.2 are continuing obligations of Franchisee and the Controlling Principals, as applicable. Any failure to comply with these representations, warranties, and covenants will constitute an Event of Default under this Agreement. Franchisee will cooperate with Company in any efforts made by Company to verify compliance with these representations, warranties, and covenants.

6.3 Operating Principal. Upon the execution of this Agreement, Franchisee shall designate and retain an individual to serve as the Operating Principal. If Franchisee is an individual, Franchisee shall be and perform all obligations of the Operating Principal.

The Operating Principal shall, during the entire period he or she serves as such, meet the following qualifications: (a) devote sufficient efforts to the supervision and conduct of the Restaurant(s); (b) meet Company's educational, experience, financial and such other reasonable criteria for such individual, as set forth in the Manuals as defined herein or otherwise in writing by Company; and (c) either serve as the General Manager or designate another individual (the Operating Principal's designee) to serve as the General Manager of the Restaurant. Any individual designated by an Operating Principal to serve as the General Manager also may, subject to Company's consent, perform the duties and obligations of Operating Principal; provided, that Operating Principal shall take all necessary action to ensure that such designee conducts and fulfills all of such obligations in accordance with the terms of this Agreement and that Operating Principal shall remain fully responsible for such performance.

If, during the Term, the Operating Principal or any designee is not able to continue to serve in the capacity of Operating Principal or no longer qualifies to act as such in accordance with this Section 6.3, Franchisee shall promptly notify Company and designate a replacement within sixty (60) days after the Operating Principal or such designee ceases to serve or be so qualified, such replacement being subject to the same qualifications and restrictions listed above. Franchisee shall provide for interim management of Franchisee's business in accordance with this Agreement until such replacement is so designated.

6.4 General Manager. Not later than one hundred twenty (120) days prior to the Opening Date, Franchisee will designate and shall thereafter retain a General Manager and any other management personnel necessary for the operation and management of the Restaurant. The General Manager will be responsible for the daily operation of the Restaurant. The General Manager may, but need not, be one of the Controlling Principals. The General Manager will, during the entire period he or she serves as General Manager, meet the following qualifications:

(a) The General Manager must satisfy Company's then-current business experience criteria, including any ongoing training that Company may require;

(b) The General Manager will devote full time and best efforts to the supervision and management of the Restaurant; and

(c) If new to the System, the General Manager will satisfy the training requirements set forth in Section 6.6. If, during the Term, the existing General Manager is not able to continue to serve in that capacity or no longer qualifies to act as the General Manager in accordance with this Section 6.4, Franchisee will promptly notify Company and designate a replacement General Manager within sixty (60) days after the former General Manager ceases to serve, the replacement General Manager being subject to the same qualifications listed above. Franchisee will provide for interim management of the Restaurant, in full compliance with the terms of this Agreement, until the replacement General Manager is designated and trained.

6.5 Executive Chef/Kitchen Manager. Not later than one hundred twenty (120) days prior to the Opening Date, Franchisee will designate and shall thereafter retain an Executive Chef or Kitchen Manager (collectively "Executive Chef") and any other personnel necessary for the operation of the Restaurant kitchen and all food preparation at or from the Restaurant. The Executive Chef will be responsible for the daily operation of the Restaurant kitchen and all food preparation at or from the

Restaurant. The Executive Chef will, during the entire period he or she serves as Executive Chef, meet the following qualifications:

(a) The Executive Chef must satisfy Company's then-current business experience criteria, including any ongoing training that Company may require;

(b) The Executive Chef will devote full time and best efforts to the supervision and management of the Restaurant kitchen and all food preparation at or from the Restaurant; and

(c) If new to the System, the Executive Chef will satisfy the training requirements set forth in Section 6.6. If, during the Term, the existing Executive Chef is not able to continue to serve in that capacity or no longer qualifies to act as the Executive Chef in accordance with this Section 6.5, Franchisee will promptly notify Company and designate a replacement within sixty (60) days after the former Executive Chef ceases to serve, the replacement Executive Chef being subject to the same qualifications listed above. Franchisee will provide for interim management of the Restaurant kitchen and food preparation, in full compliance with the terms of this Agreement, until the replacement Executive Chef is designated and trained.

6.6 Training. Franchisee acknowledges that training is necessary to the continued proper operation of the Restaurant Accordingly, Franchisee agrees as follows:

(a) Training Program. To protect and promote the Brand's Standards, reputation, and goodwill, Franchisee and its management-level personnel (including Franchisee's Operating Principal, General Manager, Executive Chef, and at least three (3) Restaurant managers) must complete Company approved management training to Company's satisfaction, including any certifications that Company reasonably requires, at least sixty (60) days prior to the earlier of the scheduled opening date of the Restaurant or the Opening Deadline. Any replacement or substitute Operating Principal, General Manager, and Restaurant managers must complete the Company approved management training to Company's satisfaction prior to serving in such positions. Company reserves the right to charge Franchisee the then-current training fee for any Company approved management training provided to any replacement or successor Operating Principal, General Manager, Executive Chef, Restaurant managers or other Restaurant personnel Company requires. Franchisee will be solely responsible for all costs and expenses incurred by Franchisee and its personnel in connection with any Company approved management training, including, without limitation, costs of obtaining any required certifications, travel, lodging, meals, wages, and other living expenses. Company approved management training may be conducted at Company's offices or any Restaurant in the United States, as designated by Company at Company's sole option. Company reserves the right to require an approved third-party to conduct any trainings, meeting, or conferences, including, without limitation, any initial or continuing Company approved management training.

(b) Pre-Opening Assistance. Unless Franchisee has established a pre-opening training program that has been previously approved by Company in writing, Company will send an Opening Team to provide on-site training before or after the Restaurant's grand opening. Company, in consultation with Franchisee, will establish the number and experience level of members of the Opening Team and training days necessary to support the successful opening of the Restaurant. The Opening Team will serve only as consultants to Franchisee and will in no way be responsible (personally or on behalf of Company) for the operation of the Restaurant or the actions of Franchisee before or after the Restaurant's grand opening. Franchisee will reimburse Company for all reasonable costs and expenses incurred in providing such Opening Team for the Restaurant, including salary and personnel costs, travel, lodging, meals and miscellaneous costs. The parties will establish in writing a reasonable estimated opening budget for the

Opening Team no less than thirty (30) days prior to the grand opening. Franchisee will pay fifty percent (50%) of the estimated opening budget to Company twenty (20) days prior to the grand opening, and the balance of Company's actual reasonable costs and expenses incurring in providing such Opening Team for the Restaurant (which costs and expenses may be more or less than fifty percent (50%) of the estimated opening budget) within thirty (30) days following receipt of invoice from Company.

(c) Pre-Opening Coordinator. Company may, at its sole option, assign a Pre-Opening Coordinator. The Pre-Opening Coordinator will: (i) advise Company and Franchisee regarding the preparation and coordination of all non-construction budgets and pre-opening scheduling, including, without limitation, budgets for the purchase of Operating Assets, the processing of any changes or modifications in such budgets, and the securing of all required approvals of and by Franchisee; (ii) serve as liaison between Company and Franchisee with respect to Restaurant construction, compliance with the requirements of all approvals Franchisee must obtain from Company, the purchase, delivery, and installation of all operating assets, quality control issues, the supply of products and Branded retail items, and the retention and training of Restaurant personnel; and (iii) assist in the coordination of activities between Company and Franchisee. Franchisee must fully cooperate with the Pre-Opening Coordinator and provide all information necessary to enable the Pre-Opening Coordinator to fulfill all of the assigned functions.

(d) Continuing Training. To protect and promote the Brand's standards, reputation, and goodwill, Franchisee and its management-level personnel (including Franchisee's Operating Principal, General Manager, and Restaurant managers) and such other Restaurant personnel as Company designates must attend and complete any mandatory continuing Company approved management training or such other additional training programs and seminars, as Company may determine from time to time, if Company requires such attendance. Franchisee and its management-level personnel may attend such optional training as Company may periodically offer on the terms and conditions and Company may specify for such optional training. Franchisee must pay Company's then-current training fee for any additional training designated by Company or requested by Franchisee. Franchisee will be solely responsible for all costs and expenses incurred by Franchisee and its personnel in connection with any additional or continuing training, including, without limitation, costs of obtaining any required certifications, travel, lodging, meals, wages and other living expenses.

(e) Meetings and Conferences. Company may from time to time hold periodic System-wide meetings or conferences at locations designed by Company to address matters of general interest to the System, including, without limitation, Company's annual operations conference. Franchisee's management-level personnel (including Franchisee's Operating Principal and Restaurant General Manager) must attend such meetings and conferences. Company may, at its sole option, require Franchisee to pay Company's then-current fee for Franchisee and its management-level personnel to attend such meetings or conferences. Franchisee will be solely responsible for all costs and expenses incurred by Franchisee and its personnel in connection with attending such meetings and conferences, including, without limitation, the costs of obtaining any required certifications, travel, lodging, meals, wages, and other living expenses.

(f) On-Site Remedial Assistance. Upon the reasonable request of Franchisee or as Company deems appropriate at Company's sole option, Company will, during the Term of this Agreement, subject to the availability of personnel, provide Franchisee with additional trained representatives who will provide on-site remedial training to Franchisee. Franchisee must pay Company's then-current compensation rate for the services of such trained representatives, plus their costs of travel, lodging, meals

and any other reasonable out-of-pocket expenses incurred by Company in providing the on-site remedial services, within thirty (30) days following receipt of an invoice from Company.

(g) Restaurant Development Advisory Services. Upon Franchisee's written request, as Company deems appropriate at its sole option, Company will provide Franchisee with advice regarding: (i) formulating or refining the preliminary prototypical plans and specifications for the construction of the Restaurant and all related facilities, including landscaping, and in formulating or refining preliminary layouts, drawings, and designs for the interior of the Restaurant and the furnishing and equipping thereof, and, in connection therewith, may recommend to Franchisee layouts and other criteria and specifications for the facilities to be included in the Restaurant; (ii) if available, architects, contractors, engineers, designers, decorators, landscape architects, and such other specialists and consultants as will be necessary for completing the Restaurant. Company will have no liability or responsibility for any act or omission of any such person that Franchisee utilizes.

(h) Restaurant Preparation Services. Upon Franchisee's written request, as Company deems appropriate at its sole option, Company will provide Franchisee with advice regarding: (i) preparing a plan for the organization of administrative services and a marketing, sales, and promotion program for the Restaurant; (ii) testing the proposed operations of the Restaurant by preparing and serving food and beverage items, and generally assisting with operating the Restaurant, to the extent practicable, for a test period not in excess of sixty (60) days immediately prior to the scheduled opening date; and (iii) preparing a program of opening festivities for the Restaurant. Franchisee will be solely responsible for the implementation of each of the foregoing tests and programs.

#### 6.7 Data Protection Obligations.

(a) Compliance with Applicable Data Protection Law. Compliance with Applicable Data Protection Law. Franchisee acknowledges and agrees that it will collect, process, and otherwise use Personal Information, and transfer Personal Information to Company, in compliance with all applicable privacy and data security laws ("Applicable Data Protection Laws").

(b) Assistance. Franchisee will assist Company with the resolution of any request or inquiries that Company receives from individuals and/or data protection regulators relating to Franchisee's processing of Personal Information and, if and to the extent requested by Company, cooperate with any regulators' requests.

(c) Data Security. Franchisee represents and covenants that it has and will maintain commercially reasonable and appropriate physical, technical, and administrative safeguards to maintain the confidentiality, security, accuracy, integrity, availability, and authenticity of Personal Information.

(d) Security Incidents. In the event of any Security Incident, Franchisee shall notify Company immediately but no later than forty-eight (48) hours after Franchisee or any of its vendors become aware of a Security Incident. Such notifications shall include, at a minimum, the following information to the extent known by Franchisee and as it becomes available: (i) detailed description of the Security Incident, (ii) the date or estimated date of the Security Incident, (iii) the date range of the Security Incident within which the Security Incident occurred, (iv) the type of Personal Information that was the subject of the Security Incident, whether the notification was delayed as a result of a law enforcement investigation, and (v) the identity of each impacted individual. Franchisee shall take immediate action to investigate the Security Incident and shall use industry standard, commercially reasonable efforts to mitigate the effects of any such Security Incident. Franchisee shall also provide Company with reasonable assistance to satisfy

any legal obligations (including obligations to notify impacted individuals and any data protection regulator) of Company in relation to such Security Incident.

(e) Restricted Transfers. To the extent Franchisee's activities require a restricted transfer (as such term is defined under Applicable Data Protection Laws) of Personal Information to Company, such restricted transfer shall be undertaken pursuant to a legal mechanism for transfer as approved under Applicable Data Protection Laws (which legal mechanism may include, without limitation, the entry into standard contract clauses for restricted transfers).

(f) Audit. Franchisee will make available to Company all information requested by Company to demonstrate Franchisee's compliance with the obligations set out in this Section 6.7.

6.8 Compliance with Applicable Law. Franchisee will comply with Applicable Law. Franchisee has sole responsibility for compliance despite any information or advice that Company may provide. Without limiting the foregoing, Franchisee shall not enter into any agreement or understanding with any competitor, including other Company franchisees, that would result in a restraint of trade in violation of Applicable Law.

6.9 Compliance with Lease. If Franchisee occupies the Location under a lease, Franchisee shall comply with all terms of the lease or sublease for the Location and all other agreements affecting the operation of the Restaurant. Franchisee must undertake best efforts to maintain a good working relationship with the landlord and must refrain from any activity which may jeopardize Franchisee's right to remain in possession of, or to renew the lease for, the Location.

6.10 Compliance with Agreement. Franchisee represents, warrants, and covenants that it will comply with all other requirements of, and perform all other obligations imposed on it by, this Agreement.

6.11 Franchisee Code of Business Conduct. Franchisee shall, simultaneously with the execution of this Agreement, execute the Franchisee Code of Business Conduct in substantially the form attached to this Agreement as Exhibit F.

6.12 Authorization. Wherever in this Agreement Franchisee undertakes to bind to any obligation any of its heirs, representatives, successors, assigns, parents, subsidiaries and Affiliates and their respective past and present members, officers, directors, shareholders, agents, and employees, in their corporate and individual capacities, Franchisee represents to Company that it has the authority to do so.

## **7. RESTAURANT OPERATIONS**

7.1 Acknowledgment. Franchisee understands the importance of maintaining the brand standards among all of the System Restaurants and the importance of complying with all of Company's Standards relating to the operation of the Restaurant. Company may negotiate purchasing arrangements under which suppliers agree to make services, products, equipment, materials and other goods and services available to Restaurants. Subject to Applicable Law, Company may earn money from the suppliers based on Franchisee's purchases in the form of rebates, commissions, discounts or other payments. Franchisee acknowledges that these payments compensate Company for the cost of negotiating and maintaining the purchasing arrangements with the suppliers and that, subject to Applicable Law, Company has no obligation to remit the funds to Franchisee.

7.2 Maintenance and Upgrades. Franchisee will maintain the Restaurant in a high degree of sanitation, repair, and condition, and for that purpose, Franchisee must make any additions, alterations, repairs, or replacements to the Restaurant that Company requires, including any periodic repainting or

replacement of obsolete signs, furnishings, equipment, and decor, at Franchisee's cost and expense. Franchisee will also obtain, at its expense, any new or additional equipment, fixtures, supplies, and other products and materials that may be required by Company for Franchisee to offer and sell the existing or any new menu items from the Restaurant, or in any other manner reasonably specified by Company to ensure quality consistent with upscale dining. Franchisee shall not make alterations or improvements or changes of any kind in design, equipment, signs, interior or exterior decor items, fixtures, or furnishings in or about the Restaurant or the Location without the prior written approval of Company.

7.3 Capital Improvements. Not more than every five (5) years, Franchisee will make the capital improvements or modifications to the Restaurant directed by Company in order to bring the Restaurant to Company's then-current Standards. The types of capital improvements covered by this Section 7.3 may include (in Company's reasonable discretion) those needed to modernize Location, and other changes to the equipment, signs, interior and exterior decor items, fixtures, furnishings, supplies, and other products and materials required for the operation of the Restaurant.

7.4 Compliance with Standards. Franchisee will comply with all of Company's Standards (including core brand food and minimum beverage specifications, subject to Applicable Law) relating to the purchase and sale of all food and beverage items, ingredients, supplies, materials, recommended fixtures and furnishings, equipment (including Computer Systems per Section 5.2) and other products used or offered for sale at the Restaurant. Except as provided in Section 7.5 and Section 7.8, Franchisee will obtain those items from suppliers (including manufacturers, distributors, and other sources), which may be the Company or its Affiliates, who continue to demonstrate the ability to meet Company's then-current Standards for food and beverage (minimum specifications) items used or offered for sale at System Restaurants, who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; who have been approved in writing by Company before any purchases by Franchisee from the supplier; and who have not thereafter been disapproved by Company. Company's approval of a supplier shall not constitute a representation or warranty of any kind. If Franchisee desires to purchase, lease, or use any products or other items from an unapproved supplier excepting in extraordinary instances (such as interruption of approved supply distribution channels caused by circumstances beyond Franchisee's control), Franchisee will submit to Company a written request for approval, or will request the supplier itself to do so. Franchisee will not purchase any food, beverage or kitchen equipment from any supplier until and unless the supplier has been approved by Company. Company may require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered either to Company or to an independent laboratory designated by Company for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test will be paid by Franchisee or the supplier. Company may, at its option, re-inspect from time to time the facilities and products of any approved supplier and may revoke its approval upon the supplier's failure to continue to meet any of Company's then-current criteria. Without limiting the foregoing, if Company, at its sole option, elects not to designate one or more approved suppliers for a particular food and beverage item, ingredient, supply, material, fixture, furnishing, equipment, or other product or service, then Franchisee may obtain such item, ingredient, supply, material, fixture, furnishing, equipment, product, or service from any supplier or source as long as such item, ingredient, supply, material, fixture, furnishing, equipment, product, or service fully satisfies Company's then-current Standards. Company, at its sole option, may unilaterally modify, replace, or otherwise change the System, including the Standards, from time to time, whether set forth in the Manuals or otherwise. Franchisee must, at its sole cost and expense, promptly comply with any changes made to System by Company, including, but not limited to, changes in preparation, operations, and appearance of the Restaurant (including any remodeling and renovation to the interior or exterior of the Restaurant) or

purchases of products, goods, services, supplies, or other items, as are required by Company in writing. Franchisee may be required to attend meetings, at its own cost and expense, to discuss any System changes.

7.5 Restaurant Operations. To ensure that the highest degree of quality and service is maintained, Franchisee will operate the Restaurant in strict conformity with the Standards set forth in the Manuals. In particular, Franchisee also agrees:

- (a) To open to the public and conduct business as stated in the Manuals.
- (b) To sell or offer for sale all “core” menu items required by Company and in the manner and style (including service style and sequence as practicable) prescribed by Company, as expressly authorized by Company in writing in the Manuals.
- (c) To sell and offer for sale only the menu items, products, and services that have been expressly approved for sale in writing by Company; to refrain from deviating from Company’s Standards; and to discontinue selling and offering for sale any menu items, products, or services, or providing those menu items, products, or services in any manner or through any method of distribution, that Company has disapproved in writing. Company may approve a written request to offer “daily specials”; Company reserves the right to discontinue such “daily specials,” in its sole discretion.
- (d) To the extent permitted by Applicable Law, Company reserves the right to specify in writing a retail price and/or to establish in writing minimum and/or maximum prices for the goods and services Franchisee sells. Franchisee shall sell any good or service at the specified retail price or, if applicable, in accordance with the minimum and/or maximum retail prices established by Company from time to time. Franchisee acknowledges and agrees that the specified retail price and maximum and minimum prices for any good or service Franchisee and other franchisees sell may vary to reflect market differences. If Company establishes maximum prices, Franchisee will charge menu item prices no higher than those maximum prices specified from time to time by Company in its menus, Manuals or otherwise in writing, subject to Applicable Law. For any good or service for which Company does not impose a maximum or minimum price, Company may require Franchisee to comply with an advertising policy adopted by Company which will prohibit Franchisee from advertising any price for a product or service that is different than Company’s suggested retail price. Although Franchisee must comply with any advertising policy Company adopts, Franchisee will not be prohibited from selling any good or service at a price above or below the suggested retail price unless Company imposes a maximum price or minimum price for such product or service.
- (e) To maintain in sufficient supply and to use and sell at all times only those food and beverage items, ingredients, products, materials, supplies (including, without limitation, glassware, smallware, plateware, and packaging), and paper goods that conform to Company’s Standards (including products specified by name or brand); to prepare all menu items in accordance with Company’s recipes and procedures for preparation, including the prescribed measurements of ingredients; and to refrain from deviating from Company’s standards and specifications by the use or offer of non-conforming items or differing amounts of any items. Company’s approval of the above-described items shall not constitute a representation or warranty of any kind, including a representation that such items are free of defect or suitable for a particular purpose.
- (f) To permit Company or its agents, at any reasonable time, to remove a reasonable number of samples of food or non-food items from Franchisee’s inventory, or from the Restaurant, with payment therefore, in amounts for testing by Company or an independent laboratory to determine whether

the samples meet Company's then-current Standards. In addition to any other remedies it may have under this Agreement, Company may require Franchisee to bear the cost of the testing if the supplier of the item has not previously been approved by Company.

(g) To grant Company and its agents the right to enter into the Location and the Restaurant at any time to inspect; to cooperate with the Operating Consultant or Company's representatives in those inspections by rendering any assistance that they may reasonably request. Should Franchisee, for any reason, fail to correct the deficiencies within the time period as determined by Company, Company may (without, however, any obligation to do so) correct the deficiencies and charge Franchisee a reasonable fee for Company's expenses in so acting, payable by Franchisee immediately upon demand.

(h) To maintain a competent, conscientious, trained staff and to take all reasonable steps necessary to ensure that Franchisee's employees preserve good customer relations.

(i) To maintain in sufficient supply and prominently display and make available any customer satisfaction forms that Company may reasonably require, and to forward all completed customer satisfaction forms to Company or to Company's designee at the times that Company directs.

(j) To monitor and use reasonable efforts to respond to negative guest feedback, whether received directly from guests, directly from the Company, through Company monitored social media sites or other means.

(k) To cooperate with Company's Operating Consultant, who may: (i) review the day-to-day operations of the Restaurant for compliance with the Standards; (ii) serve as communication liaison between Company and Franchisee; (iii) conduct Brand Audits of the Restaurant; and/or (iv) provide recommendations consistent with the Standards for improving the business operations. Franchisee must provide the Operating Consultant with Franchisee's full cooperation, including full access to the Restaurant, Franchisee's books and records, Operating Assets and products, employees, and agents. Franchisee must promptly provide the Operating Consultant with all requested information relating to the operation of the Restaurant.

(l) To allow access and cooperate with any inspections or audits by Company, Operating Consultant, Company's Affiliate, or a third-party company designated by Company. Company and its designated agents or representatives (including any third-party auditor or inspector designated by Company) will have the right at any time, provided Company will use reasonable efforts to avoid any disruption of or interference with the operation of the Restaurant during normal business hours, to: (1) obtain samples of any products for testing and analysis; (2) enter the premises, observe, photograph and videotape the operations of the Restaurant for such consecutive or intermittent periods as Company deems necessary and otherwise inspect the Restaurant; (3) interview personnel and customers of the Restaurant; and (4) inspect, examine, audit, and copy any books and records relating to Franchisee's operation of the Restaurant. Franchisee will fully cooperate with Company in connection with any such activities; present to its customers such evaluation forms that Company periodically prescribes; and participate and/or request its customers to participate in any surveys performed by Company or on its behalf. Company will notify Franchisee in writing of any unsatisfactory conditions discovered, and Franchisee will correct any such deficiencies and repair any conditions immediately. Company may require the Restaurant be inspected at any time by Company, Company's Affiliate, or a third-party company designated by Company to evaluate the Restaurant's compliance with Standards related to food safety, health, and sanitation, and Franchisee must fully cooperate with any such inspection. Franchisee must engage an approved third-party vendor to perform food safety, health, and sanitation assessment, monitoring, and compliance inspections of the

Restaurant. Franchisee must promptly provide copies of such inspections and audit reports to Company. The costs of such inspections will be borne by Franchisee and Franchisee will be solely responsible for paying the approved third-party vendor's then-current fees. Franchisee must remediate any deficiencies identified in a food safety, health, and sanitation inspection within the cure period specified by Company.

(m) To allow, participate in, and cooperate with any Brand Audit. To ensure compliance with this Agreement and the Manuals, Company (or the Operating Consultant or any other representative Company designates, including a third-party inspector or auditor) conducting a Brand Audit will have the right to enter the Restaurant (including all areas thereof), evaluate and inspect Restaurant operations, and examine Franchisee's books, records, accounts and tax returns. The evaluation may include sampling and testing food and beverage items, examining branded retail items, and contacting Franchisee's landlord, customers and/or employees. The evaluation may be conducted at any time and without prior notice. Franchisee and its employees must cooperate and not interfere with the inspection. Franchisee consents to Company's representative conducting the Brand Audit accessing the point-of-sale System and retrieving any information that such representative deems appropriate in conducting the inspection. Company may utilize a best practice evaluation form (as such form may be updated from time to time) that scores Franchisee's compliance with the Brand Audit, and Franchisee agrees to participate in and be bound by the Brand Audit. Franchisee must provide all information that Company's representative requests in order to complete the Brand Audit. Franchisee must provide reports of all complaints made by customers together with reports as to how Franchisee handled and dealt with such complaints.

(n) To provide copies to Company of all health inspection reports, as well as notices of violations related to any license or permit required for the operation of the Restaurant.

(o) To install and maintain the equipment, make the arrangements, and follow the procedures that Company requires in the Manuals or otherwise in writing (including the establishment and maintenance of Internet, intranet, or extranet access or other means of electronic communication, as specified by Company from time to time) to permit Company to access, download, and retrieve electronically, by telecommunication or other designated method, any information stored in Franchisee's Computer Systems, including information concerning the Net Sales of the Restaurant, and to permit Company to upload and for Franchisee to receive and download information from Company. Franchisee further agrees that Company will have unlimited access to the information. Franchisee acknowledges that it has no authority to, and covenants that it will not, establish any Web site or listing on the Internet or World Wide Web without the express written consent of Company.

(p) To honor all credit, charge, courtesy, gift and cash cards, and loyalty programs approved by Company. Franchisee will not create or issue any gift certificates, gift cards or any similar store value cards, except as approved by Company, and will sell and accept the gift certificates, gift cards and store value cards that have been issued or approved by Company. Franchisee will not issue coupons or discounts of any type except as approved by Company. Franchisee will comply with all written requirements established by Company for the sale, issuance and acceptance of gift cards, gift certificates or stored value cards, including but not limited to requirements for remitting sales proceeds for such cards to Company or any company that administers or services a gift card, gift certificate or stored value programs on behalf of Company, prohibitions against issuing gift cards, gift certificates or store value cards for non-cash consideration or in payment of accounts payable, and requirements for reimbursement of other System Restaurants for redemption of gift cards or gift certificates sold or issued by Franchisee. Franchisee will at all times indemnify Company against any liabilities for unredeemed gift cards sold or issued by Franchisee. In the event Company approves the issuance of any gift certificates or gift cards, Franchisee shall comply

at all times with all Applicable Laws, and shall hold safe and harmless Company, and its affiliates for any claim that might arise from the use of such gift certificates or gift cards. Company's Standards for gift certificates/cards and loyalty programs may require Franchisee to provide certain products to customers free of charge or at discounted prices.

(q) To use any mystery shopper, guest satisfaction, or other related customer monitoring service provider designated by Company, at Franchisee's cost. Franchisee may be required to reimburse Company for the costs of the mystery shopper, guest satisfaction, or other related customer monitoring service rather than pay the third party directly, at Company's election.

#### 7.6 Operational Deficiencies.

(a) If Company determines Franchisee has failed to maintain, in any respect, any of the Standards set forth herein or in the Manuals, or is otherwise not in compliance with the requirements of the Brand Audit as evidenced by a failing Brand Audit score, then Company will notify Franchisee in writing of the particular failure, deficiency, or non-compliance noted. Franchisee must promptly, and in all events within thirty (30) days after such notice, correct and cure any failure, deficiency and/or non-compliance noted. Company (or any other representative Company designates, including a third party) will perform a new inspection or Brand Audit after thirty (30) days to confirm compliance. If Franchisee receives a failing inspection or Brand Audit score on the new Brand Audit, Company will notify Franchisee in writing of the particular failure, deficiency, or non-compliance noted and Franchisee must promptly, and in all events within ten (10) days after such notice, correct and cure the same. Company or its representative may conduct an additional inspection or Brand Audit at such time.

(b) For the avoidance of doubt, Franchisee will bear the costs of each new inspection or Brand Audit, including all costs and expenses incurred by Company, Operating Consultant, Company's representative, or a third-party company designated by Company for any required certifications, travel, lodging, meals, wages, and other living expenses, and such third-party company's then-current fee.

(c) Company may terminate this Agreement immediately and without providing any cure period if Franchisee receives three (3) or more failing Brand Audit scores in any twelve (12) month period during the Term.

#### 7.7 Computer Systems. Franchisee acknowledges and agrees that:

(a) Company may require and Franchisee shall use all approved point-of-sale, reservations or other computer hardware and software systems for all sales processing, inventory, order tracking, accounting, payroll, operations, reservations, seating plans, table management and other functions as may otherwise be required by Company. Among other functions, the required systems may include the use of remote servers, off-site electronic information storage and internet connections. The required systems may include hardware or software designed to protect credit card data and other personally identifiable information. Franchisee must sign any necessary licensing and related agreements with Company and any third parties for such systems. Each party to this Agreement acknowledges and agrees that changes to technology are dynamic and not predictable within the Term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Company will have the right to establish, in writing, reasonable new Standards for the implementation of technology in the System, and Franchisee agrees to comply with those reasonable new Standards that Company establishes as if Company periodically revised this Section 7.7 for that purpose. Franchisee will be solely responsible for all costs regarding required software, necessary hardware, installation, upgrades,

enhancements, or replacements. The Company reserves the right to charge a technology fee in connection with the implementation of new or updated technology in the System, including any aspects of the computer system or related technology systems, services, platforms, and software that Company requires Franchisee to obtain from or access through Company. If Company establishes a technology fee, Franchisee must pay the then-current technology fee in connection with any aspects of the computer system or related technology systems, services, platforms, and software that Company requires Franchisee to obtain from or access through Company, and Company may increase or otherwise change the amount of the technology fee upon prior written notice to Franchisee, including upon changes in the technology systems, services, platforms, and software that Franchisee must obtain or access through or from Company or changes in Company's costs regarding such technology systems, services, platforms, and software.

(b) Alternatively, Company may develop or have developed for it a proprietary software package for use in all System Restaurants. If Company does develop that software, then on notice from Company, Franchisee will enter into a software license agreement with Company in the form prescribed by Company for the license of Company's proprietary computer software, which will be provided by Company for the operation of the Restaurant. Company may, at its option, upgrade, modify or replace the requisite software package used in all System Restaurants. Franchisee must within thirty (30) days of notice of the change in software from Company conform to the software requirements specified by Company and execute all necessary license agreements, provided by Company, with Company or the appropriate licensor designated by Company. If so mandated, Company shall pay for the installation of the requisite computer hardware and initial software in Franchisee's Restaurant.

(c) Franchisee shall install, train its personnel on, and commence the use of the computer systems required by 7.7(a) and (b) within one hundred twenty (120) days from date of notice from Company.

(d) Company shall not require the implementation of new Computer Systems or software programs more often than once every three (3) years.

(e) Company may periodically specify in the Manual or otherwise in writing the information that Franchisee will collect and maintain on Franchisee's computer and point-of-sale systems and Franchisee will provide to Company such reports as Company may reasonably request from the data so collected and maintained. Franchisee agrees that all data that Franchisee collects from guests in connection with the Restaurant including names, addresses, email addresses, phone numbers, birth dates, transaction data, demographic data, behavioral data, guest service history, correspondence and other data ("Guest Data") and all other data that Franchisee creates and/or collect in connection with the System, or in connection with Franchisee's operation of the Restaurant (including transaction data) is and will be owned exclusively by Company. Copies and/or originals of such data must be provided to Company upon Company's request. Company hereby licenses use of such data back to Franchisee, at no additional cost, solely for the Term and solely for Franchisee's use in connection with the operation of the Restaurant under this Agreement. Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Company's prior written consent with respect to such policy.

(f) Franchisee must honor all credit, charge, courtesy or cash cards or other credit devices that Company specifies. Franchisee must comply with the then-current Payment Card Industry Data Security Standards (PCI/DSS) as those standards may be revised by the PCI Security Standards Council, LLC (see [www.pcisecuritystandards.org](http://www.pcisecuritystandards.org)) or successor organization. Among other things, Franchisee agrees to implement the security requirements that the PCI Security Standards Council (or its

successor) requires of a merchant that accepts payment by credit and/or debit cards. Franchisee must demonstrate compliance on reasonable request, which may include having an independent third party conduct a PCI/DSS audit.

7.8 Intranet. Company has established and maintains an Intranet, through which Company may disseminate updates to the Manuals and other confidential information. Accordingly, Franchisee acknowledges and agrees that:

(a) Company will have no obligation to maintain the Intranet indefinitely, but may discontinue it at any time without liability to Franchisee;

(b) Company has established policies and procedures for the Intranet's use. These policies, procedures and other terms of use address issues such as: (i) restrictions on the use of abusive, slanderous, or otherwise offensive language in electronic communications; (ii) confidential treatment of materials that Company transmits via the Intranet; (iii) password protocols and other security precautions; (iv) grounds and procedures for Company's suspension or revocation of a franchisee's access to the Intranet; and (v) a privacy policy governing Company's access to and use of electronic communications that franchisees post on Company's Intranet. Franchisee acknowledges that, as administrator of Company's Intranet, Company can technically access and view any communication that any person posts on the Intranet. Franchisee further acknowledges that the Intranet facility and all communications that are posted to it will become Company's property, free of any claims of privacy or privilege that Franchisee or any other person may assert;

(c) Franchisee agrees to purchase and install all necessary additions to the Restaurant's Computer System and to establish and continually maintain electronic connection with Company's Intranet that allows Company to send messages to and receive messages from Franchisee. Franchisee's obligation to maintain connection with the Intranet will continue until this Agreement's expiration or termination (or, if earlier, until Company discontinues the Intranet); and

(d) If Franchisee fails to comply with any policy or procedure governing the Intranet, Company may temporarily suspend Franchisee's access to all or any aspect of the Intranet (such as a chat room, bulletin board, list serve, or similar feature) until Franchisee fully cures the breach. Company will continue to provide information to Franchisee to ensure operation of the business in a responsible manner.

7.9 Proprietary Items. Franchisee acknowledges that Company has and may continue to develop for use in the System certain products, including proprietary products that are prepared from highly confidential secret recipes and that are trade secrets of Company. Because of the importance of quality and uniformity of production and the significance of those proprietary products in the System, it is to the mutual benefit of the parties that Company closely control the production and distribution of those proprietary products. Accordingly, Franchisee agrees that if proprietary products become a part of the System, Franchisee will use only Company's secret recipes and other proprietary products, and will purchase solely from Company or from a source designated by Company all of Franchisee's requirements for those proprietary products.

7.10 Use of Marks. All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Restaurant), and other items designated by Company will bear the Proprietary Marks in the form, color, location, and manner prescribed by Company.

7.11 Complaints. Franchisee will process and handle all consumer complaints connected with or relating to the Restaurant, and will promptly notify Company by telephone and in writing of all of the following complaints:

- (a) Food related illnesses;
- (b) Safety or health violations;
- (c) Claims exceeding Fifty Thousand Dollars (\$50,000);
- (d) Dram shop violations when applicable;
- (e) Liquor license violations; and/or
- (f) Any other claims against or losses suffered by Franchisee.

Franchisee will provide to Company and will maintain for Company's review any inspection reports affecting the Restaurant or equipment located in the Restaurant during the Term and for one (1) year after the expiration or termination of this Agreement.

7.12 Assignments. Upon the execution of this Agreement and at any other time, Franchisee will, at the option of Company, execute any forms or documents that Company considers necessary for the sole purpose of assigning to Company all rights to the telephone numbers of the Restaurant, social media sites, online presences or listings, and any related and other business listings.

7.13 Menus and Formats. Company has the right to prescribe, and subsequently vary, one or more menus and other formats to be utilized in the Restaurant. The menus and formats may include requirements concerning organization, graphics, product descriptions, illustrations, pricing (to the extent permitted by Applicable Law) and other matters related to the menu. Prescribed menus and other formats may vary depending on region, market size or other factors deemed relevant by Company. If any menu and other format utilized by Franchisee ceases to be an authorized format, Franchisee will have a reasonable period of time (not to exceed sixty (60) days) to discontinue use of that format and begin using an authorized format. Franchisee must provide to Company, annually and prior to any change to menu items or pricing, a copy of the menus (including all components such as pricing) used in the Restaurant.

7.14 Control During Crisis Situation. If an event occurs at the Restaurant that has or reasonably may cause harm or injury to guests, guests or employees (i.e., food spoilage/poisoning, food tampering/sabotage, slip and fall injuries, natural disasters, robberies, shootings, etc.) or may damage the Proprietary Marks, the System or Company reputation (collectively "Crisis Situation"), Franchisee shall: (1) immediately contact appropriate emergency care providers to assist Franchisee in curing the harm or injury; and (2) immediately inform Company by telephone of the Crisis Situation. Franchisee must refrain from making any internal or external announcements (i.e., no communication with the news media) regarding the Crisis Situation (unless otherwise directed by Company or public health officials). To the extent Company deems appropriate, in Company's sole and absolute discretion, Company or its designee may control the manner in which the Crisis Situation is handled by the parties, including conducting all communication with the news media, providing care for injured persons and/or temporarily closing the Restaurant. The parties acknowledge that, in directing the management of any Crisis Situation, Company or its designee may engage the services of attorneys, experts, doctors, testing laboratories, public relations firms and those other professionals as Company deems appropriate. Franchisee and its employees shall

cooperate fully with Company or its designee in its efforts and activities in this regard and shall be bound by all further Crisis Situation procedures developed by Company from to time hereafter. The indemnification under Section 15 shall include all losses and expenses that may result from the exercise by Company or its designee of the management rights granted in this Section 7.14.

## **8. ADVERTISING**

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

8.1 Global Marketing Fund. Recognizing the value of advertising and marketing to the goodwill and public image of the Brand, Company or its Affiliate has established and will administer a Global Marketing Fund for the creation and development of marketing, advertising, and related programs and materials, including electronic, print, and Internet media, as well as the planning and purchasing of national, regional, and/or local advertising. Franchisee must contribute the Global Marketing Fund Contribution to the Global Marketing Fund as set forth in this Section 8. Company will direct all advertising and marketing programs, including but not limited to research methods, branding, creative concepts and materials, sponsorships, and endorsements used in connection therewith; selection of geographic and media markets; and media placement and the allocation thereof. Company may use the Global Marketing Fund to pay the costs of research, creation and production of video, audio, electronic, and written advertising and marketing programs; administration of regional, multiregional, and national advertising and marketing programs, product and customer research and surveys, and testing and related development activities; promotional events; purchasing, participating in, developing, maintaining, and updating online, social media (including, without limitation, any social media profiles identified in Section 8.9), radio, television, and billboard advertising and programming; employing marketing, social media, advertising and promotional agencies to assist therewith; conducting community relations activities; and supporting public relations, maintenance of the System websites, and online presence; and such other advertising, marketing, and promotional activities as Company determines are appropriate for the Brand and the Proprietary Marks and System. The Global Marketing Fund will furnish Franchisee with samples of advertising, marketing formats, promotional formats, and other materials at no additional cost when Company deems appropriate. Multiple copies of such materials will be furnished to Franchisee at Franchisee's cost plus any related shipping, handling, and storage charges. For the avoidance of doubt, Franchisee will ultimately be responsible for the costs associated with the placement of any such marketing and media that Franchisee uses; that is, Franchisee will either reimburse Company for media and marketing placement placed by Company on Franchisee's behalf or directly pay a third-party advertiser for placement of the media or marketing materials. Company may, at its sole option, adjust the Global Marketing Fund Contribution upon thirty (30) days' prior notice to Franchisee (i.e., increase the percentage of Net Sales to be contributed), subject to the limitations set forth in Section 8.5.

8.2 Accounting. The Global Marketing Fund will be accounted for separately from Company's other funds and will not be used to defray any of Company's general operating expenses, except for such reasonable salaries, administrative costs, travel expenses, and overhead as Company may incur in activities related to the administration of the Global Marketing Fund and its programs, including as described in Section 8.1 and with respect to collecting and accounting for contributions to the Global Marketing Fund. The Global Marketing Fund is operated solely as a conduit for collecting and expending the Global Marketing Fund Contributions. Company has no fiduciary duty to Franchisee, its Affiliates, or their respective principals or to any other franchisees with regard to the operation or administration of the Global Marketing Fund. Company may spend, on behalf of the Global Marketing Fund, in any fiscal year, an

amount that is greater or less than the aggregate contribution of all Restaurants to the Global Marketing Fund in that year, and the Global Marketing Fund may borrow from Company or others to cover deficits or may invest any surplus for future use. All interest earned on monies contributed to the Global Marketing Fund will be used to pay advertising costs before other assets of the Global Marketing Fund are expended. Company will prepare an unaudited annual statement of monies collected and costs incurred by the Global Marketing Fund and furnish the statement to Franchisee, upon reasonable written request. Company will have the right to cause the Global Marketing Fund to be incorporated or operated through a separate entity at such time as Company deems appropriate, and such successor entity will have all of the rights and duties specified herein.

8.3 Proportionality. Franchisee acknowledges that the Global Marketing Fund is intended to maximize recognition of the Proprietary Marks and patronage of Restaurants. Although the Company will endeavor to utilize the Global Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit the System, Company undertakes no obligation to ensure that expenditures by the Global Marketing Fund in or effecting any geographic area are proportionate or equivalent to the contributions to the Global Marketing Fund by any Restaurant operating in that geographic area. Further, Company undertakes no obligation to ensure that any Restaurant will benefit directly or in proportion to its Global Marketing Fund Contribution paid to the Global Marketing Fund from the development of advertising and marketing materials or the placement of advertising, or that all Restaurants will pay the same Global Marketing Fund Contribution. Except as expressly provided in this Section 8, Company assumes no direct or indirect liability or obligation to Franchisee with respect to collecting amounts due to, or maintaining, directing, or administering the Global Marketing Fund. Company does not act as trustee or in any fiduciary capacity with respect to the Global Marketing Fund.

8.4 Deferrals or Reductions. Company reserves the right to defer or reduce Global Marketing Fund Contributions of any Restaurant, upon thirty (30) days' prior notice, to reduce or suspend Franchisee's payment of contributions to the Global Marketing Fund, to suspend operation of the Global Marketing Fund for one or more time periods of any length, and to terminate (and if terminated, to reinstate) the Global Marketing Fund. If the Global Marketing Fund is terminated, all unspent monies on the date of termination accrued will be distributed to the franchisees in proportion to their respective contributions to the Global Marketing Fund accrued during the preceding three (3) month period, and Franchisee must use any such amounts for local advertising (in addition to the Local Marketing Expenditures) in accordance with Section 8.5.

8.5 Local Marketing Expenditures. In addition to the contributions that Franchisee pays to the Global Marketing Fund, Franchisee must spend, at a minimum, the Local Marketing Expenditure for local advertising and promoting the Restaurant. Company may, at its sole option, adjust the amount of the Local Marketing Expenditure upon thirty (30) days' prior notice to Franchisee; provided, the combined total of the Global Marketing Fund Contribution and the Local Marketing Expenditure will not exceed four percent (4%) of Net Sales. At Company's request, Franchisee will furnish Company with copies of invoices and other documentation reasonably satisfactory to Company evidencing Franchisee's local advertising under this Section 8.5. If Company determines that Franchisee's documented spending on local advertising during the then-most recently completed calendar quarter was less than the minimum required amount of the Local Marketing Expenditure, Company may collect such unspent amounts directly from Franchisee and deposit such amounts into the Global Marketing Fund, without any liability or obligation to use such amounts for Franchisee's local advertising. Franchisee will utilize throughout the Term of this Agreement an advertising/marketing agency acceptable to Company. Company may withdraw its approval at any time if such agency fails to follow the Standards or other guidelines for advertising as described in the Manual.

The Local Marketing Expenditures will be used to pay for the cost of implementing local marketing plans developed by Company and adapted and implemented by Franchisee with Company's approval. For these purposes, acceptable Local Marketing Expenditure include amounts spent by Franchisee for advertising media and community relations, such as television, radio, Internet, newspaper, billboards, posters, direct mail, collateral and promotional items, advertising on public vehicles (transit and aerial) and the cost of producing approved materials necessary to participate in these media. Local Marketing Expenditures do not include amounts spent for items which Company, in its sole judgment, deems inappropriate for meeting the minimum requirement for Local Marketing Expenditures, including permanent on-premises signs, point of purchase materials and store hours, complimentary charges, donations, lighting, menus, personnel salaries or administrative costs, transportation vehicles (even though such vehicles may display the Proprietary Marks), discounts, free offers and personnel or crew member incentive programs.

8.6 Special Promotions. Franchisee will participate in all customer surveys, satisfaction audits, and promotional programs as Company may require from time to time, which may require Franchisee to provide discounted or complimentary Products. Additionally, Franchisee will participate in a guest satisfaction survey monitoring service, as determined by Company using a third-party vendor designated or approved by Company, at Franchisee's sole expense, including, any customer complaint resolution and other programs as Company may reasonably establish for all or part of the System, which programs may include, without limitation, providing discounts or refunds to customers. For any such sales, the amount actually paid by the guest after the discount, rather than the original amount, will be considered for purposes of Net Sales.

8.7 Press Releases. No public communication, press release, or announcement regarding this Agreement, the transactions contemplated hereby, the operation of the Restaurant, or any Crisis Management Event will be made by Franchisee without notice to Company and Company's prior approval of such communication, press release or announcement. Franchisee will not disclose the substance of this Agreement to any third-party except as necessary to obtain a lease or renewal or obtain any permit, license or other approvals, or to the extent required by the lawful order of any court of competent jurisdiction having jurisdiction over Franchisee, provided that Franchisee will give Company prior notice of such potential disclosure and provide Company a reasonable opportunity to challenge and prevent the disclosure of such information.

8.8 Positioning. Franchisee must adhere to the standards and other guidance on Brand positioning with respect to pricing, product offerings and other key Brand presentation attributes.

8.9 Advertising and Promotion Standards. Any and all advertising, promotion, and marketing that Franchisee conducts must be clear, factually accurate, and not misleading, and must conform to applicable law and the highest standards of ethical marketing and the promotion of policies which Company prescribes from time to time, including, but not limited to, the standards that Company periodically prescribes in the Manuals or otherwise approves in writing for the Restaurant. Franchisee must submit to Company in writing for approval all proposed advertising, promotional, and marketing materials which Company has not prepared or previously approved in writing within the prior twelve (12) months, and Franchisee must receive Company's prior written approval before Franchisee may use such materials. Franchisee may not use any advertising or promotional materials that Company has not approved in writing or has disapproved. Company will own the copyrights to any materials so submitted, whether approved by Company or not. In all cases, Company has control over any profiles that use or relate to the Proprietary Marks, that display the Proprietary Marks, or that are maintained on social media outlets, including, without limitation, Facebook, Instagram, X (f/k/a Twitter), Pinterest, Foursquare, Yelp, and all other similar outlets

that may exist in the future. Company may (but need not) establish guidelines pursuant to which Franchisee may establish profiles or otherwise establish a presence on such social media outlets. In such event, Franchisee must comply with the standards imposed from time to time on such use. Franchisee will sign over control of any social media accounts or profiles, with fan bases intact, and provide access to reports and history of promotion performance, upon Company's request.

8.10 Marketing Channels. Company may, at its option, establish or has established one or more Marketing Channels to promote the Brand and may disable or terminate any Marketing Channel at any time without liability to Franchisee. Company will solely determine the design, content, and functionality of its Marketing Channels. Franchisee acknowledges and agrees that Company (or its Affiliate) is the Principal of, and will retain all right, title and interest in and to any existing and future Marketing Channels owned, or operated by Company, or incorporating the Proprietary Marks in any manner including use of any specific country code; all computer code used for or on Company's web sites; all text, images, sounds, files, video, designs, animations, layout, color schemes, trade dress, concepts, methods, techniques, processes and data used in connection with, displayed on, or collected from or through Company's Marketing Channels; and all intellectual property rights in or to any of the foregoing. Company may periodically include content that identifies Restaurants operated under the Proprietary Marks. For the avoidance of doubt, Franchisee is expressly prohibited from owning, operating, or launching any Marketing Channels of any kind without the express prior written consent of Company. At Company's request, Franchisee must sign any documents, submit any information, and do any other things that Company reasonably requires to participate in any Marketing Channel administered by Company.

8.11 Grand Opening Marketing and Public Relations. Franchisee must create and execute a marketing, publicity, and/or promotional program related to the grand opening of the Restaurant, the content of which shall be subject to Company's prior review and approval and which must include rehearsal dinners as Company requires, to be commenced not later than fifteen (15) days prior to opening of the Restaurant and continuing for at least thirty (30) days thereafter.

8.12 Compliance with Standards. All advertising and promotion by Franchisee in any medium will be conducted in a dignified manner, in accordance with applicable laws (including, without limitation, Applicable Data Protection Laws), and will conform to the reasonable standards and requirements of Company as set forth in the Manuals or otherwise in writing and/or electronically. Franchisee will obtain Company's approval of all advertising and promotional plans and materials before their use, unless the plans and materials were prepared by Company or previously approved by Company during the twelve (12) months before their proposed use. Franchisee will submit all unapproved plans and materials to Company, and Company will endeavor to approve or disapprove of the plans and materials within fourteen (14) days after Company receives them. A failure by the Company to timely respond shall constitute approval of the proposed plan(s). Franchisee will not use unapproved plans or materials until they have been approved by Company, and will promptly discontinue use of any advertising or promotional plans or materials, upon notice from Company.

8.13 Concerning the Internet. Company has established and maintains an Internet Web site that provides information about the System and the products and services that System Restaurants offer.

(a) Company has sole discretion and control over the Web site's design and contents, except that Company will attempt to configure the site to accommodate the pages that Section 8.13(b) describes. Company has no obligation to maintain the Web site indefinitely and may discontinue it at any time without liability to Franchisee. Furthermore, as Company has no control over the stability or

maintenance of the Internet generally, Company is not responsible for damage or loss caused by errors of the Internet. Company is not liable for any direct, indirect, special, incidental, exemplary or Consequential Damages arising out of the use of the Internet or the inability to use the Internet including loss of profits, goodwill or savings, downtime, damage to or replacement of programs and data, whether based in contract or tort, product liability or otherwise.

(b) Company has sole discretion and control over the Web sites design and contents, which may include Internet advertising as described in Section 8.5. Company currently anticipates that the Web site will include a series of interior pages that identify participating System Restaurants. At Franchisee's request and upon Franchisee's execution of an agreement regarding terms of use in the form provided by Company, Company will endeavor (technology permitting) to include at the Web site one or a series of interior pages devoted to information about the Restaurant. These page(s) must be developed by Franchisee, at Franchisee's expense, following a template or other instructions that Company provides. The page(s) will be subject to Company's approval prior to posting as to form, content, and programming quality. Franchisee will not have the capability to modify its page(s) except in coordination with Company's Web master and in compliance with Company's policies and procedures. In the event Franchisee is in default of this Agreement, Company may remove all references to Franchisee and the Restaurant from the web site until such Event of Default is cured. Company may establish and enforce reasonable rules and regulations but without any fees or charges to Franchisee relating to the web site, and may amend them from time to time at Company's option. The rules and regulations may affect, among other things, content, creation, customer service, privacy and access to the Web site.

(c) If Franchisee fails to pay when due any fees or other amounts payable to Company under this Agreement, Company may temporarily disable Franchisee's Web page(s), until Franchisee pays its outstanding obligations in full. If this Agreement is terminated, Company shall have the right to immediately remove all references to Franchisee and the Restaurant from the Web Site.

(d) As stated in Section 9.2(a), Franchisee may not use any of the Proprietary Marks on or in connection with the Internet, including but not limited to social networking and establishment of a web page for Franchisee's restaurant, without Company's prior consent. Franchisee shall comply with Company's social media Standards as they are established and modified by Company in its sole discretion from time to time.

(e) Unless Franchisee is approved to establish a gift certificate or stored value card program for the Restaurants operated in the Assigned Area as set forth below, Franchisee must participate in Company's Internet-based mandatory gift card program, reservation programs, and order program.

Company reserves the right to periodically establish policies regarding the use of gift certificates, stored value cards, and other marketing items for the Restaurant. Franchisee will offer for sale only the gift certificates, stored value cards, and stamp cards that Company may authorize and/or require in writing. Franchisee will not sell or otherwise issue gift certificates, stored value cards, coupons or the like without Company's express written authorization and Company will have the right to withdraw or modify its authorization at any time. Franchisee will honor all validly issued gift certificates, stored value cards, coupons or the like and will strictly follow all procedures and policies that Company may periodically establish in this regard, including, without limitation, payment of any transaction fees. Company may also delegate this responsibility and authorization to Franchisee in Company's sole discretion.

If Franchisee wishes to establish a gift certificate or stored value card program for the Restaurants operated in the Assigned Area, Franchisee will be responsible for the production of gift certificates and

stored value cards, subject to Company's approval of layout, terms and conditions, which must include language restricting redemption of the gift certificate and stored value cards solely to the Restaurants operated in the Assigned Area. Any gift certificates or stored value cards issued by Company will not be accepted for payment at the Restaurants operated in the Assigned Area and any gift certificates or stored value cards issued by Franchisee will not be accepted for payment at Restaurants outside of the Assigned Area.

Company may use part of the Global Marketing Fund contributions that Company collects under this Section 8 to maintain and further develop the Web site.

## **9. PROPRIETARY MARKS**

9.1 **Grant.** Company grants Franchisee the nonexclusive license and right to use the Proprietary Marks, including the trade names and trademarks "RUTH'S CHRIS" and "RUTH'S CHRIS STEAK HOUSE", during the Term in accordance with (a) the terms and conditions of this Agreement, (b) the System, and (c) the related Standards as set forth in the Manuals or otherwise in writing.

9.2 **Rights in Marks.** Franchisee expressly understands and acknowledges that Company or its licensor is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by the Proprietary Marks.

(a) Neither Franchisee nor the Controlling Principals will take any action that would prejudice or interfere with the validity of Company's rights with respect to the Proprietary Marks. Nothing in this Agreement will give the Franchisee any right, title, or interest in or to any of the Proprietary Marks or any of Company's service marks, trademarks, trade names, trade dress, logos, copyrights, or proprietary materials, except the right to use the Proprietary Marks and the System as expressly described herein. Franchisee may not use the Proprietary Marks in any manner that has not been expressly authorized by Company in writing (including any use of, or association with, the Proprietary Marks or any abbreviation of the Proprietary Marks in any domain name, website, URL, metatag, electronic identifier in a social media or social network site, or in any other listing or use on the Internet or any other digital or electronic medium) and shall ensure that Franchisee displays and uses the Proprietary Marks in accordance with Company's Standards, including, without limitation, the display of appropriate trademarks and service mark notices. Neither Franchisee nor any of its Affiliates will use the Proprietary Marks in its corporate name, nor will they use Franchisee's own name or any other name, word, or symbol, in connection with the Proprietary Marks without Company's prior written consent.

(b) All goodwill arising from Franchisee's use of the Proprietary Marks and the System will inure solely and exclusively to Company's or its licensor's benefit, and upon expiration or termination of this Agreement and the license granted by this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with Franchisee's use of the Proprietary Marks.

(c) Franchisee will not contest the validity of Company's interest in the Proprietary Marks or assist others to contest the validity of Company's interest in the Proprietary Marks.

(d) Franchisee acknowledges that any unauthorized use of the Proprietary Marks will constitute an infringement of Company's or its licensor's rights in the Proprietary Marks and an Event of Default under this Agreement. Franchisee will provide Company with all assignments, affidavits, documents, information, and assistance that Company reasonably requests to fully vest in Company or its

licensor all right, title, and interest in and to the Proprietary Marks, including all items reasonably requested by Company to register, maintain, and enforce Company's rights in the Proprietary Marks.

(e) Company reserves the right to substitute additional Proprietary Marks for use in identifying the System and the Restaurant. In that event, Company may require Franchisee, at Franchisee's expense, to discontinue or modify Franchisee's use of any of the Proprietary Marks or to use one or more additional or substitute Proprietary Marks.

9.3 Limitations on Use of Marks. With respect to Franchisee's licensed use of the Proprietary Marks pursuant to this Agreement, Franchisee further agrees that:

(a) Unless otherwise authorized or required by Company, Franchisee will operate and advertise the Restaurant only under the name "Ruth's Chris Steak House" without prefix or suffix. Franchisee will not use the Proprietary Marks as part of its corporate or other legal name;

(b) During the Term, Franchisee will identify itself as the owner of the Restaurant, and as a franchisee of Company, in conjunction with any use of the Proprietary Marks, including uses on invoices, order forms, receipts, and contracts. Franchisee will display a notice with the content and form and at conspicuous locations on the premises of the Restaurant that Company may designate in writing stating that the Restaurant is operated by a Ruth's Chris franchisee;

(c) Franchisee will not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Company or its Affiliates;

(d) Franchisee will comply with Company's instructions in filing and maintaining the requisite trade name or fictitious name registrations, and will execute any documents considered necessary by Company or its counsel to obtain protection of the Proprietary Marks or to maintain their continued validity and enforceability; and

(e) Franchisee may not cause or allow the Proprietary Marks to be used or displayed, in whole or in part, as any domain name, website, URL, metatag, electronic identifier in a social media or social network site, or in any other listing or use on the Internet or any other digital or electronic medium without Company's express prior consent, and then only in the manner and in accordance with the procedures, standards and specifications that Company establishes.

9.4 Infringement. Franchisee will notify Company immediately by telephone or electronically, and thereafter in writing, of any apparent infringement of or challenge to Franchisee's use of any Proprietary Mark, of any claim by any person of any rights in any Proprietary Mark, and Franchisee will not communicate with any person other than Company, its counsel and Franchisee's counsel in connection with any such infringement, challenge, or claim. Company will have complete discretion to take the action it deems appropriate in connection with any infringement or challenge, and the right to control exclusively any settlement, litigation, or proceeding (including actions before the United States Patent and Trademark Office) arising out of any alleged infringement, challenge, or claim or otherwise relating to any Proprietary Marks. Franchisee will execute all instruments and documents, render any assistance, and do any other acts or things that may, in the opinion of Company, reasonably be necessary or advisable to protect and maintain the interests of Company in any litigation or other proceeding or to otherwise protect and maintain the interests of Company in the Proprietary Marks. Company will indemnify Franchisee against, and reimburse Franchisee for, all damages for which Franchisee is held liable in any proceeding arising out of Franchisee's

use of any of the Proprietary Marks (including settlement amounts), provided that the conduct of Franchisee with respect to the proceeding and use of the Proprietary Marks is in full compliance with this Agreement.

## **10. MANUALS, CONFIDENTIALITY, AND NON-COMPETITION COVENANTS**

10.1 Manuals. To protect the reputation and goodwill of Company and to maintain high standards of operation under the Proprietary Marks, Franchisee will conduct its business in accordance with the Manuals, other reasonable written or electronic directives that Company may issue to Franchisee from time to time (whether or not those other directives are included in the Manuals), and any other materials created or approved for use in the operation of the Restaurant. Franchisee acknowledges and agrees that:

(a) Company will loan Franchisee one copy of or provide electronic access to the Manuals. Franchisee will at all times treat the Manuals, any written or electronic directives of Company, and the information contained in each of them, as confidential and proprietary to Company and will maintain that information as trade secrets and confidential in accordance with this Section 10. Franchisee shall not make any unauthorized copies of the confidential information. Franchisee and the Controlling Principals will use reasonable efforts to maintain this information as secret and confidential, and Franchisee and the Controlling Principals will divulge and make those materials available only to those of Franchisee's employees, agents, or representatives as must have access to it to operate the Restaurant (including professionals such as attorneys, accountants and marketing consultants), or to other persons authorized by Company. Franchisee and the Controlling Principals will not make any confidential information available to any person other than those authorized above. Any person with access to the confidential information must execute a confidentiality agreement on the form required by Company;

(b) The Manuals, written and/or electronic directives, other materials and any other confidential communications provided or approved by Company will at all times remain the sole property of Company, will at all times be kept in a secure place on the Location, and all copies regardless of format must be returned to Company immediately upon request or upon termination or expiration of this Agreement; and

(c) Company may from time to time reasonably revise the contents of the Manuals and the contents of any other materials created or approved for use in the operation of the Restaurant. Franchisee expressly agrees to comply with each new or changed Standard within a reasonable timeframe after notice.

10.2 Confidentiality. Neither Franchisee nor any of the Controlling Principals will, during the Term or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, or corporation and, following the expiration or termination of this Agreement, they will not use for their own benefit, any confidential information, knowledge, or know-how concerning the methods of operation of the Restaurant that are communicated to Franchisee or the Controlling Principals or of which they may be apprised in connection with the operation of the Restaurant under the terms of this Agreement. Franchisee and the Controlling Principals will divulge the confidential information only to those of Franchisee's employees, agents and representatives, including attorneys, accountants and marketing consultants, that must have access to it in order to operate the Restaurant. Any and all confidential information, knowledge, know-how, techniques, and any materials used in or related to the System that Company provides to Franchisee in connection with this Agreement including the Manuals; design guidelines and specifications; marketing information and strategies; site evaluation and selection guidelines and techniques; recipes; and other information communicated in writing and through other means, including electronic media (*e.g.*, Intranet or email) will be deemed confidential for purposes of this Agreement.

Neither Franchisee nor the Controlling Principals will at any time, without Company's prior written consent, copy, duplicate, record, or otherwise reproduce those materials or information, in whole or in part, nor otherwise make them available to any unauthorized person. Any and all information, knowledge, and know-how, including, without limitation, drawings, materials, equipment, specifications, techniques, and other data, which Company designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Company, at the time of disclosure by Company to Franchisee, had become a part of the public domain, through publication or communication by other, after disclosure to Franchisee by Company, becomes a part of the public domain, through publication or communication by others; or disclosure required by court order, other governmental authority or any Applicable Law or regulation. The covenant in this Section 10.2 will survive the expiration, termination, or transfer of this Agreement or any interest in this Agreement and will be binding upon Franchisee and each of the Controlling Principals. Franchisee further acknowledges and agrees that:

(a) Franchisee will require and obtain the execution of covenants similar to those set forth in this Section 10.2 from its General Manager, the Executive Chef or Kitchen Manager, and any other personnel of Franchisee who receive or will have access to the confidential information. Those confidentiality covenants will be substantially in the form set forth in Exhibit D. Franchisee will also require all persons owning a direct or indirect interest in Franchisee who have access to the confidential information and who are not required to sign this Agreement as a Controlling Principal to also execute similar covenants; and

(b) If Franchisee or the Controlling Principals develop any new product, recipe, process or improvement in the operation or promotion of the Restaurant, Franchisee will promptly notify Company and provide Company with all necessary related information, without compensation. Franchisee and the Controlling Principals acknowledge that any such new product, recipe, process or improvement will become the property of Company and Franchisee and Controlling Principals shall take any actions required by Company to evidence that ownership, subject however to Franchisee and Controlling Principal's right to use such product, recipe, process or improvement consistent with the terms of this Agreement and Company may use or disclose that information to other franchisees or developers of Company as Company determines to be appropriate without compensation to Franchisee.

10.3 Covenants Against Competition. Franchisee and the Controlling Principals specifically acknowledge that, pursuant to this Agreement, Franchisee and the Controlling Principals will receive valuable training, trade secrets, and confidential information, including information regarding the operational, sales, promotional, and marketing methods and techniques of Company and the System, which are beyond the present skills and experience of Franchisee, the Controlling Principals, and Franchisee's managers and employees. Franchisee and the Controlling Principals acknowledge that this specialized training, trade secrets, and confidential information provide a competitive advantage and will be valuable to them in the development and operation of the Restaurant, and that gaining access to this specialized training, trade secrets and confidential information is, therefore, another reason why they are entering into this Agreement. In consideration for this specialized training, trade secrets, confidential information, and rights, and to maintain and protect the System know-how, confidential information, Company's reputation, and the value of the Ruth's Chris brand, Franchisee and the Controlling Principals covenant as follows:

(a) Except as otherwise approved in writing by Company, Franchisee will not (during the Term), and each of the Controlling Principals will not (during the portion of the Term that such

individual or entity satisfies the definition of a Controlling Principal), either directly or indirectly, for themselves or through, on behalf of, or in conjunction with any person(s), partnership, or corporation:

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

(ii) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations (except less than a five percent (5%) investment in a publicly-traded corporation), partnerships, trusts, unincorporated associations, or joint ventures), or otherwise advise, assist, or make loans to, any business that is of a character and concept similar to the Restaurant, including but not limited to a fine dining restaurant that offers steak as a primary menu item, within the United States and otherwise within a ten-mile radius of any other System Restaurant in existence or under construction.

(b) For a continuous uninterrupted period of two (2) years, beginning with the “commencement date” specified below, neither Franchisee, nor any of the Controlling Principals will, directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, persons, partnership, or corporation:

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

(ii) Own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations (except less than a five percent (5%) investment in a publicly-traded corporation), partnerships, trusts, unincorporated associations or joint ventures), or otherwise advise, assist, or make loans to, any business that is of a character and concept similar to the Restaurant, including but not limited to a fine dining restaurant that offers steak as a primary menu item, and which business is, or is intended to be located, within the Assigned Area or within a ten-mile radius of any System Restaurant in existence or under construction (or where land has been purchased or a lease has been executed for the construction of a System Restaurant) as of the commencement date of this Section 10.3(b).

For purposes of this Section 10.3(b), the “commencement date” for Franchisee is the date that this Agreement expires without renewal or is terminated (regardless of the reason for termination), or that Franchisee transfers all of its interest in this Agreement; the “commencement date” for a Controlling Principal is the earlier of the date that the Controlling Principal ceases to satisfy the definition of a Controlling Principal (by reason of transfer of all of the Controlling Principal’s interest in this Agreement), or the date of expiration without renewal or termination (regardless of the reason for termination) of this Agreement;

(c) Franchisee and the Controlling Principals acknowledge that each of the covenants contained in this Section 10.3 are reasonable limitations as to time, geographical area, and scope of activity to be restrained, and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Company. Each of the covenants in this Section 10.3 will be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 10.3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Company is a party, Franchisee and the Controlling Principals expressly agree to be

bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10.3; and

(d) Franchisee will require all Controlling Principals who are not required to sign this Agreement to execute similar covenants to those set forth in this Section 10.3.

Notwithstanding the foregoing, Company may, in its sole discretion, decrease the period of time or geographic scope of the non-competition covenants or eliminate those non-competition covenants altogether for any party that is required to execute them under this Section 10.3(d).

10.4 Effect of Non-Compliance. Franchisee and the Controlling Principals acknowledge that any failure to comply with the requirements of this Section 10 will constitute an Event of Default under Section 17. Franchisee and the Controlling Principals acknowledge that a violation of the terms of this Section 10 would result in irreparable injury to Company for which no adequate remedy at law may be available, and Franchisee and the Controlling Principals accordingly consent to the issuance of an injunction prohibiting any conduct by Franchisee or the Controlling Principals in violation of the terms of this Section 10. Franchisee and the Controlling Principals agree to pay all court costs and reasonable attorneys' fees incurred by Company in connection with the enforcement of this Section 10, including payment of all costs and expenses for obtaining specific performance of, or an injunction against violation of, the requirements of this Section 10 if Company is the prevailing party. If Franchisee or the Controlling Principals are the prevailing parties, Company agrees to pay all court costs and reasonable attorneys' fees incurred by the Franchisee and the Controlling Principals in connection with the defense of the enforcement of this Section 10.

## 11. BOOKS AND RECORDS

11.1 Maintenance of Books. Franchisee will maintain during the Term, and will preserve for at least five (5) years from the dates of preparation, full, complete, and accurate books, records, and accounts, including sales slips, coupons, purchase orders, credit card transmission records, payroll records, employee meal records, check stubs, bank statements, deposit slips, sales tax records and returns, cash receipts and disbursements, journals and ledgers, records of wire transfers, and backup or archived records of information maintained on any Computer System, all in accordance with generally accepted accounting principles, as applicable, and in the form and manner prescribed by Company from time to time in the Manuals or otherwise in writing.

11.2 Reports. In addition to the reports required by Sections 4 and 8, Franchisee will comply with the following reporting obligations:

(a) Franchisee will, at Franchisee's expense, submit to Company, in the form prescribed by Company, a profit and loss statement (individual and consolidated if applicable) for each Accounting Period or any other time period (for example quarterly) as Company requests (which may be unaudited) for Franchisee within twenty (20) days after the end of each Accounting Period during the Term of this Agreement. Each statement will be signed by Franchisee's treasurer or chief financial officer attesting that it is true, complete, and correct.

In the fulfillment of all of Franchisee's accounting responsibilities under this Agreement, Franchisee must follow all of Company's accounting standards and rules, including the accounting year used by Company;

(b) Franchisee will, at its expense, provide to Company a complete annual financial statement for Franchisee (which may be unaudited), within ninety (90) days after the end of each fiscal year of Franchisee during the Term, showing the results of operations of Franchisee during that fiscal year. Each statement will be signed by Franchisee's treasurer or chief financial officer attesting that it is true, complete, and correct; and

(c) Franchisee will also submit to Company, for review, any other forms, reports, records, information, or data that Company requests in writing, in the form and at the times and places reasonably required by Company, including transmittal by direct Internet connection with Company, by telephone, electronic data communications, or any other method. Franchisee understands and agrees that Company and its Affiliates may use any information, data, records, or reports received from Franchisee under this Agreement, including any produced or received under Sections 4, 8, 11, or any other provision of this Agreement, for any purpose and in any form as determined by Company and its Affiliates from time to time, including to conduct marketing and cross-promotional campaigns and to compile (and use for any purpose) on an aggregated basis statistical and performance information relating to the Ruth's Chris brand.

11.3 Review of Books. Company or its designees will have the right at all reasonable times and upon twenty-four (24) hours' notice to review, audit, examine, and copy all books and records of Franchisee as Company may require. Franchisee will make those books and records available, either at the Restaurant or another location, to Company or its designees upon request in a reasonable timeframe. If an inspection discloses that an overpayment was made by Franchisee, then Company shall credit such overpayment to amounts owed under this Agreement. If an inspection reveals that any required payment of the Royalty Fee, Global Marketing Fund Contributions, or any other amount due to Company has been understated in any report to Company, then Franchisee will immediately pay to Company the amount overdue or understated upon demand, plus interest at the rate stated in Section 4.4 from the date originally due until paid. If an inspection discloses an understatement in any report of two percent (2%) or more of Net Sales, Franchisee will, in addition, reimburse Company for all reasonable costs and expenses connected with the inspection (including reasonable accounting and attorneys' fees). These remedies will be in addition to any other remedies Company may have at law or in equity but shall not include late fees.

11.4 No Waiver. Company's receipt or acceptance of any payment (including cashing any checks, or processing of wire transfers), any reports, or any other statements or payments furnished to Company will not preclude Company from questioning the correctness of any of them at any time. In the event that any inconsistencies or mistakes are discovered in any statements or payments, those mistakes will immediately be rectified by Franchisee and the appropriate payment will be made by Franchisee.

## 12. INSURANCE

12.1 Acquisition of Insurance. Franchisee will procure, at least thirty (30) days prior to opening of the Restaurant (subject to the provisions of Section 12.3), and will maintain in full force and effect at all times during the Term at Franchisee's expense and at standard rates, an insurance policy or policies protecting Franchisee, Company and its Affiliates, and their respective affiliates, successors, and assigns and each of those entity's respective officers, directors, shareholders, partners, agents, representatives, independent contractors, and employees against any demand or claim with respect to bodily injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the Restaurant.

12.2 Coverage and Limits. Franchisee must obtain and maintain in effect for the Restaurant the minimum types and amounts of insurance coverage required by Company as set forth in the Manuals (which

minimum insurance requirements Company, at its sole option, may change from time to time). The insurance policy or policies required by Section 12.1 will include, for the kinds and amounts of insurance available in the local insurance market for restaurants of the same class, at a minimum (except as additional coverage and higher policy limits may reasonably be specified by Company from time to time), the following:

- (a) Comprehensive General Liability Insurance, including personal and advertising injury coverage, products liability insurance, and coverages for fire legal liability, and medical expenses.
- (b) Liquor Legal Liability Insurance.
- (c) “All Risks” property coverage, including fire and extended coverage, vandalism, and malicious mischief insurance for the replacement value of the Restaurant’s premises and its contents; crime insurance, including but not limited to, employee dishonesty and loss of money and securities (both inside and outside the premises).
- (d) Automobile liability coverage, including coverage of owned, non-owned, and hired vehicles (including, without limitation, any vehicles performing off-site sales or deliveries), including personal injury, wrongful death, and property damage.
- (e) Business interruption insurance.
- (f) Cyber liability insurance.
- (g) Employment practices liability, unemployment insurance, and workers’ compensation insurance.
- (h) Any other insurance required by the state or locality in which the Restaurant is located and operated.
- (i) An “umbrella” policy providing coverage excess to the policies described above.

All required insurance must be written by reputable, financially responsible companies approved by Company that are duly licensed to operate within the jurisdictions in which the Restaurant is located, and such insurance companies must have and maintain an A.M. Best’s Financial Strength Rating of A- (Excellent) or better and Financial Size Category of X or higher. All insurance policies must contain such types and minimum amounts of coverage, exclusions and maximum deductibles as Company prescribes from time to time; name Company and Company’s Affiliates as additional insureds (and provide that any settlement of any claim or action involving Company or Company’s Affiliate requires the express consent of Company or Company’s Affiliate, as applicable); contain a standard separation of insureds provision; include a waiver of subrogation provision or endorsement in favor of Company and Company’s Affiliates; provide that coverage for Company and Company’s Affiliates will be primary to and not contributory to any policies carried by Company or Company’s Affiliates; provide for thirty (30) days prior written notice to Company of any modification, cancellation, or expiration of such policy; and include such other provisions as Company may require from time to time.

At Company’s request, Franchisee must furnish Company with such evidence of insurance coverage, including all schedules and endorsements thereto that evidence coverage of Company and Company’s Affiliates. If Franchisee fails or refuses to maintain any required insurance coverage, or to

furnish satisfactory evidence thereof, Company, at Company's sole option and in addition to Company's other rights and remedies hereunder, may obtain such insurance coverage on Franchisee's behalf. If Company does so, Franchisee must fully cooperate with Company in Company's effort to obtain such insurance policies and pay Company any costs and premiums that Company incurs as well as Company's then-current fee to compensate us for procuring such insurance.

Franchisee's obligation to maintain insurance coverage is not diminished in any manner by reason of any separate insurance Company may choose to maintain, nor does it relieve Franchisee of Franchisee's obligations under this Section 12. Franchisee's obligation to obtain and maintain insurance coverage under this Section 12 is separate and distinct from, and does not substitute for, Franchisee's indemnification obligations under this Agreement.

12.3 Construction. In addition to the insurance required by Section 12.2, in connection with any construction, renovation, refurbishment or remodeling of the Restaurant, Franchisee will obtain prior to such activities commencing, and maintain Builder's Risks insurance in forms and amounts, and written by a carrier or carriers, reasonably satisfactory to Company.

12.4 Company Insurance. Franchisee's obligation to obtain and maintain the policies listed in Section 12.2 will not be limited in any way by reason of any insurance maintained by Company, nor will Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 15.

12.5 Certificates of Insurance. As obtained by Franchisee during the Term, and thereafter at least thirty (30) days before the expiration of any policy, Franchisee will deliver to Company Certificates of Insurance evidencing the existence and continuation of proper coverage with limits not less than those required in Section 12.2. In addition, if requested by Company, Franchisee will deliver to Company a copy of the insurance policy or policies required by this Section 12. All insurance policies required by this Section 12, with the exception of workers' compensation, will name Company and its Affiliates, and their respective directors, officers, shareholders, partners, employees, representatives, independent contractors, and agents, as additional insureds. Further, all insurance policies required by this Section 12 will expressly provide that no less than thirty (30) days' prior written notice will be given to Company in the event of an alteration to or cancellation of the policies.

12.6 Failure to Insure. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as these requirements may be revised from time to time by Company in writing, Company may (without, however, any obligation to do so) immediately procure the required insurance and charge to Franchisee the cost of the insurance and a reasonable fee for Company's expenses. Those amounts must be payable by Franchisee immediately upon notice. The foregoing remedies will be in addition to any other remedies Company may have at law or in equity.

### **13. DEBTS, TAXES, AND GOVERNMENT ACTIONS.**

13.1 Taxes. Franchisee will promptly pay when due all Taxes levied or assessed, and all accounts and other indebtedness of every kind incurred by Franchisee in operating the Restaurant. Without limiting the provisions of Section 15, Franchisee will be solely liable for the payment of all Taxes and will indemnify Company for the full amount of all Taxes imposed on Company, and for any liability (including penalties, interest, and expenses) arising from or concerning the payment of Taxes, whether the Taxes were correctly or legally asserted or not.

13.2 No Deduction. Each payment to be made to Company by Franchisee pursuant to this Agreement will be made free and clear of, and without deduction for, any Taxes unless required by law.

13.3 Disputes. In the event of any *bona fide* dispute as to Franchisee's liability for Taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with the procedures of the taxing authority or Applicable Law. However, in no event will Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant or attachment to occur against the premises of the Restaurant or any improvements thereon.

13.4 Compliance with Laws; Permits. Franchisee will comply with Applicable Law and will timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Restaurant, including licenses to do business, fictitious name registrations, sales tax permits, fire clearances, health and safety permits, certificates of occupancy, the sale of liquor, and any permits, certificates, or licenses required by any environmental law, rule, or regulation.

13.5 Notice of Litigation. Franchisee will notify Company in writing within five (5) calendar days after the commencement and service upon Franchisee of any action, suit, or proceeding, or the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may substantially or adversely affect the operation or financial condition of the Restaurant.

## **14. TRANSFER OF INTEREST**

14.1 Transfers by Company. Equity interests in Company shall be freely transferable to any person or legal entity without the consent of Franchisee. Company may transfer or assign this Agreement and all or any part of its rights or obligations under this Agreement to any person or legal entity without giving notice to or obtaining consent from Franchisee. Franchisee agrees that Company will have no liability after the effective date of the transfer or assignment for the performance of any obligations under this Agreement. Specifically, and without limitation to the foregoing, Company may sell its assets, the Proprietary Marks or the System to a third party; may offer its securities privately or publicly; may merge, spin-off, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring, including with respect to any or all of the above sales, assignments, and dispositions.

14.2 Transfers by Franchisee. The rights and duties set forth in this Agreement are personal to Franchisee, and Company has granted rights under this Agreement in reliance on the business skill, financial capacity, and personal character of Franchisee and the Controlling Principals. Accordingly, neither Franchisee nor any Controlling Principal, nor any successor or assign of Franchisee or any Controlling Principal may sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in this Agreement, in Franchisee, in the Restaurant or in the Location without the prior written consent of Company, which shall not be unreasonably withheld. In no instance shall Company approve of, consent to, or permit the transfer of any interest in Franchisee to a Publicly-Held Company. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Company will be null and void.

If Franchisee wishes to transfer all or part of its interest in the assets of the Restaurant or the Location, or in this Agreement, or if any person or entity holding a direct or indirect interest in Franchisee wishes to transfer any ownership interest in Franchisee, the transferor and the proposed transferee shall apply to Company for its consent which shall not be unreasonably withheld. Company may require any or all of the following as conditions of its approval:

(a) All of the accrued monetary obligations of Franchisee owed to Company and its Affiliates arising under this Agreement or under any other agreement will have been satisfied or shall be satisfied by the effective date of any proposed transfer;

(b) Franchisee will not then be in default of any provision of this Agreement (or any other agreement by and between Franchisee and Company), any amendment hereof or successor hereto;

(c) The Franchisee (transferor) and the Controlling Principals (if applicable) will have executed a general release, in a form satisfactory to Company, of all claims against Company and its respective officers, directors, shareholders, partners, agents, representatives, independent contractors, and employees, in their corporate and individual capacities, including claims arising under this Agreement and under Applicable Law;

(d) The transferee will demonstrate to Company's satisfaction that transferee meets the criteria considered by Company when reviewing a prospective Franchisee's application for a license, including Company's educational, managerial, and business standards; transferee's good moral character, business reputation, and credit rating; transferee's aptitude and ability to conduct the business (as may be evidenced by prior related business experience or otherwise); transferee's financial resources and capital for operation of the business and whether the transferee is already a System franchisee;

(e) The transferee must enter into a written assumption agreement in a form satisfactory to Company, assuming and agreeing to discharge all of transferor's obligations under this Agreement and such ancillary agreements as Company may require. Alternately, and at Company's option, the transferee must execute the standard form of franchise agreement then being offered to new franchisees in the System, for a term ending on the expiration date of this Agreement, and other ancillary Agreements that Company may require for the Restaurant. Those agreements will supersede this Agreement and its ancillary documents in all respects, and their terms may differ from the terms of this Agreement. In addition, if the transferee is not an individual, the transferee's direct or indirect owners, shareholders, partners, or other investors, as applicable, will execute the agreements as transferee's principals and will guarantee the performance of all of the transferee's obligations, covenants, and agreements with or to Company;

(f) The transferee, at its sole expense, will renovate, modernize, and otherwise upgrade the Restaurant to conform to the then-current Standards, and will complete the upgrading and other requirements within the time period reasonably specified by Company;

(g) Franchisee and the transferee (and its principals) have agreed to the terms of a purchase and sale agreement for the Operating Assets and assumption of any lease of the premises and any applicable equipment, and Company must have approved all terms and conditions of the transfer, including that the price and terms of payment are not so burdensome as to adversely affect the operation of the Restaurant by the transferee;

(h) The transferor will remain liable for all of the obligations to Company in connection with the Restaurant incurred before the effective date of the transfer and will execute any and all instruments reasonably requested by Company to evidence that liability;

(i) If new to the System, and at the transferee's expense, the transferee, the transferee's operating principal, and any other applicable restaurant personnel, will complete any training programs then in effect for franchisees of System Restaurants upon the terms and conditions that Company reasonably requires;

(j) Franchisee shall pay Company the Transfer Fee; and

(k) If the transferee is not an individual, the transferee will make and will be bound by any representations, warranties, and covenants that Company reasonably requests, similar to those set forth in Section 6. The transferee will provide to Company evidence satisfactory to Company that the terms of those representations, warranties, and covenants have been satisfied and are true and correct on the date of transfer.

Franchisee acknowledges that each condition for a proposed transfer is reasonable and necessary to protect Company's rights and to assure the transferee's full performance of the obligations under this Agreement.

14.3 Security Interests. Franchisee may not grant a security interest in this Agreement.

14.4 Transfers for Convenience of Ownership. If a proposed transfer is to a new corporation or partnership formed solely for the convenience of ownership, Company's consent will not be unreasonably withheld. To qualify under this Section 14.4, the Controlling Principals must be the owners of a majority of all of the interest of the newly-formed corporation (or if Franchisee is more than one individual, each individual will have the same proportionate ownership interest in the corporation as he or she had in Franchisee before the transfer).

14.5 Transfers for Estate/Tax Planning. If a proposed transfer is to a family member of Franchisee for estate or tax planning reasons, Company's consent will not be unreasonably withheld. To qualify under this Section 14.5, the proposed transferee must be a child (adopted or otherwise), grandchild, spouse, parent, sibling or in-law of Franchisee.

14.6 Right of First Refusal. If Franchisee receives or requests any *bona fide* offer from a third party (except to the family members described in Section 14.5) for a transfer of all or part of Franchisee's interest in the assets of the Restaurant or this Agreement or if Franchisee or a Controlling Principal wishes to transfer any ownership interest in Franchisee, then the Franchisee and/or proposed seller will promptly notify (by no later than five (5) days) Company in writing of the offer, and will provide any additional information and documentation relating to the offer that Company requires. Company will have the option, exercisable within thirty (30) days after receipt of all written documentation requested by Company describing or otherwise evidencing the terms of the offer (including but not limited to any letter of intent, purchase and sale agreement, leases, assignments), to send written notice to the seller that Company intends to purchase the seller's interest on the same terms and conditions offered by the third party. In the event the terms of such *bona fide* offer change, then Franchisee shall be obligated to re-offer the right of first refusal to Company for an additional 30-day period.

If an offer from a third party provides for payment of consideration other than cash, Company may elect to purchase the interest proposed to be sold for the reasonable cash equivalent. If the third-party *bona fide* offer contains certain tax benefits, Company's offer must match said tax benefits in all respects to seller. If the parties cannot agree within a reasonable time on the cash equivalent of the non-cash part of the offer, then the cash equivalent will be determined by two appraisers, with each party selecting one appraiser, and the average of their determinations constituting the binding valuation. In the event of an appraisal under this provision, each party will bear its own legal and other costs and will split the appraisal fees equally. If the proposed transaction includes assets of Franchisee not related to the operation of the Restaurant (or other System Restaurants), Company may, at its sole option, exercise its option only with respect to the interest in the Restaurant (and other System Restaurants).

If Company elects to purchase the seller's interest, closing on the purchase will occur no later than sixty (60) days after the date Company gives notice to the seller of the election to purchase, provided that Company has received all necessary permits and approvals, or on such other date as the parties agree in writing. If Company exercises its right of first refusal, it may set off all amounts due from Franchisee or any of its Affiliates (including, if applicable, all fees for any appraiser due from Franchisee) against any payment for the interest to be purchased.

A decision of Company not to exercise the right of first refusal granted by this Section 14.6 will not constitute a waiver of any other provision of this Agreement, including all of the requirements of Section 14.2, with respect to a proposed transfer. If Company does not exercise its right of first refusal on any particular offer, any change in the terms of the offer before closing will constitute a new offer subject to the same right of first refusal by Company as in the case of the initial offer.

14.7 Death or Disability. Within thirty (30) calendar days after the death or permanent disability of Franchisee or any Controlling Principal, Franchisee or a representative of Franchisee must notify Company in writing.

Upon the death of Franchisee (if a natural person) or any Controlling Principal who is a natural person and who has an interest in this Agreement, in the Restaurant, or in Franchisee, the executor, administrator, or other personal representative of the deceased will transfer the interest of the deceased to a third party approved by Company within twelve (12) months after the date of death. If no personal representative is designated or appointed and no probate proceedings are instituted with respect to the estate of the deceased, then the distributee of the interest of the deceased must be approved by Company. If the distributee is not approved by Company, then the distributee will transfer the interest of the deceased to a third party approved by Company within twelve (12) months after the date of death of the deceased.

Upon the permanent disability of Franchisee (if a natural person) or any Controlling Principal who is a natural person and who has an interest in this Agreement, in the Restaurant or in Franchisee, Company may require the interest to be transferred to a third party in accordance with the conditions described in this Section 14 within sixty (60) days after notice to Franchisee or, alternatively, a new Controlling Principal will be designated. For purposes of this Section 14.7, "permanent disability" means any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement or in the Guaranty made part of this Agreement for at least ninety (90) consecutive days, and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. If the parties disagree as to whether a person is permanently disabled, the existence of permanent disability will be determined by a licensed practicing physician selected by Company, upon examination of the person; or if the person refuses to submit to an examination, then (for the purpose of this Section 14.7) the person automatically will be considered permanently disabled as of the date of refusal. The costs of any examination required by this Section 14.7 will be paid by Company.

14.8 Effect of Consent. Company's consent to a transfer of any interest as contemplated by this Section 14, will not constitute a waiver of any claims that Company has against the transferring party, nor will it waive Company's right to demand exact compliance with any of the terms of this Agreement by the transferee.

14.9 No Public Offering. No direct or indirect securities in Franchisee may be "publicly offered" or "publicly traded" (as those terms are commonly understood for purposes of applicable securities laws) or registered pursuant to Applicable Law (including but not limited to Section 12 of the U.S. Securities

Exchange Act of 1934, as amended); or otherwise made subject to the requirements of Section 15(d) of the U.S. Securities Exchange Act of 1934, as amended. Any offer, attempt to offer, solicitation to offer, or steps taken to offer publicly any interest in Franchisee will be an Event of Default and will result in termination of this Agreement pursuant to Section 17.1.

14.10 Transfers Among Controlling Principals. Franchisee and each of its Controlling Principals, as applicable, may transfer, sell, or assign their respective interests in Franchisee, by and amongst themselves with Company's prior written consent; provided no such transfer, sale, or assignment results in a change in the Controlling Interest in Franchisee. Transfers are permitted pursuant to this Section 14.10 only if the same persons will be the Controlling Principals both before and after the transfer, and the aggregate interests held by all Controlling Principals both before and after the transfer are the same (*i.e.*, the transfer may not be to persons who are not already Controlling Principals, and may not result in any Controlling Principal having no interest in Franchisee after the transfer); otherwise, the transfer will be subject to Section 14.2. Company's consent to a transfer pursuant to this Section 14.10 will not be unreasonably withheld; but may be conditioned on compliance with Section 14.2, except that the transfer, sale, or assignment will not be subject to Sections 14.2(c), (d), (e), (f), (h), (i), or (j).

## 15. INDEMNIFICATION

15.1 Indemnity. Franchisee and each Controlling Principal will at all times indemnify, hold harmless, and defend to the fullest extent permitted by law, the Indemnitees from all losses and expenses, including all attorneys' fees and costs incurred in connection with any action, suit, proceeding, claim, demand, investigation or formal or informal inquiry (collectively, an "Action"), or any settlement of any Action (whether or not a formal proceeding has been instituted) that arises out of or is based upon any of the following acts or omissions:

(a) The infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of the Controlling Principals of any patent, trademark, copyright, or other proprietary right owned or controlled by any third party (except to the extent occurring with respect to any right to use the Proprietary Marks or any copyrights or other proprietary information granted under Section 9);

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

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

(d) The violation or breach by Franchisee or any Controlling Principal of any warranty, representation, agreement, or obligation in this Agreement between Franchisee and Company; and/or

(e) Acts, errors, or omissions of Franchisee, any of Franchisee's Affiliates, or any of the Controlling Principals and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, and employees in connection with the establishment and operation of the Restaurant, including any acts, errors, or omissions of any of the foregoing in the operation of any motor vehicle. Franchisee specifically acknowledges that Company cannot and does not exercise control over Franchisee's day-to-day operations (such as safety and security, the manner of operation of any motor

vehicles used by or on behalf of Franchisee, or any employment decisions of Franchisee), and that all liability arising out of these matters is therefore, Franchisee's responsibility.

15.2 Notice of Claims. Franchisee and each of the Controlling Principals covenant to give Company immediate notice of any action brought by any third-party against either the Franchisee or Company.

15.3 No Waiver. All actual losses and expenses (including reasonable attorneys' fees and mediation/litigation/arbitration costs) incurred under this Section 15 will be chargeable to and paid by Franchisee or any of the Controlling Principals pursuant to their obligations of indemnity under this Section 15, regardless of any reasonable actions, activity, or defense undertaken by Company, or the subsequent success or failure of those actions, activity, or defense.

15.4 Third Parties. The Indemnitees do not assume any liability for any acts, errors, or omissions of any third party with whom Franchisee, any of the Controlling Principals, Franchisee's Affiliates or any of the officers, directors, shareholders, partners, agents, representatives, independent contractors, or employees of Franchisee or its Affiliates may contract, regardless of the purpose. Franchisee and each of the Controlling Principals will indemnify the Indemnitees for all losses and expenses (including reasonable attorneys' fees and mediation/litigation/arbitration costs) arising out of any acts, errors, or omissions of Franchisee, the Controlling Principals, Franchisee's Affiliates, the officers, directors, shareholders, partners, agents, representatives, independent contractors, and employees of Franchisee and its Affiliates and any such other third parties.

The Indemnitees will not be required or obligated to seek recovery from third parties or otherwise to mitigate their losses in order to maintain a claim against Franchisee or any of the Controlling Principals.

15.5 Defense. Company has the right, at its option, to defend any such claim against it or any Indemnitee at Franchisee's sole cost and expense. If Franchisee defends any claim, it may not enter into any settlement agreement or otherwise resolve or conclude the matter without Company's prior written consent.

15.6 Survival. The terms of this Section 15 will survive the termination, expiration, or transfer by any party of this Agreement or any interest in this Agreement as provided by Applicable Law.

## **16. RELATIONSHIP OF THE PARTIES**

16.1 Relationship of Parties. This Agreement is not intended to, and does not, create a fiduciary or other special relationship between the parties. Franchisee is in business for itself and is not economically dependent on Company for work. Franchisee is an independent contractor, and nothing in this Agreement is intended to constitute either party an agent, legal representative, affiliate, joint venturer, partner, employee, joint employer, or servant of the other party for any purpose. Neither this Agreement nor Company's course of conduct is intended nor may be construed to state or imply that Company is the employer or joint employer of Franchisee or Franchisee's employees and/or independent contractors, nor vice versa.

16.2 Independent Contractor. Franchisee is the only party that is in day-to-day control of the Restaurant, and neither this Agreement nor any of the systems, guidance, processes, or requirements under which Franchisee operates alter that fact. During the Term of this Agreement, Franchisee will hold itself out to the public as an independent contractor conducting its operations of the Restaurant pursuant to the

rights granted by Company. Franchisee will take any action that Company considers necessary to that end, including exhibiting a notice of the parties' relationship in a conspicuous place on the premises of the Restaurant, and on all letterhead, business cards, and forms, and as otherwise required in the Manuals. Company reserves the right to specify the content and form of all of these notices.

16.3 Contracts. Nothing in this Agreement authorizes Franchisee or any of the Controlling Principals to make any contract, agreement, warranty, or representation on Company's behalf, or to incur any debt or other obligation in Company's name. Company will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of Franchisee or any of the Controlling Principals or any claim or judgment arising their acts or omissions.

## 17. TERMINATION

17.1 Termination Without Notice. Franchisee will be in default under this Agreement, and all rights granted by this Agreement will automatically terminate without notice to Franchisee, upon the occurrence of any of the following:

(a) If Franchisee becomes insolvent or makes a general assignment for the benefit of creditors;

(b) If Franchisee files a voluntary petition under any section or chapter of the federal bankruptcy law or under any similar law or statute of the United States or any state, or admits in writing its inability to pay its debts when due;

(c) If Franchisee is adjudicated bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of the federal bankruptcy laws or under any similar law or statute of the United States or any state; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction;

(d) If proceedings for a composition with creditors under any Applicable Law is instituted by or against Franchisee;

(e) If a final judgment in excess of Twenty-Five Thousand Dollars (\$25,000) against Franchisee remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); and/or

(f) If Franchisee is dissolved.

17.2 Termination Upon Notice. Franchisee acknowledges that any Event of Default or other failure by Franchisee to comply with this Agreement will harm the Company, the System, and the goodwill associated with the Proprietary Marks, and that the Company entered into this Agreement (and granted the rights described herein) based on the expectation that Franchisee will fully comply with this Agreement. The occurrence of any of the following will adversely and substantially affect the interests of the Company and will be deemed an event of default constituting just cause for exercising any of the remedies set forth herein. Franchisee will be in default under this Agreement, and all rights granted by this Agreement, at Company's option, may be terminated effective upon written notice to Franchisee, upon the occurrence of any of the following:

(a) If Franchisee, or any of Franchisee's Controlling Principals, makes any offer, attempts to offer, solicits an offer, or takes other steps to offer publicly any interest in Franchisee in violation of Section 14.9;

(b) If execution is levied against Franchisee's business or property resulting from any undisputed claims not resolved within thirty (30) days from levy;

(c) If suit to foreclose any lien or mortgage against the Location or equipment is instituted against Franchisee and not dismissed within thirty (30) days;

(d) If the real or personal property of the Restaurant will be sold after levy thereupon by any competent authority in the jurisdiction where the Restaurant is located;

(e) If Franchisee fails to construct the Restaurant in accordance with the plans and specifications provided to Franchisee under Section 5.1 (as those plans are adapted with Company's approval in accordance with Section 2.4);

(f) Franchisee fails to begin operating the Restaurant by the Opening Deadline; provided, if Franchisee pays an Extension Fee, termination for failure to timely begin operating the Restaurant will be governed by Section 2.5;

(g) If Franchisee at any time, for a period in excess of three (3) consecutive Business Days or for five (5) individual Business Days within a twelve (12) month period, ceases to operate or otherwise abandons the Restaurant (except as resulting from an expropriation or eminent domain proceeding), or loses the right to possession of the premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Restaurant is located. This provision will not apply if through no fault of Franchisee, the premises are damaged or destroyed by an Force Majeure Event, provided that Franchisee applies for Company's approval to relocate or reconstruct the premises once it is determined that relocation will be necessary after the event and Franchisee diligently pursues the reconstruction or relocation after Company's approval. Company will not unreasonably withhold its approval to relocate or reconstruct the premises after an Force Majeure Event;

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

(i) If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Restaurant and such threat or danger is not rectified to the satisfaction of Company within twenty-four (24) hours' notice by Company to Franchisee;

(j) If Franchisee or any of the Controlling Principals purports to transfer any rights or obligations under this Agreement or any interest in Franchisee or the real property lease of the Restaurant to any third party without Company's prior written consent or without offering Company a right of first refusal with respect to the transfer, contrary to the terms of Section 14;

(k) If, contrary to the terms of Section 10.2, Franchisee or any of the Controlling Principals discloses or divulges any confidential information provided to Franchisee or the Controlling

Principals by Company, or fails to obtain execution of covenants and related agreements required under Section 10.2(a) within ten (10) days after being requested to do so by Company;

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

(m) If Franchisee or any of the Controlling Principals intentionally breaches in any respect any of the covenants set forth in Section 6 or has falsely made any of the representations or warranties set forth in Section 6;

(n) If Franchisee intentionally misuses or makes any unauthorized use of the Proprietary Marks or otherwise impairs the goodwill associated therewith or Company's rights therein and Franchisee fails to cure that default within twenty-four (24) hours after notice from Company;

(o) If Franchisee or any of the Controlling Principals commits an event of default under this Agreement on three (3) or more occasions in any consecutive 12-month period, whether or not those defaults are of the same or different nature, and whether or not those defaults are cured by Franchisee after notice by Company;

(p) If Franchisee or any of its Affiliates fails or refuses to comply with any terms and conditions of any other development or franchise agreement, promissory note, lease, sublease, or related agreement(s), between Company or its Affiliates and Franchisee or its Affiliates, and does not cure that default within any notice and cure period provided for in such agreement following notice from Company or its Affiliate of the default (unless no cure period is specified in such agreement, in which case the notice and cure period provided in Section 17.3 will apply);

(q) Franchisee, Controlling Principals, its employees, or its independent contractors do business with third parties in violation of Applicable Law;

(r) In addition to Section 11.3, Franchisee conceals revenue or takes for its own use employee taxes, FICA, insurance or benefits, or any other property; and/or

(s) Company may terminate this Agreement immediately and without providing any cure period if Franchisee receives three (3) or more failing Brand Audit scores in any twelve (12) month period during the Term.

**17.3 Termination Subject to Cure.** Except as provided in Sections 17.1 and 17.2, upon any default by Franchisee that is susceptible of being cured, Company may terminate this Agreement by giving written notice of termination stating the nature of the default to Franchisee at least thirty (30) days before the effective date of termination. However, Franchisee may avoid termination by immediately initiating a remedy to cure the default and curing it to Company's reasonable satisfaction within the 30-day period and by promptly providing proof thereof to Company. If any default is not cured within the specified time (or such longer period as Applicable Law may require), this Agreement will terminate without further notice to Franchisee effective immediately upon the expiration of the 30-day period (or such longer period as Applicable Law may require). Notwithstanding the foregoing, if Franchisee defaults in the payment of any monies owed to Company when such monies become due and payable and Franchisee fails to pay such monies within five (5) days after receiving written notice of default, then this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the five (5) day period.

17.4 Event of Default Fee. If Company provides Notice with respect to any Event of Default and in consideration of the rights granted in this Agreement and rights deferred by Company, and due to the difficulty of establishing the precise amount of damages for breach of these obligations, in addition to all other remedies provided for in this Agreement or otherwise available to Company, Franchisee will pay Company as liquidated and agreed-upon damages (as a reasonable, bona fide pre-estimate of damages and not a penalty) for each day the Event of Default persists, an Event of Default Fee. The Event of Default Fee under this Section 17.4 must be paid to Company within five (5) days of receipt of Notice from Company. Company may, in addition to or in lieu thereof, pursue other remedies, including termination of this Agreement pursuant to Section 17.2 or Section 17.3. Payment to Company of any amount provided for in this Section 17.4 will not constitute an election of remedies by Company or excuse performance of Franchisee's obligations hereunder. Any payments received will be in addition to and not in lieu of any other remedies available to Company under this Agreement or at law. If Company imposes the Event of Default Fee under this Section 17.4 for any Event of Default, Company may thereafter terminate this Agreement pursuant to Section 17.2 or Section 17.3, as applicable, for a subsequent violation.

## **18. POST-TERM**

Upon expiration or termination of this Agreement, all rights granted by this Agreement to Franchisee will immediately terminate. Upon that expiration or termination, Franchisee will take each of the following steps and provide evidence of such actions to Company which may be photographic or video proof:

18.1 Operations. Franchisee will immediately cease to operate the Restaurant, and will not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Company.

18.2 Manuals and System. Franchisee will immediately and permanently cease to use, in any manner whatsoever, the Manuals and any confidential methods, computer software, procedures, and techniques associated with the System, the mark "RUTH'S CHRIS STEAK HOUSE"; and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, Franchisee will cease to use all signs, advertising materials, displays, stationery, forms, and any other articles which display the Proprietary Marks.

18.3 Assumed Names. Franchisee will take all actions necessary to cancel any assumed name or equivalent registration that contains all or any part of the marks "RUTH'S CHRIS", "RUTH'S CHRIS STEAK HOUSE" or any other service mark or trademark of Company, and Franchisee will furnish Company with evidence satisfactory to Company of compliance with this obligation within five days after termination or expiration of this Agreement.

18.4 Use of Marks. If Franchisee continues to operate or subsequently begins to operate any other business, Franchisee may not use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with that other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Company's rights in and to the Proprietary Marks. Furthermore, Franchisee may not utilize any designation of origin or description or representation which falsely suggests or represents an association or connection with Company, whether or not constituting unfair competition.

18.5 Payments. Franchisee will promptly pay all sums owing to Company and its Affiliates, including all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Company as

a result of any default by Franchisee. Franchisee will pay to Company within fifteen (15) days after the effective date of expiration or termination of this Agreement, or on such later date that the amounts due are determined, such fees, amounts owed for purchases from Company or its Affiliates, interest due on any of the foregoing and all other amounts owed to Company or its Affiliates which are then unpaid. If this Agreement is terminated by Company following the occurrence of an event of default and Franchisee's failure to cure within any applicable cure period, Franchisee will, within thirty (30) days following the effective date of such termination, pay Company in a single lump sum payment, as liquidated damages and not as a penalty, as follows: (i) where there are less than three (3) years remaining in the Term, the average Royalty Fee paid by Franchisee during the previous two (2) years of operation of the Restaurant multiplied by the number of months remaining in the Term; (ii) where there are three (3) or more years remaining in the Term and the Restaurant has operated for at least two (2) years, the average Royalty Fee paid by Franchisee during the previous two (2) years of operation of the Restaurant multiplied by twenty-four (24) months; and (iii) where there are three (3) or more years remaining in the Term and the Restaurant has not opened or has operated for less than two (2) years, the average Royalty Fee paid by System franchisees for the month that termination of this Agreement is effective multiplied by twenty-four (24) months. Franchisee acknowledges and agrees that the liquidated damages provided for in this Section 18.5 are a fair and reasonable approximation of the amount of damages sustained by Company. Payment to Company of such liquidated damages will not constitute an election of remedies by Company or excuse performance of Franchisee's post-termination obligations hereunder. Any payments received will be in addition to and not in lieu of any other remedies available to Company at law or in equity. All payments under this Section 18.5 must comply with the requirements of Section 4 of this Agreement.

In addition, Franchisee will pay to Company all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Company in connection with obtaining any remedy available to Company for any violation of this Agreement and subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 18.

18.6 Return of Materials. Franchisee will immediately deliver to Company (or destroy at Company's direction) the Manuals, records, files, instructions, correspondence, any computer software licensed by or from Company, and all other materials related to operating the Restaurant (including agreements and invoices) in Franchisee's possession or control, as well as all copies of any of them (all of which are acknowledged to be Company's property). Franchisee may not retain any copy or record of any of the foregoing except Franchisee's copy of this Agreement and of any correspondence between the parties and any other documents that Franchisee reasonably needs for compliance with any provision of law.

18.7 Confidentiality and Non-Competition. Franchisee and the Controlling Principals will comply with the non-competition covenants and the restrictions on confidential information contained in Section 10, and will ensure that any other person required to execute similar confidentiality covenants pursuant to Section 10 will also comply with those covenants.

18.8 Advertising Materials. Franchisee will furnish Company an itemized list of all advertising and sales promotion materials bearing the Proprietary Marks or any of Company's distinctive markings, designs, labels, or other marks thereon, whether at the Location or under Franchisee's control at any other location. Company may inspect these materials. Company will have the option, exercisable within thirty (30) days after inspection, to purchase any or all of the materials at Franchisee's cost, or to require Franchisee to destroy or properly dispose of these materials. Any of these materials not purchased by

Company may not be utilized by Franchisee or any other party for any purpose unless authorized in writing by Company.

18.9 Leases. If Franchisee leases the Location or leases any equipment used in the operation of the Restaurant from a third party, then Franchisee will, at Company's option, and subject to the landlord's or owner's consent, assign to Company any interest that Franchisee has in the lease or sublease. Company may exercise this option at any time within thirty (30) days after either termination or (subject to any existing right to renew) expiration of this Agreement. The time for closing on the assignment of the lease described in this Section 18.9 will be a date no later than ten (10) days after Company's exercise of its option hereunder unless Company is also exercising its purchase options under Section 18.10, in which case the date of the closing will be on the same closing date prescribed for the purchase option. In any event, closing will take place at Company's corporate offices or at such other location as the parties may agree.

18.10 Purchase Options. Except as provided in Section 18.9 (with respect to leased equipment), Company (including through its nominee) will have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the furnishings, equipment (including any Computer Systems not licensed by Company), signs, fixtures, motor vehicles, supplies, and inventory of Franchisee related to the operation of the Restaurant, at fair market value. Company (or its nominee) will purchase Franchisee's assets only and will assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If the parties cannot agree on the fair market value within thirty (30) days after Company's exercise of its option, fair market value will be determined by two appraisers, with each party selecting one appraiser, and the average of their determinations will be binding. In the event of such appraisal, each party will bear its own legal and other costs and will split the appraisal fees equally. If Company elects to exercise any option to purchase herein provided, it will have the right to set off all amounts due from Franchisee to Company or any of its Affiliates (including any costs for the appraisal) and any costs incurred in connection with any escrow arrangement (including reasonable legal fees) against any payment therefor.

In addition to the options described above, if Franchisee owns the Location, Company (or its nominee) will have the option, to be exercised at or within thirty (30) days after termination or expiration of this Agreement, to purchase or lease, at Company's option, the Location, including any buildings thereon, if applicable, for the fair market value of the land and building, and any or all of the furnishings, equipment, signs, fixtures, vehicles, supplies and inventory therein at fair market value. Company (or its nominee) will purchase assets only and will assume no liabilities whatsoever, unless otherwise agreed to in writing by the parties. If Franchisee does not own the Location and Company exercises its option for an assignment of the lease, Company may exercise this option for the purpose of purchasing the building if owned by Franchisee and related assets as described above. If the parties cannot agree on fair market value within thirty (30) days of Company's exercise of its option, fair market value will be determined in accordance with the appraisal procedure described above.

With respect to the options described in this Section 18.10, Franchisee will deliver to Company, in a form satisfactory to Company (or its nominee), such warranties, deeds, releases of lien, bills of sale, assignments, and any other documents and instruments necessary in order to perfect Company's (or its nominee's) title and possession free and clear in and to the properties being purchased or assigned and to meet the requirements of all tax and government authorities. If, at the time of closing, Franchisee has not obtained all of these certificates and other documents, Company may, in its sole discretion, place the purchase price or rent in escrow pending issuance of any required certificates or documents.

The time for closing of the purchase and sale of the properties described in this Section 18.10 will be a date not later than sixty (60) days after the purchase price is determined by the parties or the determination of the appraisers, or such date Company receives and obtains all necessary permits and approvals, whichever is later, unless the parties mutually agree to designate another date. Closing will take place at Company's corporate offices or at such other location as the parties may agree.

18.11 Assignment of Options. Company may assign some or all of its options under Sections 18.9 or 18.10 to any other party (including any other franchisee) without the consent of Franchisee.

18.12 Modification of Premises. If Company does not elect to exercise the options under Sections 18.9 or 18.10, as applicable, to acquire the lease or sublease for, or ownership of, the Location, then Franchisee will make all modifications or alterations to the Location that are necessary to distinguish the appearance of the Restaurant from that of other System Restaurants and will make any specific additional changes that Company requests. If Franchisee fails or refuses to comply with the requirements of this Section 18.12, then Company may enter upon the Location, without being guilty of trespass or any other crime or tort, to make or cause to be made the changes required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

18.13 Assignments. If requested by Company, Franchisee will assign to Company all rights to the: (a) telephone numbers of the Restaurant or any business listings; and (b) all e-mail addresses, URLs, domain names, Internet listings, social media accounts and other Internet accounts related to the Restaurant. Franchisee will execute all forms and documents required by Company or by any service provider at any time to transfer those services and numbers to Company. In addition to any forms and documents which may have been executed by Franchisee under Section 7.11, Franchisee hereby appoints Company its true and lawful agent and attorney-in-fact with full power and authority for the sole purpose of taking such action as is necessary to complete these assignments and Franchisee will execute such forms and documents deemed necessary by Company to effectuate the foregoing. This power of attorney will survive the expiration or termination of this Agreement. Franchisee will thereafter use different telephone numbers and e-mail addresses or listings at or in connection with any subsequent business conducted by Franchisee.

18.14 No Compensation. Company will not, upon the expiration of this Agreement or the termination of this Agreement for any reason, be liable to Franchisee for compensation, reimbursement, or damages of any kind due to the loss of prospective profits on anticipated sales or due to expenditures, investments, leases, or commitments in connection with Franchisee's business or goodwill.

## **19. DEFINITIONS AND RULES OF CONSTRUCTION**

19.1 Definitions and Index to Definitions. Certain initially capitalized terms used frequently in this Agreement are defined in this Section 19.1. Other terms are defined elsewhere in this Agreement in the context in which they arise.

“360 Site Report” means the report that Franchisee must submit to the Company before receiving Company's consent to the selected site pursuant to a site consent letter from the Company under Section 2.1(a), which report is deemed incorporated and made a part of this Agreement by reference herein.

“Accounting Period” means each calendar month or any other period designated by Company from time to time.

“ADA” means the Americans with Disabilities Act.

“Affiliate” means any other person that is directly or indirectly controlled by, controlling, or under common control with a person.

“Agreement” means this Franchise Agreement.

“Anti-Corruption Laws” means the U.S. Foreign Corrupt Practices Act of 1977, as amended, and all similar laws, rules, and regulations of any jurisdiction applicable to Franchisee from time to time concerning or relating to bribery or corruption.

“Anti-Terrorism Laws” means the U.S. Patriot Act (Public Law 107-56), U.S. Executive Order 13224 (text available at <http://www.treas.gov/offices/enforcement/ofac/legal/eo/13224.pdf>), and any similar Applicable Law prohibiting money laundering or the aid or support of persons or entities that conspire to commit acts of terror against any person, entity, or government.

“Applicable Data Protection Law” means U.S. laws, rules, and regulations applicable to privacy and security of Personal Information, including, but not limited to, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act, and as otherwise defined by Section 6.7.

“Applicable Law” means any federal, state, or local law, statute, ordinance, rule, permit, license, certification, regulation, code, treaty, ruling, directive, decree, order, or other requirement or rule of law of any government authority pertaining or applicable to, arising under or in connection with the development or operation of a Restaurant or the execution, delivery, and performance by either Party of this Agreement or any agreement between the Parties related hereto, including, but not limited to, Applicable Data Protection Law.

“Area of Primary Responsibility” means the area described in Exhibit B, within which (as contemplated by Section 1.4) Franchisee is expected to advertise and vigorously promote the Restaurant.

“Assigned Area” means the territory described in Exhibit B.

“Brand” means the Ruth’s Chris Steak House restaurant concept.

“Brand Audit” means an operations excellence audit or total quality audit performed by Company or a third party, as applicable, including to evaluate Franchisee’s compliance with the Standards.

“Global Marketing Fund” means any of the marketing funds as described in Section 8.1.

“Global Marketing Fund Contribution” means the continuing monthly contribution to the Global Marketing Fund that Franchisee must pay to Company as set forth in Section 4.3(a) in the initial amount of one percent (1%) of Net Sales, subject to any adjustment pursuant to Section 8.

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

“Claims” means any legal claims, demands, liabilities, and causes of action of whatever kind or nature.

“Company” is defined on the Summary Page.

“Company Releases” has the meaning set forth in Section 20.

“Computer Systems” means electronic cash register or point-of-sale equipment, and all other types of computer hardware and software Systems, including any updates or upgrades to any of them.

“Consequential Damages” means damages and injury that result from a party’s negligent performance of or other breach of this Agreement for: (a) lost profits; (b) compensation for damages to reputation and goodwill including costs of or resulting from delays, financing, marketing materials and media time and space, and costs of changing, substituting or replacing the same; (c) any and all expenses of refunds, compensation, and public notices; and (d) other such amounts incurred in connection with the matters described herein.

“Construction Approval Letter” means the letter Company provides to Franchisee granting Franchisee permission to commence construction of the Restaurant pursuant to Section 2.4.

“Controlling Interest” means the ability under the entity’s Governing Documents (without the approval or consent of any other person) to require the entity to take or omit to take any action that the entity is required to take or omit to take in accordance with this Agreement.

“Controlling Principals” means collectively or individually, the persons holding a direct or indirect Equity Interest in Franchisee or in any Affiliate of Franchisee and any director or officer thereof and such persons who have otherwise been designated by Company as Franchisee’s Controlling Principals. The initial Controlling Principals are listed on Exhibit C to this Agreement.

“Crisis Management Event” means an event that Company determines may negatively affect the Marks and goodwill associated therewith, including any Crisis Situation as defined in Section 7.14.

“Customer Data” means any information from, about, or relating to customers of a Restaurant that identifies, or can be used to identify, contact, locate, or be traced back to the specific Person to whom such information pertains, or from which identification or contact information of a Person can be derived. Customer Data includes any Personal Information.

“Cybersecurity Incident” means any event or occurrence that results in unauthorized access to or adversely affects the availability or integrity of confidential information, which event or occurrence could not have been prevented by reasonable administrative, physical, or technical security measures.

“Effective Date” is defined on the Summary Page.

“Equity Interest” means any direct or indirect stock, unit, membership, partnership or other legal, equitable or beneficial ownership interest, or other voting rights, in an entity, but does not include direct or indirect ownership solely as an investment of securities of any entity traded on any securities exchange if the owner is not a Controlling Principal of such entity (or a member of an entity that controls such Entity) and does not, directly or indirectly, own five percent (5%) or more of any class of securities of such Entity.

“Event of Default” means any breach of this Agreement, or any failure to comply with a condition and obligation of this Agreement, by Franchisee, its Affiliates, or their respective Principals, as applicable.

“Event of Default Fee” means a fee in the amount of One Thousand Dollars (\$1,000) for each day an uncured Event of Default persists, payable pursuant to Section 17.4.

“Executive Chef” includes “Kitchen Manager” and means the individual designated by Franchisee as responsible for the daily operation of the Restaurant kitchen and all food preparation at or from the Restaurant.

“Extension Fee” means either: (i) a fee in the amount of Fifty Thousand Dollars (\$50,000) payable by Franchisee to Company in connection with a six-month extension of the Restaurant’s Opening Deadline; or (ii) a fee in the amount of One Hundred Thousand Dollars (\$100,000) payable by Franchisee to Company in connection with a 12-month extension of the Restaurant’s Opening Deadline.

“Force Majeure Event” means acts of God (such as tornadoes, earthquakes, hurricanes, floods, fire or other natural catastrophe), war (declared or undeclared), riot, terrorist act, Cybersecurity Incident, or other civil disturbances; pandemics, epidemics; public health emergencies or other forces, that materially and adversely affect the ability of a party hereto to perform provided that in all events they are not within the reasonable control of the party affected thereby.

“Franchise Fee” is defined on the Summary Page.

“Franchisee” is defined on the Summary Page.

“Franchisee Releasors” has the meaning set forth in Section 20.

“General Manager” means the individual designated by Franchisee as responsible for the operation and management of the Restaurant (who may, but need not be, one of the Controlling Principals).

“Governing Documents” means all documents and agreements establishing or governing the operations and relations of the owners of a non-individual person, whether or not filed with any governmental authority.

“Gross Sales” means the total sales of all goods or services whether on or off premises defined as the total selling price as listed on any Company approved permanent menus plus any Taxes, service charges or any other item(s) added to any guest receipt prior to any reductions of any kind such as discounts, comps, special offers, coupons, voucher credits, trade for product or services.

“Guaranty” means the guaranty and assumption of obligations attached hereto as Exhibit A.

“Guest Data” has the meaning set forth in Section 7.6(e).

“Indemnitees” means Company, its Affiliates, successors, and assigns, and their respective officers, directors, members, shareholders, partners, agents, representatives, independent contractors, and employees.

“Initial Term” is defined on the Summary Page.

“Local Marketing Expenditure” means the amount Franchisee must spend on local advertising for the Restaurant in the Assigned Area each calendar quarter as set forth in Section 8.5 in the minimum amount of two percent (2%) of Net Sales, subject to any adjustment pursuant to Section 8.5.

“Location” is defined on the Summary Page, Section 1.2, and Exhibit B.

“Manuals” means Company’s operations and training manuals (including the Confidential Operations Guideline(s)), and any other written directives related to the System, in whatever form and whatever manner provided, as the same may be periodically amended and revised, including the Standards, all bulletins, supplements and ancillary and additional manuals and directives established by Company from time to time.

“Marketing Channels” means Internet web sites including mobile versions thereof, mobile applications, social media pages, and other advertising mediums.

“Net Sales” means Gross Sales minus mandatory taxes actually paid to a government authority, Company-approved discounts and marketing comps not to exceed two percent (2%) of Gross Sales annually, and any discretionary gratuity or service charges paid directly on Franchisee’s regular payroll cycle to tipped wage employees (positions limited to servers, bussers, and bartenders) whom are paid below government mandated minimum wage and where discretionary gratuities are all or part of the employee’s weekly or monthly wages.

“Non-Traditional Location” means the Internet, airports, sports and entertainment facilities (*e.g.*, stadiums, arenas, ballparks, convention centers), and any similar venues, and as otherwise defined in Section 1.3.

“Opening Date” means the date the Restaurant opens for business to the public and as set forth in Exhibit E, which may be no later than the “Opening Deadline” set forth on the Summary Page.

“Opening Deadline” is defined on the Summary Page.

“Opening Team” means the employees of Company that provide on-site training to Franchisee before or after the Restaurant’s grand opening as set forth in Section 6.6 and Section 8.

“Operating Assets” means all improvements, equipment, furniture, fixtures (including trade fixtures), furnishings, signs, supplies, equipment (including computer hardware, software and related documentation), decor items, catering or delivery vehicles, materials, small wares, paper goods, and other assets related to the operation of a Restaurant at the Location, and as periodically specified by Company in the Manuals or otherwise in writing.

“Operating Consultant” means one or more of Company’s employees or representatives designated by Company to conduct inspections of the Restaurant.

“Operating Principal” means the individual designated by Franchisee to serve as the Operating Principal of Franchisee and replacement, who Franchisee acknowledges and agrees shall act as Franchisee’s representative, and shall have the authority to act on behalf of Franchisee during the Term of this Agreement. The initial Operating Principal shall be listed on Exhibit C.

“Permanent Disability” is defined in Section 14.7.

“Personal Information” means information that identifies, relates to, or could reasonably be linked to individuals, including but not limited to, Franchisee’s customers, employees, and independent contractors, and business contacts.

“Pre-Opening Coordinator” means a full-time or part-time coordinator placed in the Restaurant, at Company’s sole option, to act as Company’s on-site representative during the pre-opening period.

“Proprietary Marks” means the trademarks, trade names, service marks, logos, slogans, emblems, trade dress, and other indicia of origin designated (now or in the future) by Company for use in connection with the System.

“Publicly-Held Company” means a non-individual person, securities in which have been “publicly offered” or “publicly traded” (as those terms are commonly understood for purposes of state and federal securities laws), or (ii) are registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended; or (b) that is otherwise subject to the requirements of Section 15(d) of that Act or other applicable securities laws.

“Renewal Fee” means the fee Franchisee must pay to Company as set forth in Section 3.2 in the amount of Thirty Thousand Dollars (\$30,000).

“Renewal Term” means up to two (2) successive terms of five (5) years, as set forth in Section 3.2.

“Restaurant” means the specific System Restaurant (to be) operated by Franchisee at the Location pursuant to this Agreement and the System.

“Royalty Fee” means the fee described in Section 4.2(a) of this Agreement.

“Secondary Manager” means any additional salaried shift manager.

“Section,” unless otherwise indicated, means a section in this Agreement.

“Security Incident” means any actual or reasonably suspected unauthorized disclosure, release, access, or acquisition of Personal Information.

“Standards” means the Brand standards, requirements, specifications, policies and procedures of the System for the development, construction, operation and marketing of Restaurants as specified from time to time by Company in the Manuals or otherwise in writing.

“System” means the business system relating to the development, establishment and operation of full-service restaurants identified by the Proprietary Marks and featuring full bar service and a specialized menu primarily featuring steaks. The characteristics of the System on the date of this Agreement include design, décor, color scheme, furnishings and equipment; special recipes and menu items; Standards for operations, quality of products and services offered; procedures for inventory, management, and financial control; training and assistance; and advertising and promotional programs. All aspects of the System may be changed, improved, and further developed by Company from time to time.

“System Restaurant” means a Restaurant operated pursuant to the System and identified by the Proprietary Marks.

“Summary Page” means the information on page ii of this Agreement.

“Taxes” means any present or future taxes, levies, imposts, duties, or other charges of any nature (including any interest or penalties), imposed by any governmental authority or political subdivision of a

governmental authority on or relating to the operation of the Restaurant, the payment of monies, or the exercise of rights granted pursuant to this Agreement, except taxes imposed on or measured by Company's net income.

“Term” means the term of this Agreement, including the Initial Term set forth on the Summary Page, and any Renewal Term set forth in Section 3.2.

“Transfer Fee” means a fee of Fifty Thousand Dollars (\$50,000).

## **20. GENERAL RELEASE**

Franchisee (on behalf of itself and, if Franchisee is an individual, on behalf of its heirs, representatives, successors and assigns, and if Franchisee is an entity, on behalf Franchisee's parent, subsidiaries and affiliates and their respective past and present members, officers, directors, shareholders, agents and employees, in their corporate and individual capacities) (collectively, “Franchisee Releasers”) freely and without any influence forever release and covenants not to sue Company, its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively, “Company Releasees”), with respect to any and all Claims, which any Franchisee Releaser now owns or holds or may at any time have owned or held, including claims arising under federal, state and local laws, rules and ordinances and Claims arising out of, or relating to this Agreement and all other agreements between any Franchisee Releaser and any Company Releasee, the sale of any franchise to any Franchisee Releaser, the development and operation of the Restaurant, and the development and operation of all other restaurants operated by any Franchisee Releaser that are franchised by any Company Releasee. For the purpose of implementing a general release and discharge as described in this Section 20, Franchisee expressly acknowledges that this agreement is intended to include in its effect a release of all Claims described in this Section 20, including those which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this agreement contemplates that any such Claims will be permanently extinguished. Franchisee expressly agrees that fair consideration has been given by Company for this General Release and Franchisee fully understands that this is a negotiated, complete and final release of all Claims. This General Release does not release any Claims arising from representations made in Company's Franchise Disclosure Document and its exhibits or otherwise impair or affect any Claims arising after the date of this Agreement. Franchisee expressly waives and relinquishes all rights and benefits that Franchisee either may now have or may in the future have under and by virtue of California Civil Code Section 1542. Franchisee does so understanding the significance and consequence of such a specific waiver. (Section 1542 provides that “[a] general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”)

## **21. DISPUTE RESOLUTION**

21.1 Negotiation. Before submitting any claim, controversy, or dispute arising out of this Agreement to non-binding mediation, litigation, or other legal proceedings (except actions seeking extraordinary relief, *i.e.*, specific performance or an injunction), the complaining party will provide written notice to the other of the claim, controversy, or dispute, and each party will, as promptly as practical but no later than thirty (30) days from such notice, appoint one or more senior executives with authority to settle such claim, controversy, or dispute who will meet with each other in good faith for the purpose of resolving the claim, controversy, or dispute.

21.2 Non-Binding Mediation. Before any party may bring an action or commence a proceeding against the other, the parties must first meet to mediate the dispute. Any such mediation will be non-binding and will be conducted by the American Arbitration Association in Orange County, Florida, in accordance with its then-current rules for mediation of commercial disputes. Notwithstanding anything to the contrary, this Section 21.2 will not bar either party from obtaining injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation. This Section 21.2 will not be applicable to any claim or dispute arising under this Agreement or any other agreement between the parties that relates to the failure to pay fees or other monetary obligation of Franchisee under this Agreement or with respect to Franchisee's use of confidential information or the Proprietary Marks. Mediation hereunder will be concluded within forty-five (45) days of the date the mediator is designated by the American Arbitration Association or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process will be treated as confidential, will not be disclosed to others, and will not be offered or admissible in any other proceeding or legal action whatever. Company and Franchisee will each bear their own costs of mediation, and each will bear fifty percent (50%) of the cost of the mediator or mediation service.

21.3 Venue. With respect to all suits, actions, or other legal proceedings arising out of or relating to this Agreement or the parties' relationship, each of the parties hereto submits to the exclusive jurisdiction of the federal and state courts encompassing Orange County, Florida. Each of the parties agree that such court is a reasonable venue and each waives and agrees not to assert by way of motion, defense, or otherwise, any claim that it is not subject to the jurisdiction of such court, that such suit is brought in an inconvenient forum, or that the venue of the suit is improper. Each of the parties also consents to the service of any process, summons, pleadings, notice or other papers in the manner permitted by the notice provisions of Section 22.1 hereof.

21.4 WAIVER OF DAMAGES. EXCEPT AS PROVIDED BELOW, TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY WAIVES ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, OR INDIRECT DAMAGES AGAINST THE OTHER PARTY. THE PARTIES ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO THE RECOVERY OF DIRECT OR GENERAL DAMAGES, IF ANY. However, the foregoing waiver will not apply to any claim (a) by any party for attorneys' fees or costs and expenses under this Agreement; (b) for any damages whatsoever, including, without limitation, Consequential Damages, for adverse harm to the Proprietary Marks or the System; (c) for any payments owed under this Agreement; (d) indemnification and damages for any claims arising under or covered by Section 15; or (e) liquidated damages due under Section 18.5. Notwithstanding anything to the contrary in this Agreement, if any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of limited waiver by agreement of punitive, exemplary, incidental, indirect, or Consequential Damages will continue in full force and effect.

21.5 WAIVER OF JURY TRIAL. THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, AND/OR COUNTERCLAIM BROUGHT BY EITHER PARTY.

21.6 WAIVER OF CLASS ACTION LAWSUITS. THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS.

21.7 Limitations on Actions. Except for claims regarding payments owed by one party to the other, and unless prohibited by Applicable Law, any legal action or proceeding brought or instituted with respect to any dispute arising from or related to this Agreement (including the offer and sale of a franchise to Franchisee) or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years after the initial occurrence of any act or omission that is the basis of the legal action or proceeding, whenever discovered.

21.8 Attorneys' Fees. In the event that any action or proceeding is filed by one party against the other party to enforce or defend any of the terms, covenants or conditions hereto (including all Exhibits), the party in whose favor final judgment is entered shall be entitled to recover from the other its reasonable attorneys' fees and related litigation costs and expenses, to be set and ordered by the court in which the judgment is entered.

21.9 Jurisdiction and Governing Law. With respect to all claims, controversies, disputes or actions related to this Agreement or the relationship created thereby, this Agreement and any related claims, controversies, disputes or actions, will be governed, enforced and interpreted under the law of the state of Florida (without regard to choice of law rules).

Franchisee, the Controlling Principals, and Company acknowledge that each party's agreement regarding applicable state law and forum set forth in this Section 21 provide each of the parties with mutual benefit of uniform interpretation of this Agreement and any dispute rising out of this Agreement or the parties' relationship created by this Agreement. Franchisee and Company further acknowledge the receipt and sufficiency of mutual consideration for that benefit, and that each party's agreement regarding applicable state law and choice of forum have been negotiated in good faith and are part of the benefit of the bargain reflected by this Agreement.

## **22. MISCELLANEOUS**

22.1 Notices. All notices required or permitted under this Agreement will be in writing and will be personally delivered or sent by expedited delivery service or certified or registered mail, return receipt requested, first-class postage prepaid to the respective parties at the addresses shown on the Summary Page of this Agreement unless and until a different address has been designated by written notice to the other party. Any notice will be deemed to have been given at the time of personal delivery or, in the case of expedited delivery service or registered or certified mail, three (3) Business Days after the date and time of mailing.

22.2 Integration. This Agreement, the documents referred to herein, and the exhibits hereto, constitute the entire, full and complete agreement between Company and Franchisee concerning the subject matter hereof and supersede all prior related agreements between Company and Franchisee as it relates to the formation of this Agreement. No amendment, change, or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. No representations, inducements, promises, or agreements, oral or otherwise, not embodied herein or attached hereto (unless of subsequent date) were made by either party, and none shall be of any force or effect with reference to this Agreement or otherwise, except for those representations, inducements, promises, or agreements set forth in this Agreement, or Franchise Disclosure Document, the Manuals, the documents referred to in this Agreement and the exhibits to this Agreement. Nothing in this or in any related agreement, however, is intended to disclaim the representations Company made in the Franchise Disclosure Document that Company furnished to Franchisee (if delivery of one was required by Applicable Law).

22.3 No Waiver. No delay, waiver, omission, or forbearance on the part of Company to exercise any right, option, duty, or power arising out of any breach or default by Franchisee under this Agreement will constitute a waiver by Company to enforce any such right, option, duty, or power against Franchisee, or as to a subsequent breach or default by Franchisee. Acceptance by Company of any payment due to it under this Agreement after the time at which the payment is due will not be a waiver by Company of any preceding breach by Franchisee or of any terms, provisions, covenants, or conditions of this Agreement.

22.4 Consents. Whenever this Agreement requires the prior approval or consent of Company, Franchisee will make a timely written request to Company, and the approval or consent must be obtained in writing. Company's failure to respond timely to a request will constitute the grant of consent or approval.

Company makes no warranties or guarantees upon which Franchisee may rely and assumes no liability or obligation to Franchisee or to any third party to which Company would not otherwise be subject, by providing any consent or approval, or any other waiver, advice, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for any of them.

22.5 Consequences of Force Majeure Event. None of the parties will be held liable for a failure to comply with any terms and conditions of this Agreement when performance is rendered impossible or commercially impractical by a Force Majeure Event. Any delay resulting from any Force Majeure Event will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable in the judgment of the Party to whom performance is owed. Upon the occurrence of any Force Majeure event, the party affected thereby will give prompt notice thereof to the other parties, together with a description of the event, the duration for which the party expects its ability to comply with the provisions of this Agreement to be affected thereby, and a plan for resuming operation under this Agreement, which the party will promptly undertake and maintain with due diligence. The affected party will be liable for failure to give timely notice pursuant to this Section 22.5 only to the extent of damage actually caused by the delay. Any suspension of performance at the Restaurant will be of no greater scope and of no longer duration than is reasonably required. If the Force Majeure event extends for more than ninety (90) days, Company will have the right to terminate this Agreement upon notice to Franchisee, subject to Applicable Law. In no event will Franchisee's inability to pay amounts due under this Agreement constitute a Force Majeure Event and no Force Majeure Event will operate to excuse Franchisee from the prompt payment of any fee or other amount due to Company under this Agreement.

22.6 Crisis Management Events. Franchisee must notify Company immediately of the occurrence of any Crisis Management Event by the method periodically specified in the Manuals or otherwise in writing, and fully comply and cooperate with Company's instructions in response to the Crisis Management Event (which instructions may require, among other things, Franchisee to temporarily close and/or suspend operations of the Restaurant for the duration of the Crisis Management Event). Failure to notify Company immediately of a Crisis Management Event and/or fully comply and cooperate with Company's instructions in response to the Crisis Management Event constitutes an Event of Default.

22.7 Place of Performance. The execution of this Agreement and acceptance of the terms by the parties occurred at Company's principal place of business. The performance of certain obligations of Franchisee arising under this Agreement, including the payment of monies due to Company and the satisfaction of certain training requirements by Company, will occur where Company's principal place of business is located at the time the obligation is due.

22.8 Multiple Originals. This Agreement may be executed in multiple counterparts, each of which will be an original, but all of which will constitute the same instrument.

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

22.10 Survival. Any obligation of Franchisee or the Controlling Principals that contemplates performance after termination or expiration of this Agreement (including the provisions of this Section 22) or the transfer of any interest of Franchisee or the Controlling Principals will be deemed to survive any termination, expiration, or transfer.

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

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

22.13 Remedies Cumulative. All rights and remedies of the parties to this Agreement will be cumulative and not alternative, in addition to and not exclusive of, any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee, and Company or its Affiliates. The rights and remedies of the parties to this Agreement will be continuing and will not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient, and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, termination or exercise of Company's rights pursuant to Section 14 of this Agreement will not discharge or release Franchisee from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the termination or the exercise of such rights under this Agreement.

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

22.15 Third Party Beneficiaries. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than Franchisee, Company, Company's officers, directors and personnel and such of Franchisee's and Company's respective successors and assigns as may be contemplated (and, as to Franchisee, authorized by Section 14), any rights or remedies under or as a result of this Agreement.

22.16 Anti-Corruption and Anti-Terrorism Laws.

(a) Prior to and during the Term, Franchisee, its Affiliates, and each of their respective principals, employees, representatives or agents acting on its behalf, has not, directly or indirectly, offered, made or promised to make, authorized or given, and will not in the future offer, make or promise to make, authorize or give, any payment of funds or anything of value to any person or entity in violation of Anti-Corruption Laws, including with the intent to (i) influence any act or decision of a government official in his or her official capacity, (ii) induce the government official to do or omit to do any act in violation of his or her lawful duty, (iii) secure any improper advantage, or (iv) induce a government official to use his or her position improperly to affect any act or decision of a government authority, in any way connected with this Agreement. Franchisee warrants and represents that no government official is or will be during the Term directly or indirectly an owner or investor in Franchisee and that no government official has or will have during the Term any financial interest, directly or indirectly, in the contractual relationship established by this Agreement. Franchisee will maintain accurate and complete accounting and other financial and business records related to this Agreement.

(b) Franchisee represents, covenants, and warrants to Company that: (i) neither Franchisee, any Affiliate, nor any principal of Franchisee or any Affiliate, nor any executive officer of Franchisee or any Affiliate is identified, either by name or an alias, pseudonym or nickname, on the lists of "Specially Designated Nationals," "Blocked Persons" or similar lists maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts available at [ofac.treasury.gov](http://ofac.treasury.gov)); (ii) neither Franchisee, any Affiliate, nor any principal of Franchisee or any Affiliate is directly or indirectly owned or controlled by the government or any country that is subject to a United States embargo; (iii) neither Franchisee, any Affiliate, nor any principal of Franchisee or any Affiliate acts or will act directly or indirectly on behalf of the government of any country that is subject to a United States embargo; and (iv) neither Franchisee, any Affiliate, nor any principals or executive officers of Franchisee or its Affiliate has violated, and Franchisee will not violate, and will cause all Affiliates, principals, and their respective executive officers not to violate, any Anti-Terrorism Laws.

(c) Franchisee will notify Company in writing immediately (i) of the occurrence of any event which renders the foregoing representations, covenants, and warranties of this Section 20.16 false, inaccurate or misleading or which constitutes a breach of any of the covenants of this Section 20.16; or (ii) if Franchisee, any Affiliate, or any of their principals, employees, representatives or agents violates Anti-Corruption Laws, Anti-Terrorism Laws, or Sanctions Laws or becomes subject to any internal investigation or investigation by a government authority involving the possible violation of Anti-Corruption Laws and Anti-Terrorism Laws during the Term.

(d) Franchisee has implemented and will maintain and enforce policies and procedures designed to promote compliance by Franchisee and its Affiliates, and their respective principals, employees, representatives and agents with Anti-Corruption Laws and Anti-Terrorism Laws. Franchisee will certify on an annual basis compliance with the representations, warranties, and covenants in this Section 20.16.

22.17 Best Interests of System. Whenever Company exercises a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, except as otherwise expressly provided in this Agreement, Company can make its decision or exercise its discretion on the basis of its judgment of what is in Company's best interests. "Best interests" includes what Company believes to be the best interests of the System at the time the decision is made or the right or discretion is exercised, even though (1) there may have been other alternative decisions or actions that could have been taken; (2) Company's decision or the action taken promotes Company's own financial interest; or (3) Company's decision or the action may apply differently to different franchisees and/or to any System Restaurant that Company or its affiliates operate. In the absence of an applicable statute, Company will have no liability to Franchisee for any such decision or action. If Applicable Law implies a covenant of good faith and fair dealing in this Agreement, Company and Franchisee agree that the covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

22.18 Effectiveness. This Agreement will not become effective until signed by an authorized officer of Company.

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

**COMPANY:**

RUTH'S CHRIS STEAK HOUSE FRANCHISE, LLC

a Louisiana Limited Liability Company

By: RCSH Operations, Inc.,  
Its Sole Member/Manager

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE:**

**[INSERT FRANCHISEE ENTITY NAME]**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (“Guaranty”) is given to Company, by each of the undersigned as a Controlling Principal in consideration of and as an inducement to the execution of the attached Franchise Agreement (“Agreement”). Each of the undersigned represents and warrants that he or she has the full authority to provide this Guaranty. Capitalized terms not defined in this Guaranty have the meanings given in the Agreement.

Controlling Principal acknowledges that he or she is included in the term “Controlling Principal” as defined in Section 19.1 of the Agreement. Controlling Principal represents and warrants that the following is a complete and accurate list of all Principals of Franchisee as of the Effective Date:

<b>Name</b>	<b>Position(s) Held</b>
_____	President
_____	Vice President
_____	Secretary
_____	Treasurer
_____	Director
_____	Director

Controlling Principal represents that each and every representation of Controlling Principal and Franchisee made in connection with the Agreement is true, correct, and complete in all respects as of the time given and as of the time of the undersigned Controlling Principal (s)’ execution of this Guaranty.

Each Controlling Principal represents and warrants to Company that all Equity Interests in Franchisee are disclosed in this Guaranty below. Franchisee will disclose to Company such additional information as Company may periodically request concerning all persons having an Equity Interest in Franchisee. Franchisee, and Controlling Principal as to his or her Equity Interest, represents and warrants that Controlling Principal is the sole and exclusive legal and beneficial owner of his or her Equity Interest in Franchisee, free and clear of all liens, restrictions, agreements, and encumbrances of any kind or nature, other than those required or permitted by this Guaranty.

<b>Name</b>	<b>Mailing Address</b>	<b>% of Equity Interest</b>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Each Controlling Principal hereby personally and unconditionally guarantees to Company and its successors and assigns, for the Term of the Agreement, that Franchisee will punctually pay and perform each and every undertaking, agreement and covenant of Franchisee and any Affiliate set forth in the Agreement including, but not limited to, any monetary obligations and obligations to take or refrain from taking specific actions, or to engage or refrain from engaging in specific activities. Each Controlling Principal consents and agrees that it will render any payment or performance required under the Agreement upon demand if Franchisee or any Affiliate as required under the Agreement fails or refuses punctually to

do so.

Each Controlling Principal hereby unconditionally agrees to be personally bound by, and personally liable for, the breach of each and every obligation of a Controlling Principal in the Agreement, including but not limited to Section 2.1 (Responsibility for Site Selection); Section 6.2 (Representations and Warranties); Section 9.2 (Rights in Marks); Section 9.4 (Infringement); Section 10 (Manuals, Confidentiality, and Non-Competition Covenants); Section 14 (Transfer of Interest); Section 15 (Indemnification); Section 16.3 (Contracts); Section 18.7 (Confidentiality and Non-Competition); Section 22.10 (Survival); and Section 22.12 (Gender and Number), by and between Company and Franchisee. All such obligations that expressly or by their nature survive the expiration or termination of the Agreement or this Guaranty will continue in full force and effect subsequent to and notwithstanding the expiration or termination of the Agreement or this Guaranty until they are satisfied in full or by their nature expire.

Each Controlling Principal consents and agrees that such liability will not be contingent or conditioned upon pursuit by Company of any remedies against Franchisee or any other person and waives any right it may have to require that an action be brought against Franchisee or any other person as a condition of his or her liability. Each Controlling Principal further waives protest and notice of default, demand for payment or nonperformance or any obligations guaranteed; and any and all other notices and legal or equitable defenses to which it may be entitled in its capacity as guarantor.

Each Controlling Principal consents and agrees that such liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Company may periodically grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the Term of the Agreement.

Each Controlling Principal waives all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty.

This Guaranty and all claims arising from, under, or with respect to the relationship between Company and Controlling Principal(s) will be interpreted, enforced, and governed by the laws of the State of Florida (without regard to Florida conflicts of law rules). Any dispute arising out of or in connection with this Guaranty will be resolved in the manner set forth in the Agreement.

Each Controlling Principal further acknowledges and agrees as follows:

1. He or she has read the terms and conditions of the Agreement and acknowledges that the execution of this Guaranty is in partial consideration for, and a condition to Company's execution of the Agreement, and Company would not have granted such rights without the execution of this Guaranty by each of the undersigned;

2. This Guaranty will remain in force notwithstanding the death of the undersigned, and will be binding on the undersigned's personal representatives; and

3. This Guaranty will continue and will be enforceable notwithstanding any amendment or modification to the Agreement or any change in the name or the constitution of Company or Franchisee.

Exhibit A-2

This Guaranty may be executed in multiple counterparts, each to constitute an original, but all in the aggregate to constitute one agreement as executed; provided, however, in making proof of this Guaranty, it will not be necessary to produce or account for more than one counterpart.

*[Signature Page Follows]*

Exhibit A-3

**IN WITNESS WHEREOF**, each of the undersigned has affixed his or her signature as of the date shown above.

**CONTROLLING PRINCIPAL:**

\_\_\_\_\_  
By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT B

### **ASSIGNED AREA, AREA OF PRIMARY RESPONSIBILITY, AND LOCATION**

1. ASSIGNED AREA

As contemplated by Section 1.3 of the Franchise Agreement, the Assigned Area is:

[TBD]

2. AREA OF PRIMARY RESPONSIBILITY

As contemplated by Section 1.4 of the Franchise Agreement, the Area of Primary Responsibility is:

[TBD]

3. LOCATION

Pending lease execution or purchase, and as contemplated in Section 2.1 of the Franchise Agreement, the Location shall be:

[TBD]

**EXHIBIT C**

**STATEMENT OF OWNERSHIP INTERESTS AND CONTROLLING PRINCIPALS**

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

<u>Name</u>	<u>Percentage of Ownership</u>
-------------	--------------------------------

B. The following is a list of all “Controlling Principals” described in and designated pursuant to the Franchise Agreement, each of whom will execute the Guaranty and Assumption of Obligations substantially in the form set forth in Exhibit A:

C. The following individual is designated by Franchisee to serve as the Operating Principal of Franchisee, and shall act as Franchisee’s representative, and shall have the authority to act on behalf of Franchisee. The Operating Principal will execute the Guaranty and Assumption of Obligations substantially in the form set forth in Exhibit A:

**EXHIBIT D**

**CONFIDENTIALITY AGREEMENT**

[\_\_\_\_\_] , a [STATE ENTITY] (“Franchisee”) and [\_\_\_\_\_] , an individual having an address at [\_\_\_\_\_] (“Employee”), hereby enter into this Confidentiality Agreement (“Agreement”), effective as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (“Effective Date”) and agree as follows:

1. Franchisee and Employee acknowledge that Franchisee operates a Restaurant under the Ruth’s Chris brand pursuant to certain agreements and rights granted by Ruth’s Chris Steak House Franchise, LLC (“Company”) to Franchisee and, with respect to which, Franchisee has undertaken certain obligations to Company to protect Confidential Information. Franchisee and Employee, for their mutual benefit, desire to have Franchisee disclose to Employee certain Confidential Information (defined in Paragraph 2 below) for the purpose of serving as a management employee for Franchisee’s restaurant (“Purpose”).
2. Confidential Information consists of certain business and financial information relating to Company, and Company’s restaurant concepts, including strategies, operations information, processes, recipes, internal procedures, specifications, designs, plans, drawings, software, data, prototypes, samples, photographs, mock-ups, or other business and/or technical information, and all copies and derivatives containing such Confidential Information, which Franchisee, or its Affiliates, considers proprietary or confidential. Confidential Information may be in any form or medium, tangible or intangible, and may be communicated in writing, orally, or through visual observation.
3. For the duration of Employee’s employment with Franchisee and perpetually thereafter or for the duration of Employee’s employment with Franchisee and then for such period after termination of employment that applicable law may allow, whichever is shorter, Employee will use Confidential Information solely for the Purpose, will not disclose such Confidential Information to any third parties without Franchisee’s written consent and will reproduce Confidential Information only to the extent essential to fulfilling the Purpose.
4. Employee will notify Franchisee immediately upon discovery of any unauthorized use or disclosure of Confidential Information, or any other breach of this Agreement by Employee or any representative of Employee, and will cooperate with Franchisee in every reasonable way to help Franchisee regain possession of its Confidential Information and prevent its further unauthorized use or disclosure.
5. The covenants of confidentiality set forth in this Agreement will apply after the Effective Date to all Confidential Information disclosed to Employee before and after the Effective Date.
6. Upon Franchisee’s request, Employee will either return to Franchisee all Confidential Information or, at Franchisee’s sole option, will certify to Franchisee that all media containing Confidential Information have been destroyed.
7. The foregoing restrictions on Employee’s use or disclosure of Confidential Information will not apply to Confidential Information that Employee can demonstrate: a) has become generally available to the public through no wrongful act or breach of confidentiality obligations by the

Exhibit D-1

Employee; or b) was in the Employee's possession without restriction or was known by the Employee without restriction at the time of disclosure; or c) is required by a court order to be disclosed; provided, however, that the Employee has given Franchisee prompt notice of such demand for disclosure, has taken reasonable steps to enable Franchisee to seek to protect the confidentiality of the Confidential Information required to be disclosed and will disclose only that part of the Confidential Information which, in the written opinion of its legal counsel, it is required to disclose.

8. Solely as between Franchisee and Employee, all Confidential Information will remain the property of Franchisee. By disclosing Information or executing this Agreement, Franchisee does not grant any license, explicitly or implicitly, under any trademark, patent, copyright, mask work protection right, trade secret or any other intellectual property right to Employee. Any Confidential Information provided by Franchisee hereunder is provided "AS IS" and no warranties are made by Franchisee regarding such Information.
9. Execution of this Agreement and the disclosure of Information pursuant to this Agreement do not constitute or imply any commitment, promise, or inducement by Franchisee to make any purchase or sale, or to enter into any additional agreement of any kind. Moreover, unless otherwise specifically agreed in writing, any knowledge or information which Employee discloses to Franchisee, will not be deemed to be proprietary or confidential and will be acquired by Franchisee free from any restrictions; however, no license under any applicable patent(s) of Employee will be granted or implied.
10. In case of Employee's unauthorized use or disclosure of Confidential Information, Employee acknowledges that Franchisee will be entitled to liquidated damages in the amount of Five Thousand Dollars (\$5,000) (a pre-calculated estimate) for each instance of unauthorized use or disclosure of Confidential Information. Notwithstanding the right to liquidated damages, Franchisee has the right to take any measures available for relief and to claim and receive a higher amount of compensation if Franchisee can prove that the actual damages sustained will exceed the amount of liquidated damages.
11. Notwithstanding the monetary payment contemplated by Section 10, Employee acknowledges that money damages alone would be an inadequate remedy for the injuries and damages that would be suffered and incurred by Franchisee as a result of Employee's breach of this Agreement. Therefore, Employee agrees that if Employee violates or threatens to violate this Agreement, Franchisee, in addition to any other remedies it may have at law be entitled to a restraining order, injunction, or other similar remedy in order to enforce the provisions of this Agreement. In the event Franchisee should seek an injunction or other extraordinary relief, Employee hereby waives any requirement for the submission of proof of the economic value of any Confidential Information or the posting of a bond or any other security. Employee will bear all costs and expenses, including attorneys' fees and costs, incurred by Franchisee in enforcing the provisions of this Agreement.
12. Franchisee's failure to enforce any provision, right or remedy under this Agreement will not constitute a waiver of such provision, right or remedy.
13. This Agreement and performance hereunder will be interpreted, enforced and governed by the laws of Florida without regard to conflicts of law rules.
14. This Agreement constitutes the entire agreement of the parties with respect to the parties' respective obligations in connection with Confidential Information and Non-Competition disclosed hereunder

Exhibit D-2

and supersedes all prior oral and written agreements and discussions with respect thereto. Each party intends that a copy of or electronic version of its signature be regarded as an original signature and that this Agreement can be executed in counterparts and/or electronically. The parties can amend or modify this Agreement only by a writing duly executed by their respective authorized representatives. Employee will not assign this Agreement without first securing Franchisee's written consent.

15. Company is an intended third-party beneficiary of this Agreement with the full and independent right to enforce each and all of its terms.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their duly authorized representatives on the date(s) indicated.

**FRANCHISEE:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EMPLOYEE:**

By: \_\_\_\_\_  
Employee Name: \_\_\_\_\_  
Date: \_\_\_\_\_



## **EXHIBIT F**

### **FRANCHISEE CODE OF BUSINESS CONDUCT**

Franchisor Ruth's Chris Steak House Franchise, LLC, Darden Restaurants, Inc. ("Darden"), and franchisor's affiliates (collectively, "Ruth's Chris") are committed to conducting business in compliance with all applicable laws and regulations. Ruth's Chris expects the same commitment to compliance with these legal and ethical standards from its Franchisees. As part of this commitment, Ruth's Chris requires that each prospective Franchisee comply with the Franchisee Code of Business Conduct. In addition, as part of Ruth's Chris' commitment to compliance with the U.S. Foreign Corrupt Practices Act and other applicable anti-corruption laws, Ruth's Chris requires each prospective Franchisee to certify to the statements below.

For the purposes of this document, the term "Government Official" should be construed broadly. It includes, without limitation, elected or unelected individuals who work for any government branch or agency (including local or national), political party, government-owned or controlled company, or public international organization (such as the United Nations or Red Cross). The term includes political candidates, members of a royal family, and military personnel. If you are uncertain whether a person is a "Government Official," or if there is any statement to which you are unable or unwilling to certify, please notify your Ruth's Chris contact, who shall contact Darden's Chief Compliance and Ethics Officer.

Franchisee certifies that:

1. The Franchisee has reviewed and will comply with the Franchisee Code of Business Conduct provided by Ruth's Chris.
2. The Franchisee has not offered or given, and will not offer or give, anything of value, including, for example, payments, gifts, or entertainment to any person, including any Government Official, to obtain a business advantage or to influence any act or decision of the person, in any way connected with Ruth's Chris' business.
3. No governmental entity or Government Official (or close family member of a Government Official) has any financial interest in, or exercises any control over, the Franchisee.
4. The Franchisee will not interact with governmental entities or Government Officials on behalf of Ruth's Chris.
5. The Franchisee, its owners, officers, directors, and key employees have not been subject to legal proceedings or a government investigation or enforcement action related to corruption, fraud, or any other criminal act.

Therefore, the Franchisee acknowledges and agrees that:

- (i) The above certifications are true and correct;
- (ii) Any violation of the anti-corruption certifications set forth above or applicable anti-corruption laws constitutes just cause for the immediate termination by Ruth's Chris, without liability, of any existing contractual relationship;
- (iii) Submitting this document electronically is equivalent to applying your signature to a legally binding document; and

Exhibit F-1

- (iv) The individual completing this document has the legal authority to act on behalf of the Franchisee.

Ruth's Chris Steak House Franchise, LLC and/or its affiliates, including Darden Restaurants, Inc. ("Darden"), Darden Corporation, RARE Hospitality International, Inc., and Darden International (Asia) Sdn Bhd (collectively, "Ruth's Chris") is committed to conducting its business in an ethical and socially responsible manner, complying with all applicable laws and regulations. We are guided by our core values of Integrity and Fairness, Respect and Caring, Diversity, "Always Learning – Always Teaching," Being of Service, Teamwork, and Excellence. We hold our franchisees ("Franchisee" or "Franchisees") to these same standards.

Franchisees must comply with this Franchisee Code of Business Conduct (the "Code"). Ruth's Chris understands that Franchisees are independent businesses, but their actions may impact and reflect upon our brands and reputation. Franchisees must educate their employees, consultants, agents, representatives, and subcontractors about the Code to ensure compliance in connection with the operation of restaurants identified with brands owned by Ruth's Chris Steak House Franchise, LLC or its affiliates ("Branded Business").

### **LEGAL COMPLIANCE AND BUSINESS PRACTICES**

Ruth's Chris expects our Franchisees to comply with all laws and regulations applicable to their business. Ruth's Chris also expects our Franchisees to conduct business ethically and pursuant to best practices in our industry. Below is a non-exhaustive set of relevant laws and business practices with which Franchisees must comply in managing Branded Business.

**Anti-corruption laws:** Franchisees must never, directly or indirectly, offer or pay bribes to anyone, accept kickbacks or offer anything of value—even to Ruth's Chris employees—for the purpose of improperly getting or keeping business, gaining an improper business advantage, or influencing the recipient to perform a job function improperly, even if such activities are customary in the country where considered. Items of value may include gifts, favors, expensive meals, entertainment, job offers, and travel. Franchisees must not use product or service discounts, equipment loans, marketing funds, or other business activity to disguise an improper payment. Franchisees also must not use other entities or individuals to make or offer payments that they are not permitted to make or offer directly.

Franchisees must also comply with any additional requirements set by the anti-corruption laws of the countries in which they conduct business, as well as all representations and warranties in their agreements with Ruth's Chris.

**Business courtesies or gifts:** Franchisees must not offer to Ruth's Chris employees or other third parties in connection with any Branded Business any courtesies or gifts, including meals or entertainment, which are inappropriate in nature (e.g., meals at an adult entertainment establishment) or which could be considered an attempt to influence the judgment of the recipient improperly (especially when

extravagant or frequent). Franchisees are allowed to offer Ruth's Chris employees or other third parties meals when the intent is legitimate or aimed at developing the business relationship, rather than influencing the recipient to act improperly in exercising his or her job responsibilities. Franchisees also are permitted to offer ceremonial gifts to commemorate an occasion or token gifts of low value, i.e. a plaque to celebrate a restaurant's grand opening or the signing of a franchise agreement. Franchisees must not offer gifts, other than ceremonial gifts, to any government official in connection with Branded Business without prior written approval from Ruth's Chris' General Counsel or Darden's Chief Compliance & Ethics Officer. Franchisees must not accept any gifts that are over \$100 USD in value or inappropriate in nature in connection with Branded Business.

**Confidential information:** Franchisees must protect Ruth's Chris' intellectual property rights, including our copyrights, patents, trademarks, and trade secrets. Franchisees must not disclose any Ruth's Chris confidential or proprietary information or trade secrets to anyone, unless disclosure is required by law or in the conduct of the Franchisee's lawful business, i.e. training employees on Ruth's Chris' confidential recipes or procedures. Confidential information includes all non-public information that might be of use to competitors, or harmful to Ruth's Chris or its customers, if disclosed.

Exhibit F-2

Examples include marketing plans and strategies, customer information, sales and marketing data, production and supply costs, pricing information, and information pertaining to business development opportunities and new products and services. Franchisees must advise their employees and representatives with access to Ruth's Chris' confidential or proprietary information or trade secrets of the requirement to keep this information in confidence.

**Conflicts of interest:** Franchisees must act objectively in business dealings involving Ruth's Chris and avoid conflicts of interest. A conflict of interest is a circumstance that could cast doubt on whether a transaction was negotiated fairly and at arms-length. If you identify a conflict of interest or you have a question about whether a conflict of interest may exist, advise Ruth's Chris promptly.

**Environment, health and safety:** Sustainability plays a major role in Ruth's Chris' overall business strategy. We strive to make a difference on issues ranging from seafood sustainability to energy efficiency, from water use to how we treat and engage our employees. As representatives of our brands, Franchisees must comply with all applicable environmental laws and regulations. Franchisees must demonstrate sound environmental practices. Franchisees must also provide a safe and healthy work environment pursuant to applicable regulations, including, without limitation, occupational injury prevention, emergency preparedness and response, occupational safety procedures and systems, and worker health and safety communication.

**Fair competition laws:** Franchisees must comply with applicable fair competition laws. These laws generally prohibit anti-competitive behavior and unfair business practices. Examples of activities that violate competition laws are agreements (written or oral) to fix or control prices or bidding, allocate markets, or make false and/or misleading statements about your or a competitor's products, services, or business.

**Financial responsibility:** Franchisees must document accurately, timely and fully all transactions relating to Branded Business. Franchisees must not: make false or misleading accounting entries or documents; maintain secret or unrecorded funds or assets; enter unauthorized side agreements; make a payment knowing it will be used for a purpose other than the stated purpose; or sign, create or request documents that are inaccurate, untruthful or misleading.

Expenditures related to Ruth's Chris transactions must be reasonable, customary, done in the ordinary and proper course of business, appropriate to the circumstances, and in compliance with the standards of the recipient's organization and this Code. Supporting documentation for all transactions relating to Branded Business must be kept pursuant to applicable laws and made available for inspection by Ruth's Chris on reasonable notice.

**Food safety:** Franchisees represent our brands and must ensure that their products and services meet the highest quality standards. All food products or ingredients must be safe for human consumption, pure, wholesome, unadulterated and in compliance with all food safety requirements and specifications under applicable laws and Ruth's Chris directives.

**Hiring third parties:** Franchisees must research prospective business partners (individuals or entities) working on Branded Business to determine their reputation for ethical behavior, ensure they can provide the services for which they will be retained, confirm they are charging a fair price, and identify any familial or other relationships with government officials. If you identify any suspicious information about a business partner that you plan to use on Branded Business, you should further examine that individual's or entity's background and bring any concerning information to the attention of Ruth's Chris' General Counsel or Darden's Chief Compliance & Ethics Officer

**Human rights and labor laws:** Franchisees must comply with all applicable labor and human rights laws and regulations with regard to Franchisee's treatment of their employees. These laws and regulations include, without limitation, anti-discrimination, anti-harassment, fair treatment, prevention of forced or child labor, working hours, minimum wages and benefits, freedom of association, and prevention of any form of physical abuse or intimidation. Franchisees must also abide by the highest ethical standards, and not engage in any form of discrimination or harassment based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, gender identity or expression, or union or political affiliation. Ruth's Chris also prohibits any form of retaliation by Franchisees against their employees for having engaged in any form of protected activity.

**Insider trading:** Franchisees must avoid insider trading, which is the buying or selling of Ruth's Chris' securities when in possession of information

about Ruth's Chris that is not available to the investing public and that could influence an investor's decision to buy or sell securities. This ban on insider trading also applies when you have non-public information about another company that was obtained in the course of doing business with Ruth's Chris. Securities include common stocks, bonds, employee stock options, futures, derivatives, and other financial instruments.

**Interaction with government officials or regulators:** Franchisees must not interact with government entities or government officials on behalf

of Ruth's Chris (or its individual brands) without prior written approval from Ruth's Chris. All interactions with government officials or representatives of regulatory entities related to Branded Business, including individual brands, must be transparent, honest, and permitted by applicable laws.

**Trade and export laws:** Franchisees must comply with applicable U.S. and local trade control and export/import laws in connection with Ruth's Chris related business.

## **FRANCHISEE RESPONSIBILITY**

Ruth's Chris expects our Franchisees to ensure compliance with this Code by the Franchisee's employees. Where applicable laws are less restrictive than this Code, Franchisees must comply with this Code, even if their conduct would otherwise be legal. If applicable laws are more restrictive than this Code, Franchisees must always, at a minimum, comply with those laws. Ruth's Chris may request access to a Franchisee's documentation and personnel to examine the Franchisee's compliance with this Code. Ruth's Chris may request access to Franchisee's documentation and personnel to audit the Franchisee's compliance with this Code, and Franchisees must cooperate timely with any such request.

Franchisees have a responsibility to report promptly to their Ruth's Chris contact or a Ruth's Chris manager any actual or potential situation that causes or may cause the Franchisee to act in violation of this Code, the Franchise Agreement, or applicable laws. Franchisees must also promptly report any unethical behavior by any Ruth's Chris employee. To raise a concern, Franchisees may call Ruth's Chris' confidential, toll-free hotline phone number at: **+800-876-2089**. Franchisees based in the US, US Territories or Canada may call the number directly. Franchisees in all other countries must dial their AT&T direct country code first (codes can be found at <http://www.business.att.com/bt/access.jsp>) and then the hotline number. You may also submit a report online at the following URL:

Franchisee Reporting Program: <http://dardenglobalfranchisee.alertline.com>

All reports (telephony and web) may be submitted anonymously if permitted by applicable local law.

Ruth's Chris prohibits any retaliation against any individual who, in good faith, reports questionable behavior or non-compliance with this Code.

## **FRANCHISEE CODE OF BUSINESS CONDUCT ACKNOWLEDGEMENT**

### **Accepted and Agreed:**

\_\_\_\_\_  
**(Franchisee Name)**

**By:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**EXHIBIT C**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**

**List of Franchised Locations**

**List of franchised locations as of May 26, 2024:**

<b>DOMESTIC</b>	
<b>ALABAMA</b>	
Birmingham	Philip Brooks, Owner
Embassy Suites Hotel	pbrooks@ruthschris.com
2300 Woodcrest Place, Birmingham 35209	Jim Brooks, Owner
Phone: (205) 879-9995 / Fax: (205) 879-8883	jbrooks@ruthschris.com
	Mark Oswald, Owner
Huntsville	moswald@ruthschris.com
Embassy Suites Hotel	Nancy Oswald, Owner
800 Monroe Street, Huntsville 35801	noswald@ruthschris.com
Phone:(256) 539-3930 / Fax: (256) 327-7892	
Mobile	David Cooper, Sr. Owner
2058 Airport Blvd, Mobile 36606	dcooper@ruthschris.com
Phone: (251) 476-0516 / Fax: (251) 476-0518	
<b>ARKANSAS</b>	
Rogers	Ryan Rans, Owner
3529 Pinnacle Hills Parkway, Rogers 72756	rrans@ruthschris.com
Phone: (479) 633-8331 / Fax: (479) 286-0086	
<b>CONNECTICUT</b>	
Hartford	Ana Elkins, Owner
2513 Berlin Turnpike, Newington 06111	belkins@ruthschris.com
Phone: (860) 666-2202 / Fax: (860) 665-7246	KellyAnn Elkins McNeally, Owner
<b>GEORGIA</b>	
Atlanta (Buckhead)	Philip Brooks, Owner
Embassy Suites Hotel	pbrooks@ruthschris.com
3285 Peachtree Rd. NE, Atlanta 30326	Jim Brooks, Owner
Phone: (404) 365-0660 / Fax: (404) 266-8476	jbrooks@ruthschris.com
	Mark Oswald, Owner
Atlanta (Centennial Park)	moswald@ruthschris.com
Embassy Suites Hotel	Nancy Oswald, Owner
267 Marietta Street, Atlanta 30313	noswald@ruthschris.com
Phone: (404) 223-6500 / Fax: (404) 223-1155	
Atlanta (Kennesaw)	
Embassy Suites Hotel	
620 Chastain Rd, Atlanta 30144	

Exhibit C-1

<b>DOMESTIC</b>	
Phone: (770) 420-1985 / Fax: (770) 659-6120	
Atlanta (Alpharetta)	
11655 Haynes Bridge Road, Alpharetta 30009	
Phone: (770) 777-1500/ Fax: (770) 659-6120	
Savannah	Paula Conway, Owner
111 W Bay St, Savannah 31401	pconway@ruthschris.com
Phone: (912) 721-4800 / Fax: (912) 721-4801	
<b>IDAHO</b>	
Boise	Chris Watkins, Owner
800 West Main Street Suite 110	cwatkins@ruthschris.com
Boise 83702	Mark Robbins, Owner
Phone: (208) 426-8000/ Fax: (208) 344-5712	mrobbins@ruthschris.com
<b>INDIANA</b>	
Ft. Wayne 224 W. Wayne St, Fort Wayne 46802 Phone: (260) 444-5898 / Fax: (260) 444-4352	
Indianapolis (North)	
2727 East 86th Street, Indianapolis 46240	
Phone: (317) 844-1155 / Fax: (317) 574-9306	Ryan Rans, Owner
	rrans@ruthschris.com
Indianapolis (Downtown)	
Circle Centre Mall	
45 S. Illinois Street, Indianapolis 46204	
Phone: (317) 633-1313 / Fax: (317) 633-1356	
South Bend	
902 East University Drive, Granger 46530	
Phone: (574) 968-9700 / Fax: (574) 968-9710	
<b>LOUISIANA</b>	
Baton Rouge	Chris Bachman, Owner
4836 Constitution, Baton Rouge 70808	cbachman@ruthschris.com
Phone: (225) 925-0163 / Fax: (225) 927-0368	
<b>MARYLAND</b>	
Annapolis	Steve F. de Castro, Owner
301 Severn Avenue, Annapolis 21403	ssdecastro@ruthschris.com
Phone: (410) 990-0033 / Fax: (410) 269-6700	Ely Hurwitz, Owner
	ehurwitz@ruthschris.com
Odenton	
1110 Town Center Blvd, Odenton 31113	
Phone: (240) 556-0033	

Exhibit C-2

<b>DOMESTIC</b>	
Baltimore	
Pier 5 Hotel	
711 Eastern Avenue, Baltimore 21202	
Phone: (410) 230-0033 / Fax: (410) 230-0933	
Pikesville	
1777 Reisterstown Road, Pikesville 21208	
Phone: (410) 837-0033 / Fax: (410) 602-6234	
Ocean City (Berlin)	Thomas Ruark, Owner
11501 Maid at Arms Way, Berlin 21811	truark@ruthschris.com
Phone: (888) 632-4747 / Fax: (410) 213-1747	
<b>MICHIGAN</b>	
Grand Rapids	Amway Hotel Corporation, Owner
Amway Grand Hotel	Joe Tomaselli, President
187 Monroe Ave, NW, Grand Rapids 49503	jtomaselli@ruthschris.com
Phone: (616) 776-6426 / Fax: (616) 776-6477	
Ann Arbor	
314 S. Fourth Ave.	
Ann Arbor 48104	
Phone: (734) 585-5155 / Fax:	
<b>MISSOURI</b>	
Chesterfield	
16493 Wild Horse Creek Rd. Chesterfield, MO 63017	
Phone: (636) 730-2200	Ryan Rans, Owner
	rrans@ruthschris.com
St. Louis (Downtown)	
Hyatt Hotel, 315 Chestnut St, St Louis 63102	
Phone: (314) 342-3200 / Fax: (314) 259-3285	
<b>NEVADA</b>	
Las Vegas	Harrah's Las Vegas LLC, dba Harrah's Casino Las Vegas, Licensee
Harrah's Casino Las Vegas	jfederick@caesars.com
3475 Las Vegas Blvd. South	
Las Vegas, NV 89109	
Phone: (702) 369-5101 / Fax: (702) 369-5256	
<b>NEW JERSEY</b>	
Atlantic City	Steve F. de Castro, Owner
2020 Atlantic Avenue, Atlantic City 08401	ssdecastro@ruthschris.com
Phone: (609) 344-5833 / Fax: (609) 344-5503	Ely Hurwitz, Owner

Exhibit C-3

<b>DOMESTIC</b>	
	ehurwitz@ruthschris.com
<b>NORTH CAROLINA</b>	
<b>Cary</b>	Steve F. de Castro, Owner
The Arboretum at Weston	ssdecastro@ruthschris.com
2010 Renaissance Park Place, Cary 27513	Ely Hurwitz, Owner
Phone: (919) 677-0033 / Fax: (919) 677-8633	ehurwitz@ruthschris.com
<b>Wilmington</b>	
301 North Water Street, Wilmington 28401	
Phone: (910) 343-1818 / Fax: (910) 343-1418	
<b>Raleigh</b>	
438 Lassiter Mill Rd, Raleigh 27609	
Phone: (919) 677-0033 / Fax: (919) 677-8633	
<b>Durham</b>	
Hilton Hotel, 7007 Fayetteville Rd, Durham 27713	
Phone: (919) 361-0123	
<b>Charlotte (SouthPark)</b>	Paula Conway, Owner
6000 Fairview Road, Charlotte 28210	pconway@ruthschris.com
Phone: (704) 556-1115 / Fax: (704) 556-1118	
<b>Charlotte (Uptown)</b>	
222 South Tryon, Charlotte 28202	
Phone: (704) 338-9444 / Fax: (704) 338-9445	
<b>Asheville</b>	
26 All Souls Crescent, Asheville 28803	
Phone: (828) 398-6200 / Fax: (704) 556-1118	
<b>PENNSYLVANIA</b>	
<b>Pittsburgh</b>	Jack & Peggy Offenbach, Owners
Six PPG Place, Pittsburgh 15222	joffenbach@ruthschris.com
Phone: (412) 391-4800 / Fax: (412) 263-0121	
<b>Wilkes-Barre</b>	John Metz, Owner
1280 Highway 315, Wilkes-Barre 18702	johnmetz@ruthschris.com
Phone: (570) 208-2266 / Fax: (570) 208-2286	Jeff Metz, main contact
	jeffmetz@ruthschris.com
<b>PUERTO RICO</b>	
<b>Puerto Rico (San Juan 1)</b>	Edwin Torres, Owner

Exhibit C-4

<b>DOMESTIC</b>	
Hotel InterContinental, 5961 Av Isla Verde, Carolina	etorres@ruthschris.com
Phone: (787) 253-1717 / Fax: (787) 253-1845	Francisco Rivera, Owner
	frivera@ruthschris.com
<b>SOUTH CAROLINA</b>	
Columbia	Philip Brooks, Owner
Hilton Columbia Center	pbrooks@ruthschris.com
924-A Senate Street, Columbia 29201	Jim Brooks, Owner
Phone: (803) 212-6666 / Fax: (803) 212-6602	jbrooks@ruthschris.com
	Mark Oswald, Owner
Greenville	moswald@ruthschris.com
Crowne Plaza Hotel, 851A Congaree Rd, Greenville 29607	Nancy Oswald, Owner
Phone: (864) 248-1700 / Fax: (864) 297-5793	noswald@ruthschris.com
Greenville Downtown	
250 RiverPlace Unit 200, Greenville 29601	
Phone: (864) 242-2000	
Myrtle Beach	Mark Oswald, Owner
8761 Marina Parkway, Myrtle Beach 29572	moswald@ruthschris.com
Phone: (843) 839-9500 / Fax: (843) 839-3505	Nancy Oswald, Owner
	noswald@ruthschris.com
<b>TENNESSEE</b>	
Chattanooga	Mark Oswald, Owner
2321 Lifestyle Way	moswald@ruthschris.com
Chattanooga 37421	Nancy Oswald, Owner
Phone: (423) 602-5900	noswald@ruthschris.com
	Elizabeth Oswald, Owner
	eoswald@ruthschris.com
	Wilson Oswald, Owner
	woswald@ruthschris.com
<b>TEXAS</b>	
San Antonio (North/Airport)	Lana Duke, Owner
Concord Plaza, 7720 Jones Maltsberger	lduke@ruthschris.com
San Antonio 78216	
Phone: (210) 821-5051 / Fax: (210) 821-5095	
San Antonio (River Walk)	
Grand Hyatt, San Antonio 600 E Market St	

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<b>DOMESTIC</b>	
(Suite L-101 *for mailing purposes only) San Antonio 78205	
Phone: (210) 227-8847 / Fax: (210) 227-7447	
San Antonio (La Cantera)	
17803 La Cantera Terrace, Building #8, Ste 8110	
San Antonio 78256	
Phone: (210) 913-0109 / Fax:	
<b>UTAH</b>	
Park City	Glen Overton, Owner
2001 Park Avenue, Park City 84098	goverton@ruthschris.com
Phone: (435) 940-5070 / Fax: (435) 940-5065	
Salt Lake City	Chris Watkins, Owner
275 S. West Temple St., Salt Lake City	cwatkins@ruthschris.com
Phone: (801) 363-2000	Mark Robbins, Owner
	mrobbins@ruthschris.com
<b>VIRGINIA</b>	
Richmond	Claiborne G. Thomasson, Owner
11500 Huguenot Road, Midlothian 23113	cthomasson@ruthschris.com
Phone: (804) 378-0600 / Fax: (804) 378-0776	
Virginia Beach	
205 Central Park Ave., Virginia Beach 23462	
Phone: (757) 213-0747 / Fax: (757) 213-0740	
<b>WISCONSIN</b>	
Middleton	John P. Livesey, Owner
2137 Deming Way, Middleton 53562	Jplivesey@ruthschris.com
Phone: (608) 828-RUTH / Fax: (608) 831-7882	John K. Livesey, Owner
	jkivesey@ruthschris.com

**FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED  
AS OF MAY 26, 2024**

*None*

Exhibit C-6

**Exhibit D**

**LIST OF FORMER FRANCHISEES  
AS OF MAY 26, 2024**

<b>FRANCHISEE/OWNER</b>	<b>CITY</b>	<b>STATE</b>	<b>PHONE</b>
Florida			
Bill Parker, Owner Thomas Becnel, Owner James Lee, Owner	Destin	Florida	Phone: (850) 337-5108 <a href="mailto:bparker@ruthschris.com">bparker@ruthschris.com</a> <a href="mailto:tbecnel@ruthschris.com">tbecnel@ruthschris.com</a> <a href="mailto:jlee@ruthschris.com">jlee@ruthschris.com</a>

**TRANSFERS  
AS OF MAY 26, 2024**

*None*

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

**Exhibit E**

**TO THE FRANCHISE DISCLOSURE DOCUMENT**

**List of State Administrators**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

<p><b>CALIFORNIA</b> Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677</p>	<p><b>NEW YORK</b> New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21<sup>st</sup> Floor New York, New York 10005 (212) 416-8285</p>
<p><b>HAWAII</b> Commissioner of Securities of the State of Hawaii Department of Commerce &amp; Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><b>NORTH DAKOTA</b> North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, 14<sup>th</sup> Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>
<p><b>ILLINOIS</b> Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p><b>RHODE ISLAND</b> Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527</p>
<p><b>INDIANA</b> Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681</p>	<p><b>SOUTH DAKOTA</b> Division of Insurance Securities Regulation 124 South Euclid Avenue, 2<sup>nd</sup> Floor Pierre, South Dakota 57501 (605) 773-3563</p>
<p><b>MARYLAND</b> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p><b>VIRGINIA</b> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051</p>
<p><b>MICHIGAN</b> Michigan Attorney General’s Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1<sup>st</sup> Floor Lansing, Michigan 48913 (517) 335-7567</p>	<p><b>WASHINGTON</b> Department of Financial Institutions Securities Division – 3<sup>rd</sup> Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760</p>

<b>MINNESOTA</b> Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	<b>WISCONSIN</b> Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139
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**Exhibit F**

**TO THE FRANCHISE DISCLOSURE DOCUMENT**

**List of Agents for Service of Process**

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

<b>CALIFORNIA</b> Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	<b>NEW YORK</b> New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, New York 12231-0001 (518) 473-2492
<b>HAWAII</b> Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	<b>NORTH DAKOTA</b> North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
<b>ILLINOIS</b> Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	<b>RHODE ISLAND</b> Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
<b>INDIANA</b> Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	<b>SOUTH DAKOTA</b> Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2 <sup>nd</sup> Floor Pierre, South Dakota 57501 (605) 773-3563
<b>MARYLAND</b> Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	<b>VIRGINIA</b> Clerk of the State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, Virginia 23219 (804) 371-9733

<p><b>MICHIGAN</b>  Michigan Attorney General’s Office  Corporate Oversight Division, Franchise Section  525 West Ottawa Street  G. Mennen Williams Building, 1<sup>st</sup> Floor  Lansing, Michigan 48913  (517) 335-7567</p>	<p><b>WASHINGTON</b>  Director of Department of Financial Institutions  Securities Division – 3<sup>rd</sup> Floor  150 Israel Road, Southwest  Tumwater, Washington 98501  (360) 902-8760</p>
<p><b>MINNESOTA</b>  Commissioner of Commerce  Minnesota Department of Commerce  85 7<sup>th</sup> Place East, Suite 280  St. Paul, Minnesota 55101  (651) 539-1600</p>	<p><b>WISCONSIN</b>  Division of Securities  4822 Madison Yards Way, North Tower  Madison, Wisconsin 53705  (608) 266-2139</p>

**Exhibit G**

**TO THE FRANCHISE DISCLOSURE DOCUMENT**

**State Specific Addenda**

Exhibit G-1

## INDIANA

It is unlawful for any franchise agreement between any franchisor and a franchisee who is a resident of Indiana or a non-resident who is to operate the franchise in Indiana to contain a provision that requires a franchisee not to compete with the franchisor in an area greater than the exclusive territory granted in the franchise agreement or, if no exclusive territory is granted, in an area of more than reasonable size, upon Termination of a franchise agreement. (Ind. Code § 23-2-2.7-1(9)). Accordingly, the Franchise Agreement and Item 17 of the Disclosure Document are amended to apply to the area within the Assigned Area.

The Franchise Agreement requires application of the laws of another state. This provision is deleted from the Indiana Franchise Agreement.

Item 17 of the Disclosure Document, Sections (u), (v), and (w), is amended to omit any reference to selection of an out-of-Indiana forum or choice of law.

The Franchise Agreement requires you to sign a general release of claims as a condition of renewing or reselling the franchise. Under the law of Indiana any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise laws of Indiana is void. The Franchise Agreement and Item 17 of the Disclosure Document, Sections (b) (renewal) and (k) (transfer) are amended to omit the requirement that an Indiana franchisee sign a general release of claims as a condition of renewal or resale. This will not prevent franchisor from requiring you to sign a general release of claims as part of a settlement of a dispute.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## MARYLAND

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Disclosure Document shall be modified as follows:

Item 17 of the Disclosure Document provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

Item 17 of the Disclosure Document is amended to state “The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.”

Item 17 of the Disclosure Document is amended to state “Any claim arising under the Maryland Franchise and Disclosure Law must be brought within 3 years after the grant of the franchise.”

Item 17(v) of the Disclosure Document is amended to state “A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Franchise Agreement shall be modified as follows:

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

Any claim arising under the Maryland Franchise and Disclosure Law must be brought within three (3) years after the grant of the franchise.

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

Any provision contained in the Franchise Agreement that requires the Franchisee to assent to a release, estoppel, or waiver of liability is not intended to nor shall it act as a release estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

{ See the last page of this Exhibit G for your Signature. }

Exhibit G-3

## **VIRGINIA**

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Disclosure Document for Ruth's Chris Steak House Franchise, LLC for use in the Commonwealth of Virginia is amended as follows:

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 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 under the franchise, that provision may not be enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Disclosure Document and Franchise Agreement are amended accordingly.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ACKNOWLEDGMENT**

If any one of the foregoing Addenda is checked as an applicable Addenda below, then that Addenda will be incorporated into the Disclosure Document, Franchise Agreement, and any other specified agreement entered into by Franchisor and the undersigned Franchisee. To the extent any terms of the Addenda conflict with the terms of the Disclosure Document, Franchise Agreement, or any other specified agreement, the terms of the Addenda will control.

- Indiana
- Maryland
- Virginia
- Wisconsin

**IN WITNESS WHEREOF**, the parties hereto have read and agree to remain subject to the foregoing Addenda, as applicable, and have executed and delivered this Acknowledgment effective as of the date shown below.

**FRANCHISOR:**

RUTH'S CHRIS STEAK HOUSE FRANCHISE, LLC

\_\_\_\_\_  
Dated: \_\_\_\_\_, 20\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
\_\_\_\_\_  
By: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit H**  
**TO THE FRANCHISE DISCLOSURE DOCUMENT**  
**MANUAL TABLE OF CONTENTS**

Exhibit H-1

**FRANCHISEE OPERATING PROCEDURES**

**CONTENTS**

- I. Development.....**
  - Franchise Development .....
  - Letter of Credit Documents .....
  - 80% Punch List Template .....
  - Site Plans .....
  - Site Presentation Templates.....
  - Spec Books .....
  - Décor .....
  - FF & E .....
  - Fixtures.....
  - Kitchen Equipment.....
  - Music.....
- II. Menu-Culinary-Supply Chain.....**
  - Core Menu .....
  - Food Approval.....
  - Food Show Template .....
  - Product Approval SOP.....
  - Product Submittal Form.....
  - Supply Chain.....
  - Food Procurement .....
  - Importation Companies .....
  - Smallwares .....
  - Sourcing .....
- III. Operations .....**
  - A vs T Waste Management .....
  - Brand Audit .....
  - Guest Satisfaction .....
  - Inventory Best Practices .....
  - Labor Management.....
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  - Safety and Security .....
  - Sales Building .....
  - Standards Based Culture.....
- IV. (SOPs) Standard Operating Practice .....**
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- V. People.....**
  - 1 – SOPs.....

- 2 – Talent Selection.....
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- 3 –Training.....
  - 1 – Existing Restaurant.....
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    - 3 – Certified Trainer (CT) .....
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  - 2 – New Restaurant Opening .....
- 4 – Performance and Development .....
- 5 –Recognition.....
- 6 – Videos

## Exhibit I

### TO THE FRANCHISE DISCLOSURE DOCUMENT

#### **General Release**

**THIS GENERAL RELEASE** (“Release”) is executed on \_\_\_\_\_ by \_\_\_\_\_ (“Franchisee”) and \_\_\_\_\_ (collectively, “Guarantors”) as a condition of (1) the transfer of the Franchise Agreement dated \_\_\_\_\_ between Ruth’s Chris Steak House Franchise, LLC (“RCSH”) and Franchisee (“Franchise Agreement”) or (2) the execution of a renewal Franchise Agreement by Franchisee and RCSH.

**1. Release by Franchisee and Guarantors.** IF FRANCHISEE IS AN ENTITY, FRANCHISEE (ON BEHALF OF ITSELF AND ITS PARENTS, SUBSIDIARIES AND AFFILIATES AND THEIR RESPECTIVE PAST AND PRESENT OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS AND EMPLOYEES, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES) AND GUARANTORS (ON BEHALF OF THEMSELVES AND THEIR RESPECTIVE HEIRS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS) OR, IF FRANCHISEE IS AN INDIVIDUAL, FRANCHISEE (ON BEHALF OF HIMSELF/HERSELF AND HIS/HER HEIRS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS) (COLLECTIVELY, “RELEASORS”) FREELY AND WITHOUT ANY INFLUENCE FOREVER RELEASE RCSH, ITS PARENT, SUBSIDIARIES AND AFFILIATES AND THEIR RESPECTIVE PAST AND PRESENT OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS AND EMPLOYEES, IN THEIR CORPORATE AND INDIVIDUAL CAPACITIES (COLLECTIVELY, “RELEASEES”), WITH RESPECT TO ANY AND ALL CLAIMS, DEMANDS, LIABILITIES AND CAUSES OF ACTION OF WHATEVER KIND OR NATURE, WHETHER KNOWN OR UNKNOWN, VESTED OR CONTINGENT, SUSPECTED OR UNSUSPECTED (COLLECTIVELY, “CLAIMS”), WHICH ANY RELEASOR EVER OWNED OR HELD, NOW OWNS OR HOLDS OR MAY IN THE FUTURE OWN OR HOLD, INCLUDING, WITHOUT LIMITATION, CLAIMS ARISING UNDER FEDERAL, STATE AND LOCAL LAWS, RULES AND ORDINANCES AND CLAIMS ARISING OUT OF, OR RELATING TO, THE FRANCHISE AGREEMENT AND ALL OTHER AGREEMENTS BETWEEN ANY RELEASOR AND ANY RELEASEE ARISING OUT OF, OR RELATING TO ANY ACT, OMISSION OR EVENT OCCURRING ON OR BEFORE THE DATE OF THIS RELEASE, UNLESS PROHIBITED BY APPLICABLE LAW. THIS RELEASE SHALL NOT APPLY TO ANY LIABILITY UNDER THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

**2. Risk of Changed Facts.** Franchisee and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

**3. No Prior Assignment.** Franchisee and Guarantors represent and warrant that the Releasors are the sole owners of all Claims and rights released in Section 1 and that the Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1.

Exhibit I-4

**4. Covenant Not to Sue.** Franchisee and Guarantors (on behalf of Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

**5. Complete Defense.** Franchisee and Guarantors: (a) acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1; and (b) consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

**6. Successors and Assigns.** This Release will inure to the benefit of and bind the successors, assigns, heirs and personal representatives of RCSH and each Releasor.

**7. Third Party Beneficiary.** RCSH and its parent, affiliates and subsidiaries shall be third party beneficiaries under this Release.

**8. Representation by Counsel.** Franchisee and Guarantors acknowledge and agree that they have been represented by independent counsel of their own choice throughout all negotiations which preceded the execution of this Release, and that they have executed this Release with the consent and upon the advice of said independent counsel.

**9. Enforcement.** This Release and all claims relating to this Release shall be governed by and construed under the law of the State of Florida. Franchisee and Guarantors shall file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where RCSH's principal offices are located. RCSH may file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where its principal offices are located, where Franchisee resides or does business, or where the claim arose.

**10. Confidentiality.** The terms of this Release shall remain confidential and may not be disclosed except when and to the extent necessary to comply with applicable federal, state, or local laws, court orders or regulations.

**11. Construction.**

**IN WITNESS WHEREOF**, Franchisee and Guarantors have executed this Release as of the date shown above.

**FRANCHISEE:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title \_\_\_\_\_

Date: \_\_\_\_\_

**GUARANTOR:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

**GUARANTOR:**

\_\_\_\_\_  
Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

## State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	January 6, 2025
Maryland	Pending
Michigan	Pending
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Pending
Washington	Not Registered
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**RECEIPT**

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

If Ruth’s Chris Steak House Franchise, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

Applicable state laws in (a) Michigan requires that we provide you the Disclosure Document at least 10 business 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 and (b) New York and Rhode Island require us to provide you the Disclosure Document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If Ruth’s Chris Steak House Franchise, 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 F to this Disclosure Document).

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Bradley Smith	1000 Darden Center Drive Orlando, Florida 32837	(407) 245-4000

Issuance Date: January 6, 2025

I received a Disclosure Document dated January 6, 2025. The Disclosure Document included the following Exhibits:

- Exhibit A Financial Statements
- Exhibit B Franchise Agreement
- Exhibit C Lists of Franchised Locations
- Exhibit D List of Former Franchisees
- Exhibit E List of State Agencies
- Exhibit F List of Agents for Service of Process
- Exhibit G State Specific Addenda
- Exhibit H Manual Table of Contents
- Exhibit I General Release

Dated: \_\_\_\_\_

\_\_\_\_\_ Individually and as an Officer

\_\_\_\_\_ Printed Name

of \_\_\_\_\_

(a \_\_\_\_\_ Corporation)

(a \_\_\_\_\_ Partnership)

(a \_\_\_\_\_ Limited Liability Company)

**[Keep this page for your records]**

Receipt

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Dated: \_\_\_\_\_

\_\_\_\_\_  
Individually and as an Officer

\_\_\_\_\_  
Printed Name

of \_\_\_\_\_  
(a \_\_\_\_\_ Corporation)  
(a \_\_\_\_\_ Partnership)  
(a \_\_\_\_\_ Limited Liability Company)

**[Sign and return this page]**

Receipt