

## FRANCHISE DISCLOSURE DOCUMENT

Supreme Service Solutions, Inc. d/b/a Supreme Deli  
14043 Distribution Way  
Farmers Branch, TX 75234  
(972) 402-9498  
FranchiseSalesTeam@gbcfoodservices.com

The franchise is for a Supreme Service Solutions, Inc., d/b/a Supreme Deli kiosk/workspace. The Franchisor (as defined below) has developed and owns a distinctive system relating to the establishment and operation of food kiosks/workspaces (which may either be a kiosk in the customer facing part of various commercial establishments and/or a dedicated work space in the non-customer facing part of such establishments and shelf space in such establishments to hold and display the various products) which will prepare and sell sandwiches, salads, paninis and deli platters and other deli meat and/or cheese products (in such combination as the Franchisor may determine is appropriate). These food kiosks/workspaces are generally located at third-party locations, typically upscale supermarkets, hotels, cafeterias, and university facilities, that in most instances will be sourced by the Franchisor and under leases, licenses or other rights to occupy such establishments between the owner/manager of the establishment and the Franchisor. At food kiosks/workspaces, Franchisees (as defined below) will prepare these deli and other produces for the Franchisee's customers to purchase through the establishment's point of sale infrastructure, either to take with them or to consume at the establishment's shared common areas.

The total investment necessary to begin operation of a Supreme Deli franchised business for approximately three (3) months is approximately \$62,032 to \$327,170 (depending on projected sales). This includes approximately \$36,500 to \$210,800 (depending on projected sales and actual suppliers selected by the Franchisor, which may include the Franchisor as a supplier) that must be paid to the Franchisor and/or its affiliate(s).

This disclosure document summarizes certain provisions of your Franchise Agreement (as defined below) and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least fourteen (14) calendar days before you sign a binding franchise agreement with, or make any payment to, Franchisor or an affiliate in connection with the proposed franchising. **Note, however, that no governmental agency has verified the information contained in this document.**

The terms of your Franchise Agreement will govern your franchise relationship. Do not rely on this disclosure document alone to understand your Franchise Agreement. Read your Franchise Agreement carefully and in its entirety. Show your Franchise Agreement and this disclosure document to an advisor, like a lawyer or 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 and understand this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](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 27, 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 IN THIS DOCUMENT
How much can I earn?	<b>Item 19</b> 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 <b>Item 20</b> and <b>Exhibit E</b> .
How much will I need to invest?	<b>Items 5</b> and <b>6</b> list fees you will be paying to the franchisor or at the franchisor's direction. <b>Item 7</b> lists the initial investment to open. <b>Item 8</b> describes the suppliers you must use.
Does the Franchisor have the financial ability to provide support to my business?	<b>Item 21</b> or <b>Exhibit C</b> includes financial statements of the Franchisor. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	<b>Item 20</b> summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Supreme Deli business in my area?	<b>Item 12</b> and the "territory" provisions in the Franchise Agreement describe whether the Franchisor and other Franchisees can compete with you.
Does the Franchisor have a troubled legal history?	<b>Items 3</b> and <b>4</b> tell you whether the Franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Supreme Deli Franchisee?	<b>Item 20</b> and <b>Exhibit E</b> list 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.
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## **What You Need To Know About Franchising *Generally***

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees to the Franchisor, even if your franchise is 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 that 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 D**.

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**” in this document.

## Special Risks to Consider About *This* Franchise

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

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

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

**Some States Require Registration.** 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.

**SUPREME SERVICE SOLUTIONS, INC.  
FRANCHISE DISCLOSURE DOCUMENT**

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EXHIBIT F – STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT

EXHIBIT G – FORM OF GENERAL RELEASE

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

**The Franchisor**

The Franchisor is Supreme Service Solutions, Inc., referred to in this disclosure document as “**Franchisor**”, “**SSS**”, “**we**”, “**us**” or “**our**.” We refer to the person interested in buying a franchise as “**Franchisee**”, “**you**” or “**your**.” If you are a corporation, partnership, limited liability company or other entity, certain provisions of the Franchise Agreement will apply to your entity’s owners. These will be addressed in this disclosure document where appropriate.

We were organized as a Texas corporation on November 4, 2021. Our principal offices are located at 14043 Distribution Way, Farmers Branch, Texas 75234 and our telephone number is (972) 402-9498. Our agents for service of process are listed in **Exhibit B**.

Franchisor, as the result of the expenditure of time, skill, effort and money, has developed and owns a unique and distinctive system (the “**System**”) relating to the establishment and operation of food kiosks (“**Deli Kiosks**”) which sell sandwiches, salads, paninis and deli platters and other deli meat and/or cheese (in such combination as Franchisor may determine is appropriate) products (“**Deli Products**”). Deli Kiosks are generally located at the premises of third-parties (the “**Hosts**”), typically upscale supermarkets (“**Host Locations**”), that in most instances are sourced by Franchisor and under leases, licenses or other rights to occupy such Host Location (“**Occupancy Agreements**”) between the Host and Franchisor.

We do business under our company name, under the assumed name “Supreme Deli”, and under the Proprietary Marks (as defined below). As of the issuance date of this Franchise Disclosure Document, we have 34 Deli Kiosks in 7 states. We do not operate our own Deli Kiosks and have no other business activities other than the franchising of certain businesses, including without limitation kiosks for the sale of cut fruit, shucked corn, and other fresh vegetables and other produce, sparkling water, and/or other related products (in such combination as the Franchisor may determine is appropriate) under the franchise name “Supreme Produce”.

**The Franchise Offered**

We offer qualified applicants a franchise arrangement for Deli Kiosks.

**General Market; Competition**

The market for food kiosk services is well established. The food service business is highly competitive based on price, service, location and food quality, and is often affected by changes in consumer tastes, economic conditions, population, traffic patterns and the customer base of the Host Location. Deli Kiosks will compete in each market with locally-owned restaurants and other kiosks, as well as with national and regional restaurants.

**Industry Specific Regulations**

In addition to the laws, regulations and ordinances applicable to businesses generally, like the Americans with Disabilities Act, Federal Wage and Hour Laws, the Immigration Reform and Control Act of 1986, and the Occupation, Health and Safety Act, you should consider that certain aspects of the Deli Kiosk are heavily regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration and 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 food service facilities. State and local agencies routinely conduct inspections for compliance with these requirements.

**Our Affiliates and Predecessors**

Our affiliate, GBC Food Services, LLC (“**GBC**”), a Texas limited liability company, has offered sushi kiosk franchises since 2021 and has recently expanded its kiosk franchise offerings to include dumplings and/or



other Pan-Asian food. As of the issuance date of this Franchise Disclosure Document, GBC has sold an aggregate of approximately 666 sushi, dumpling and/or Pan-Asian kiosk franchises. GBC's principal business address is 14043 Distribution Way, Farmers Branch TX 75234.

Franchisor does not have any predecessor (i.e., another person or entity (i) from whom Franchisor acquired substantially all of such person's or entity's liabilities and obligations or (ii) that was restructured to become the Franchisor (whether by merger or otherwise)).

**ITEM 2**  
**BUSINESS EXPERIENCE**

**Katie Aung**

Executive Chairman and Co-Founder

Katie Aung is the Co-Founder and Executive Chairman of SSS (located at 14043 Distribution Way, Farmers Branch, Texas 75234) since November 2023. Prior to such position, Katie was the Co-CEO of SSS since its formation in November 2021.

Katie is also the Co-Founder and Executive Chairman of GBC (also located at 14043 Distribution Way, Farmers Branch, Texas 75234), since November 2023. Prior to such position, Katie was the Co-CEO of GBC since its formation in January 2011.

**Thein Aung**

Co-Founder and President

Thein Aung is the Co-Founder and President of SSS (located at 14043 Distribution Way, Farmers Branch, Texas 75234), since November 2023. Prior to such position, Thein was the Co-CEO of SSS since its formation in November 2021.

Thein is also the Co-Founder and President of GBC (also located at 14043 Distribution Way, Farmers Branch, Texas 75234), since November 2023. Prior to such position, Thein was the Co-CEO of GBC since its formation in January 2011.

**Scott Bova**

President

Scott Bova is the President of GBC, a position he assumed in November 2024. Pursuant to a shared services agreement, he also performs this role for SSS. Prior to this role, Scott was (i) the Global Vice President of Merchandising Operations for Whole Foods Market Inc., located in Austin, Texas, from March 2020 to November 2024, (ii) the Sr. Director of New Concept Innovation for Wegmans Food Markets Inc., located in Rochester, New York, from June 2019 to March 2020, (iii) the Sr. Director of Prepared Foods & Restaurants for Wegmans Food Markets Inc., located in Rochester, New York, from January 2017 to June 2019, (iv) the Sr. Director of Perishable Operations for Wegmans Food Markets Inc., located in Rochester, New York, from July 2014 to January 2017, and (v) the Operations Regional Executive Chef and Store Manager (Special Assignment) for Wegmans Food Markets Inc., located in Rochester, New York, from October 2008 to July 2014.

**James Balistriere**

Senior Vice President of Operations and Merchandising

James Balistriere worked in Central Market from 2017 to 2023 and joined GBC as Senior Vice President of Operations and Merchandising in October 2023 and pursuant to a shared services agreement also performs this role for SSS. As a senior executive of GBC, he is commissioned to lead the merchandising and operations team that consists of forty (40) leaders distributed within the company's four (4) major business verticals across forty (40) states and 600 locations nationwide.

**Andrew Compton**

Vice President of Finance

Andrew Compton is the Vice President of Finance of GBC and pursuant to a shared services agreement has also performed this role for SSS since March 2023. Prior to such position, Andrew was (i) the On Demand CFO/HR Expertise/Strategic Business Consultant for C-Suite Support, located in Dallas, Texas, from February 2022 to January 2023, (ii) the VP of Finance and Administration for Twenty20 Solutions, located in Irving, Texas, from March 2019 to July 2021, (iii) the Controller for Paradigm Tax Group, located in Dallas, Texas, from July 2016 to January 2019 and (iv) the Found of 217 Consulting Services, located in Austin, Texas, from July 2021 to January 2024.

### **Van Nawl**

#### **Vice President of Operations**

Van Nawl is the Vice President of Field Operations of GBC and pursuant to a shared services agreement has also performed this role for SSS since October 2023. Prior to such position, Van was a sushi chef at H-E-B and Azuma Sushi & Robata Bar in Texas. He joined GBC in 2015 as Regional Operations Manager. He was then promoted to work as Logistics & Purchasing Manager in 2016 and held that role for five (5) years. In 2023, Van was promoted once again to Vice President of Field Operations at GBC.

### **Fresh Avila**

#### **Director of Administration**

Fresh Avila is the Director of Administration at GBC, looking after the shared services between Human Capital Management, Franchise Compliance, Quality Assurance, Office Administration, and IT departments since February 2024 and pursuant to a shared services agreement also performs this role for SSS. Before she joined GBC, she worked as Director of Human Resources in a modular construction company, and as Director of Talent Acquisition in the largest digital asset mining company in North America between from 2021 to 2024. Fresh's prior experience encompasses international borders working for the UAE's leading food and beverages manufacturing company, Agthia Group, within the Human Resources space looking after the Middle East and North Africa region; working as a Human Resources and Operations Consultant to Abu Dhabi Airports Company; and working as the Head of Recruitment & Selection for Abu Dhabi Police's conglomerate, Secure Engineering from 2010 to 2016.

### **Lisel Ramirez**

#### **Senior Compliance Manager**

Lisel Ramirez began working at GBC in 2021 as Office & Facilities Manager. She was promoted to Senior Compliance Manager in December 2023 and pursuant to a shared services agreement also performs this role for SSS. In this role, she is responsible for ensuring that franchisees operate in compliance based on the prevailing policies, procedures, and legal requirements as well as providing guidance to franchisees to help them meet the compliance standards. Lisel has a background in education and practiced her expertise from 2016 to 2021. Prior to that, her worked as Administration Manager in Mexico from 1996 to 2014.

### **ITEM 3**

### **LITIGATION**

*In the Matter of Determining Whether there has been a violation of the Franchise Investment Protection Act of Washington by: GBC Food Services, LLC d/b/a Yummi Sushi.* Administrative Proceeding filed by the Washington Securities Division of the Department of Financial Institutions against GBC (Order No.: S-21-3158-21-CO01) alleging that, between 2019 and 2021, GBC violated the Washington Franchise Investment Protection Act (the “**WFIPA**”) by entering into written independent contractor agreements that constituted franchises with approximately forty-five (45) residents of Washington without providing such residents with a franchise disclosure document prior to executing the written agreements. On August 25, 2021, GBC entered into a Consent Order whereby it agreed to cease and desist from violating the WFIPA and pay investigative costs of \$1,500.

*Commissioner of Financial Protection and Innovation’s Investigation of GBC Food Service, LLC, doing business as Yummi Sushi, Yummi Sauces, Toshimi, Calmon, and Sushi Sara.* Administrative investigation by the State of California Department of Financial Protection and Innovation (the “**DFPI**”) alleging that, between 2020 and February 12, 2024, we violated the California Franchise Investment Law (the “**FIL**”) by entering into written independent contractor agreements that constituted franchises with approximately thirty-six (36) prospective franchisees without first providing such prospective franchisees with a franchise disclosure document prior to executing the written agreements. On August 19, 2024, the DFPI issued its settlement offer letter to us (no case citation or number included on the letter), providing timelines for accepting the settlement offer of \$180,000 or submitting mitigating or exculpatory facts or circumstances to the DFPI for further consideration. We submitted mitigating facts and circumstances and subsequently agreed to pay a fine in the amount of \$54,000. We executed the DFPI’s Consent Order on October 18, 2024, agreeing to the fine amount and agreeing to cease and desist from violating California Franchise Investment Law and Corporations Code.

Other than these actions, no litigation is required to be disclosed in this item.

**ITEM 4**  
**BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

## **ITEM 5**

### **INITIAL FRANCHISE FEES**

If you are franchising only one Deli Kiosk, when you sign the Franchise Agreement, you will pay us an initial franchise fee of up to \$50,000 (the “Initial Franchise Fee”).

If we exercise our right to terminate the Franchise Agreement during the first year of the Franchise Agreement for any reason other than a default as set forth in Article 14 of the Franchise Agreement, we will refund to you an amount equal to the Initial Franchise Fee actually paid, prorated in accordance with the number of days remaining in such first year of the Franchise Agreement. After the initial one-year term of the Franchise Agreement, we are not obligated to return any portion of the initial franchise fee if the Franchise Agreement is terminated by you or us for any reason.

#### **Initial Equipment and Supply Costs:**

Before your business opens, you must purchase equipment, labels, packaging and utensils in accordance with the Franchise Manual (as defined below) from us at a total cost of \$5,000 – \$15,000 or from a supplier approved by us in writing. If so desired by you, we will provide all or a portion of the foregoing items and deduct the cost of such items from your share of the revenue of the Deli Kiosk until we have been fully reimbursed. These costs are nonrefundable. Additionally, there will be a rental fee of \$100 per month for the labeling machine provided by Franchisor.

#### **Management Fee:**

In consideration of Franchisor’s assistance and guidance in the operation of the Deli Kiosk, Franchisee will pay Franchisor a management fee equal to the greater of \$200 per bi-weekly period or 1% of gross sales.

#### **Initial Inventory Cost:**

At the opening of your business, we anticipate the cost of inventory you will need for the first month of operations to be between \$6,100 – \$53,100 depending on the estimated sales volume for your franchise at the Host Location. Sales volume is based on our analyses of the geographic location of your franchise, the average number of customers who shop at the Host Location on a daily basis, the demographics of the area in which the Host Location typically draws its customers, including information regarding average income levels, household size, age of the area’s residents and the likelihood of the area’s residents to be customers for Franchisor’s products. Franchisor will provide Franchisee with a payment card (if qualified for the use of such payment card or other financing) to use to pay for all of Franchisee’s inventory; provided that Franchisee must use the payment card or other financing (if provided) to purchase such inventory. Franchisor will withhold the current amount due on the card from each Franchisee Payment (defined below); provided, that it is the intention, but not an obligation, that Franchisor will not withhold more than fifty percent (50)% of the Franchisee Payment at the time such payment is made to Franchisee. In accordance with the Franchise Agreement, the Franchisee shall at all times remain obligated to repay (in combination with the funds withheld from the Franchisee Payment) the card in full, including if the funds withheld by Franchisor are insufficient to repay the card in full. This payment card will be issued by a financial institution selected by Franchisor, and amounts drawn on this payment card will accrue interest at such financial institution’s then-applicable interest rate.

## **ITEM 6**

### **OTHER FEES**

Type of Fee <sup>1</sup>	Amount	Due Date	Definitions/Remarks
Hosting Fee, Franchise Fee, and Franchisee Payment	<p>The Host Location and Franchisor shall collectively withhold 30 – 40% of weekly Gross Sales. The Occupancy Agreement (which is negotiated solely between Franchisor and Host Location) will generally allocate the withheld amount between Host Location and Franchisor as follows:</p> <p>Host Location will withhold 15 – 35% of weekly Gross Sales (the “<b>Hosting Fee</b>”)</p> <p>Franchisor shall withhold up to the remaining 5 – 25% of weekly Gross Sales (the “<b>Franchise Fee</b>”)</p> <p>Franchisee shall receive the remaining 60 – 70% of weekly Gross Sales (the “<b>Franchisee Payment</b>”).</p>	Paid on or before the Monday each week after the Revenue Processing Period.	<p>“<b>Gross Sales</b>” means the total amount of revenue collected from the sale of all goods or services provided by and/or from the Deli Kiosk and all other income of every kind and nature related to the Deli Kiosk, except (i) federal, state, or municipal sales taxes collected by the Host Location from customers and paid by the Host Location to the appropriate taxing authority and (ii) any refunds, returns or credit card chargebacks.</p> <p>“<b>Revenue Processing Period</b>” means six (6) weeks after the Deli Kiosk begins operating.</p> <p>See <b>Note 1</b> below and Article 4 of the Franchise Agreement for further information.</p>
Management Fee	An amount equal to the greater of \$200 or 1% of the prior biweekly period’s Gross Sales of each Deli Kiosk you operate (unless otherwise provided for in the Franchise Agreement)	Paid on or before Monday each week after the Revenue Processing Period	The bi-weekly management fee is compensation to us to help offset the costs of our onsite food quality and safety inspections at your franchise location, which are conducted 4 – 6 times per year. The management fee is also compensation to us to help offset the costs of our periodic onsite supervisory visits to your location by our personnel. Such costs include the expenses we incur for our supervisory personnel for travel, lodging, meals, completion of reports, and other administrative expenses. The frequency of

Type of Fee <sup>1</sup>	Amount	Due Date	Definitions/Remarks
			such visits may depend on the volume of sales experienced by a franchisee, as well as the results of the last inspection conducted by Franchisor.
Inventory Order Processing Fee	\$50 per order, as applicable	Paid on or before Monday each week after the Revenue Processing Period	Franchisee may request to order certain inventory or supplies through accounts maintained by Franchisor. We may charge a processing fee of \$50 in such event.
National Advertising Program (NAP) Fee	Maximum – 1.0% of Gross Sales	Payable by the 10th of each month	See <b>Note 2</b> below.
Supplemental Marketing Programs	Maximum – 1.0% of Gross Sales	Payable by the 10th of each month	See <b>Note 3</b> below.
Replacement and Supplemental Training	Currently, \$5,000, plus costs of your personnel attending training.	On demand	We may charge a training fee if we train a replacement Managing Owner, Operating Partner or manager or if your personnel attend supplemental training.
Transfer Fee	\$10,000 plus an amount necessary to reimburse us for our out-of-pocket expenses.	Payable in two installments: (Installment 1) \$5,000 due upon receipt of notification regarding transfer and application from proposed transferee; and  (Installment 2) \$5,000 plus an amount necessary to reimburse us for our out-of-pocket expenses associated with the transfer due upon the actual closing of the transfer.	The transfer fee is to cover the costs of Franchisor to conduct an independent investigation of the financial capability and reputation of the proposed franchisee transferee.
Offering Review Fee	Franchise/Capital Raise – <b>\$5,000</b>	30 days after billing	This covers our cost to review the proposed offering of your securities (which shall not constitute legal or other advice of any



Type of Fee <sup>1</sup>	Amount	Due Date	Definitions/Remarks
			kind as to the legality or permissibility of the issuance or other matters related to such securities).
Late Charge and Interest	Late Charge: 5% of the amount due late charge for each delinquent payment.  Interest Rate: the lesser of 18% per annum or maximum legal rate from the due date thereof.	On demand	Payable on all overdue amounts, except as otherwise provided herein.
Early Termination Fee	\$10,000	On Demand	You must pay us a \$10,000 early termination fee and reimburse us for all of our out-of-pocket costs and expenses if you abandon the franchised Deli Kiosk.
Indemnification	Will vary depending on loss	On demand	You must indemnify us for all losses and expenses we incur because of your actions. See <b>Note 4</b> below.

Notes:

<sup>1</sup> All fees and expenses described in this **Item 6** are nonrefundable. Unless we have otherwise indicated in the preceding chart, all fees and expenses are imposed by, and are payable to, us. Generally, all fees are uniformly imposed on our franchisees, but we may, in our sole discretion, negotiate some other type or amount of fees under certain circumstances. Additionally, as an alternative to termination of the Franchise Agreement in the event of a breach by you of the Franchise Agreement, we may apply a progressive warning and fine structure in accordance with our then-current Franchise Manual (the “Franchise Manual”). Except as specifically stated above, these amounts may be subject to increases based on changes in market conditions, our cost of providing services, and future policy changes. Monthly payments must be paid by the 10<sup>th</sup> day of each month. You may not withhold or offset payments based on our alleged non-performance under the Franchise Agreement. We may, however, offset any and all fees and other amounts due us from you against all Franchisee Payments owed to you; provided, however, that Franchisor intends to not deduct more than fifty percent (50%) (although Franchisor may deduct more than fifty percent (50%) in its sole discretion) of the Franchisee Payment owing to Franchisee to apply against amounts owed to Franchisor by Franchisee (including the Franchise Fee). If any payment is overdue, you must pay us the overdue amount plus interest from the due date at the rate stated in the table above and at our option we may charge a five percent (5%) late fee. We reserve the right to require payment on a weekly basis and/or to implement electronic debiting of your account for payment.

<sup>2</sup> Advertising programs are described in greater detail in **Item 11**. You must participate in the national advertising program we designate, if any. Currently, our franchisees are not required to participate in any national advertising program. We may implement or change the required advertising program designation periodically. Under certain limited circumstances (e.g., for significant multi-unit locations, a large

metropolitan area, airports or unique kiosk sites), we may modify the advertising fees for specific franchisees in our sole discretion.

<sup>3</sup> You must participate in any supplemental marketing programs we designate and pay for certain costs related to such programs. We may change the required supplemental marketing program designation periodically. Under certain limited circumstances (e.g., a large metropolitan area or unique kiosk sites), we may modify the contributions or participation for specific franchisees in our sole discretion.

<sup>4</sup> Your indemnification obligations are subject to state law.

**ITEM 7**  
**YOUR ESTIMATED INITIAL INVESTMENT (See Note 1 Below)**

<b>Type of expenditure</b>	<b>Actual or Estimated Cost Low – High</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment Will Be Made</b>
Initial Franchise Fee	\$5,000 – \$50,000	As arranged	See <b>Item 5</b>	SSS
Kitchen Equipment and Supplies (See <b>Note 2</b> below)	\$3,000 – \$15,000	As arranged	As arranged	SSS/suppliers
Management Fee	Greater of \$200 or 1% of the prior bi-weekly period's Gross Sales for each Deli Kiosk (unless otherwise provided for in the Franchise Agreement).	As arranged	See <b>Item 6</b>	SSS
Initial Inventory (First Month) (See <b>Note 3</b> below)	\$6,100 – \$53,100	As arranged	As arranged	Suppliers/SSS
Insurance Premiums	\$500 – \$1,200	As arranged	As arranged	Insurance Carrier
Training (See <b>Note 4</b> below)	<p>Estimated at \$1,720.</p> <p>We anticipate coach travel to and from our site in Dallas to cost approximately \$600.</p> <p>We anticipate moderately-priced lodging in Dallas, Texas to cost approximately \$120/night for 6 nights.</p> <p>We anticipate three meals a day for seven days to cost approximately \$400.</p>	As arranged	As arranged	Travel, lodging and dining arrangement vendors.

Type of expenditure	Actual or Estimated Cost Low – High	Method of Payment	When Due	To Whom Payment Will Be Made
	However, the above is dependent on travel, lodging and dining arrangements made by prospective franchisee and/or its personnel to attend training in Dallas, Texas.			
Additional Funds Post-Opening (first 3 months) <sup>5</sup>	\$4,364 – \$107,795	As arranged	As arranged	Suppliers/ Employees/ SSS
TOTAL	\$20,684 – \$228,815 or more based on Gross Sales			

Notes:

<sup>1</sup> The above chart provides a good faith estimate of your initial investment for one Deli Kiosk. Your actual costs may vary from these estimates.

<sup>2</sup> The estimate given covers the cost of kitchen equipment, small wares, like cooking, serving, and other utensils for food preparation. We require you to purchase certain kitchen equipment that meets our specifications.

<sup>3</sup> The estimated cost of your initial inventory should be in the range set forth in the table above based on the analysis conducted by Franchisor as set forth in the Initial Inventory Cost set forth in Item 5 above. For example, the low end of the range (\$6,100) is the estimated cost to cover approximately one month of initial deli supplies and other inventory at a lower volume location and \$53,100 is the estimated cost to cover the initial month of supplies and other inventory at what would be considered our highest volume location.

<sup>4</sup> We provide initial training for up to five (5) of your personnel (in addition to your Managing Owner and Operating Partner) at no additional charge. This is an estimate of the costs that you may incur for transportation, lodging and food, and wages for attendees of our initial training program. The actual cost will depend on the distance the attendees must travel and the type of lodging and dining you choose.

<sup>5</sup> This is our estimate of the amount needed to cover your expenses for the start-up phase of the business, including personal property lease payments, food and ingredient inventory (not already included in the “Initial Inventory”), payroll (Franchisee will generally need to hire one employee for every \$2,500 in weekly sales at an average cost of \$750 per week per employee), and other costs. The low-end estimate is generally based upon lower sales volume locations with fewer employees, equipment (and resulting personal property leases) inventory and other volume-dependent costs and expenses than higher volume locations will require. For the purpose of this disclosure document, we have estimated the start-up phase to be three (3) months from the date the Deli Kiosk opens for business. These figures are estimates and we cannot assure you that you will not have additional expenses starting the Deli Kiosk. Your actual cost will depend on factors like

your management skill, experience and business acumen, local economic conditions, the local market for the Deli Kiosk, the prevailing wage rate, competition in the marketplace, and the sales level reached during the start-up phase.

To our knowledge, none of the expenditures described above are refundable, unless otherwise indicated herein. However, some of the costs of certain supplies (*e.g.*, usable produce or non-perishable foods acquired from us or our affiliates) may be refundable upon termination of the Franchise Agreement. Except as specifically described above, the stated amounts may be subject to increases based on changes in market conditions, the cost of providing services, and future policy changes. At the present time, we have no plans to increase costs over which we have control.

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

Purchases from Designated and Approved Suppliers

Products— You must purchase all equipment, food inventory, packaging, labels, utensils and other supplies used or offered for sale at the Deli Kiosk solely from us or a supplier previously approved by us in writing and, to the extent any products are permitted to be purchased from others, they shall be purchased by Franchisee from suppliers (including manufacturers, distributors and other sources) who demonstrate, to the continuing satisfaction of Franchisor, the ability to meet Franchisor's then-current standards and specifications for such items, who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; and who have not thereafter been disapproved. Franchisor may withhold approval of any supplier in its sole discretion. You will be required to secure such supplier's signature to agreements Franchisor may require, including, without limitation, a confidentiality agreement acceptable to Franchisor, as conditions precedent to any approval by Franchisor. No officer or manager of Franchisor has any ownership interest in any supplier you are required to use, other than Franchisor and GBC.

Franchisor has the right to require that its representatives be permitted to inspect any supplier's facilities at any time, and that samples from any such supplier be delivered, at any time, either to Franchisor or to an independent laboratory designated by Franchisor for testing. You may be charged up to the cost of the inspection and the test by Franchisor or its or its designee. Without limiting your liability therefor, you may require reimbursement or direct payment by the supplier for such charge.

Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any previously approved supplier and to revoke its approval for, among other reasons, the supplier's failure to continue to meet any of Franchisor's then-current criteria.

You must comply with all of our standards and specifications (as set forth in the Manual) for the purchase of all food and beverage items, ingredients, supplies, equipment and other products used or offered for sale at the Deli Kiosk. Franchisee shall label all products for sales tracking processing using a label machine provided by Franchisor at a cost of \$100 per month.

Franchisor or its affiliates may derive revenue or other material consideration from required purchases or leases by franchisees. Upon the request of Franchisee, Franchisor will disclose the consideration it or its affiliates has received from required purchases and/or leases that are required by Franchisor by disclosing Franchisor's (or its affiliate's) total revenue from such purchases and/or leases for each fiscal year of the last three fiscal years. In the event of such required purchases or leases and upon the request of Franchisee, Franchisor will also disclose (i) an estimate of the total amount of Franchisee's expenses for the next fiscal year, (ii) an estimate of the total amount of Franchisee's required purchases and/or leases for the next fiscal year, and (iii) the percentage of the amount in clause (ii) that is the amount in clause (i).

Advertising - All of your advertising and promotions must conform to our standards and requirements. We must approve all advertising and promotional plans and materials before you use them if we did not prepare or previously approve them during the twelve (12) months preceding the date of their proposed use. You must submit any unapproved plans and materials to us, and we will use reasonable efforts to approve or disapprove them within fourteen (14) days after we receive them. You must not use the plans or materials until we have approved them, and must promptly discontinue using any advertising or promotional plans or materials if we notify you to do so. You must purchase certain advertising and promotional materials from our approved suppliers.

Insurance - You must obtain and maintain insurance policies protecting you and us and various related parties against any demand or claim for personal injury, death or property damage, or any loss, liability or expense related to the operation of the Deli Kiosk.

These policies must be written by a responsible insurance carrier or carriers which are rated "A" or better by the A.M. Best Company, Inc., are responsible and authorized to do business in the state your Deli

Kiosk is located, and are acceptable to us. At a minimum, you must carry:

- (i) commercial general liability insurance with the following coverages and limits:

Coverage	Limit
General Aggregate	\$2,000,000
Products/Completed Ops Aggregate	\$2,000,000
Personal & Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage	\$300,000
Medical Expense	\$5,000
Hired & Non-Owned Auto Liability	\$1,000,000

- (ii) commercial property insurance with the following coverages and limits:

Coverage	Limits	Cause of Loss	Deductible
Business Personal Property	\$10,000-\$25,000	Special Form	\$1,000
Business Income & Extra Expense	ALS 12 months		24 hours (See <b>Note 1</b> below)

**Note:**

<sup>1</sup> This refers to a twenty-four (24) hour waiting period. This insurance policy will have a twenty-four (24) hour waiting period after which the claim or loss related to business income can be calculated.

- (iii) umbrella insurance with the following coverages and limits:

Limit	Retention Amount	Retention Basis
\$1,000,000	\$0	Per Occurrence

- (iv) worker's compensation and employers' liability insurance covering all of Franchisee's employees with the following coverages and limits:

Coverage	Applies	Limits
Bodily Injury by Accident	Per Accident	\$1,000,000
Bodily Injury by Disease	Policy Limit	\$1,000,000
Bodily Injury by Disease	Per Employee	\$1,000,000

You may, with our written consent, elect reasonable deductibles for the coverages described in (i) and (ii) above. You may not, without our prior written consent, agree to sublimits in the insurance policies listed above. Except for worker's compensation insurance, all insurance policies must name us and our successors and assigns as additional insureds. In addition, all insurance policies must waive subrogation in favor of us and our successors and assigns.

**Purchasing Arrangements** - We estimate that the purchase and lease of all services, equipment, supplies, and other items you must purchase or lease from us or our affiliates, or from unaffiliated approved or designated suppliers, will represent approximately 90% to 95% of your total purchases and leases to initially establish the franchised business. Thereafter, once the franchise business is established, approximately 90% to 95% of your total purchase and leases to operate the Deli Kiosk will be purchased from us.

**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 Franchise Agreement</b>	<b>Item in Franchise Disclosure Document</b>
a. Site selection and acquisition/lease	N/A	N/A
b. Pre-opening purchases/leases and requirements	Articles 3 and 7	Items 5, 7 and 11
c. Site development and other pre-opening requirements	Article 3	N/A
d. Initial and ongoing training	Sections 3.1 and 3.3	Item 11
e. Opening	Sections 3.4 and 3.5	Item 11
f. Fees	Sections 4.1, 4.2, 4.3, 4.4, 11.2, 13.3, 13.9 and 21.5	Items 5, 6 and 7
g. Compliance with standards and policies/manuals	Articles 5, 7 and 9	Items 8, 11, 13 and 14
h. Trademarks and proprietary information	Articles 8 and 9 Sections 7.7 and 16.2	Items 1, 13 and 14
i. Restrictions on products/services offered	Sections 7.1, 7.5, 7.6, and 7.7	Items 8 and 16
j. Warranty and customer service requirements	Section 7.1	N/A
k. Territorial development	Recitals	Item 12
l. Ongoing product/service purchases	Sections 7.1, 7.6 and 7.7	Items 8 and 16



<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Item in Franchise Disclosure Document</b>
m. Maintenance, appearance and remodeling requirements	Sections 7.1, 7.8, 7.9, 7.10, and 7.11	Items 8 and 11
n. Insurance	Article 12	Items 7 and 8
o. Advertising and promotions	Section 8.1 and Article 11	Items 6 and 11
p. Indemnification	Sections 7.4, 7.14, 13.9 and Article 17	Item 6
q. Owner's participation/staffing/management	Sections 7.2 and 7.4	Items 1 and 15
r. Records and reports	Article 10 and Section 15.1	Items 6 and 11
s. Inspections and audits	Sections 7.11 and 10.4	Items 6 and 11
t. Transfer	Article 13	Items 6 and 17
u. Renewal	Section 2.2	Item 17
v. Post-termination obligations	Sections 15.1, 16.3(b) and 16.3(c)	Item 17
w. Non-competition covenants	Section 16.3	Items 15 and 17
x. Dispute resolution	Article 21	Item 17

## **ITEM 10**

### **FINANCING**

Franchisor does not provide standard financing and financing terms for the operation of individual franchises. Franchisor may, in its sole discretion, advance franchisees supplies, inventory, materials, and other items during the first six (6) weeks of the franchise's operations. Any such advancements are then subsequently applied to any amounts owed by the Franchisor to the Franchisee. During the first six (6) weeks of a franchise's operations, a franchisee may experience delays in receiving funds from the sales at the kiosk(s), and the funds a franchisee receives may not be sufficient during that time to provide for full operations. This is due to the payment mechanics between the Host Location, Franchisor and the franchisee when first opening a franchised kiosk. In an effort to contribute to the success of each franchisee, however, Franchisor may, in its sole discretion, advance franchisees supplies, inventory, materials, and other items during the initial operation time period.

## **ITEM 11**

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

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

#### **Pre-Opening Obligations:**

Before you open your Deli Kiosk, we will:

Provide you with the Host Location site we have selected for your Deli Kiosk pursuant to an applicable Occupancy Agreement between us and the third-party owner of the Host Location. The Deli Kiosk may not be relocated without first obtaining our written consent. Our criteria for site selection require an evaluation of the demographics of the Host Location (including the age and income level of nearby residents of the market area for the location), traffic patterns, the size of the location, the proximity to shopping and other centers of population concentration, and the results of negotiations between us and the third-party owner of the Host Location.

Provide you with an initial training program for your Managing Owner and Operating Partner and up to five of your personnel in accordance with Section 3.1 of the Franchise Agreement.

Provide you with a physical copy of the Franchise Manual (including Build Book) in accordance with Section 5.1 and 5.2 of the Franchise Agreement or excerpts of the Table of Contents, which are set forth as follows:

#### **Franchise Manual:**

##### **FRANCHISE MANUAL DOCUMENTS**

As noted in Article 5, section 5.1, the term "Franchise Manual" means the manuals, policies, specifications, standards, checklists, evaluation forms, spreadsheets, guides, recipes, handbooks, documents, and other information designated by Franchisor from time-to-time regarding the system. Without limitation, the following documents are included as Franchise Manual example documents.

1. Franchisee Reference Binder ((letters, standard operating procedures (SOPs) and other documents maintained at Kiosks by Franchisee's for quick references):

- i. Letter – Business Operational Hours & Holidays
- ii. Letter – Fine Structure and Process
- iii. SOP – Receiving Policy
- iv. SOP – Storage Policy
- v. SOP – Handwashing Procedures
- vi. SOP – Personal Hygiene and Employee Health
- vii. SOP – Eating, Drinking and Personal Item Storage
- viii. SOP – Equipment Ware Washing and Sanitizing
- ix. SOP – Blood and Bodily Fluids Clean Up
- x. SOP – Thermometer Calibration
- xi. SOP – Glass and Brittle Plastic
- xii. SOP – Ice Machine Use
- xiii. SOP – Employee Health Policy
- xiv. SOP – Purchasing Policy
- xv. Boar's Head's – In – Store Controlled Food Solutions Operations Guide

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## Typical Length of Time Before You Open Your Deli Kiosk:

We estimate the time from the date you sign the Franchise Agreement to the date you begin operating your first Deli Kiosk will be approximately seven (7) to thirty (30) days. This time may be extended or reduced depending on the time necessary for you to obtain third-party financing, and the amount

of time required to hire employees, obtain the permits and licenses necessary for operation, none of which are within our control. If you fail to open your Deli Kiosk at a site approved by us within thirty (30) days after you sign the Franchise Agreement, we can terminate the Franchise Agreement and your initial franchise fee will not be refunded.

#### Continuing Obligations:

During the operation of your Deli Kiosk and in accordance with Sections 3.2 and 3.3 of the Franchise Agreement, we will:

- (i) Make available other training programs, as we deem appropriate.
- (ii) Provide continuing advisory assistance to you in the operation of the Deli Kiosk, as we deem advisable.
- (iii) Make available research data and other materials relating to merchandising, marketing, and advertising (but only after we establish an advertising program). We have the right to review and approve or disapprove all advertising and promotional materials, which you propose to use.
- (iv) Revise the contents of the Manual as needed. We reserve the right to charge a \$2,000 fee for any replacement Manual or pages of the Manual you request, if the replacement is needed because you failed to properly maintain or update the Manual as provided or due to your loss of the Manual.
- (v) Provide you, as we deem appropriate, with advice and written materials concerning techniques of managing and operating the Deli Kiosk, including new developments and improvements in kiosk equipment, food products, packaging, and preparation.
- (vi) At our option, establish, maintain and administer a national advertising program ("**NAP**").

Pursuant to Section 10.4 of the Franchise Agreement, you have the right to audit, once per each 12-month period, our books and records as they relate to Gross Sales of your Deli Kiosk and the amounts collected by us from your Host Location and the amounts we remitted to you.

#### Advertising:

We may require you to participate in our NAP and supplemental marketing programs. We may change the program in which you are required to participate during the term of the Franchise Agreement.

#### National Advertising Program

Currently, we have not implemented a NAP or supplemental marketing program for our franchisees. If we implement such a program, you must participate in it. If implemented, the NAP will be organized, governed, and operated in accordance with our written guidelines (the "NAP Guidelines") and we are responsible for maintaining and administering advertising programs in accordance with the NAP Guidelines. No advertising or promotional plans or materials may be used under the NAP without our prior written consent.

Under a NAP, you may be required to pay to us up to 1% of your Deli Kiosk Gross Sales to be used by us for maintaining, administering, directing, and preparing advertising and promotional activities for the benefit of the System. Currently, there is not a required national advertising fee (the "**NAP Fee**") but this fee, if collected, would be used exclusively by us for any and all costs incurred in the NAP including the

cost of (i) maintaining, directing, and preparing advertising materials like the preparation and coordination of television, digital (email, sms, search, display, video, social), radio, print, direct mail, outdoor billboard advertising, marketing surveys and other public relations activities; (ii) the employment of advertising agencies; (iii) the preparation and distribution of promotional brochures and other marketing materials; (iv) the cost of developing and maintaining any website(s) related to the NAP; and (v) reasonable administrative costs and overhead we incur in activities reasonably related to the administration or direction of the NAP; and (vi) other items as set forth in the NAP Guidelines. We will direct all advertising and production programs in the NAP, and we will have sole responsibility for all advertising, marketing, and/or promotional materials used in connection with the NAP.

All local advertising is subject to the requirements in Attachment F to the Franchise Agreement and to our prior written approval. You will have the discretion to spend local advertising funds as and when you reasonably determine to be appropriate.

We expect that any NAP Fee will be spent for advertising and/or promotional purposes during our fiscal year in which they are received. If excess amounts remain at the end of the fiscal year, then all expenditures in the following fiscal year(s) will be made first out of accumulated fees from previous years and then from fees collected during the current year. The NAP will be operated as a conduit for the collection and expenditure of advertising fees. A statement of the operations of the NAP will be prepared annually and will be made available to you upon request. We are not required to audit the statements of operations.

We reserve the right to terminate a NAP; however, the program will not be terminated until all monies have been expended for advertising and/or promotional purposes or other appropriate arrangements have been made.

#### Supplemental Marketing Program

In addition to the advertising programs described above, we have the right to require your participation in supplemental marketing programs (e.g., limited time offers, gift cards, gift certificates, coupons, loyalty programs, customer relationship management, and other supplemental marketing programs) that we establish from time-to-time. You will be responsible for payment of certain costs associated with these supplemental marketing programs. We may change the required supplemental marketing program designation periodically. Under certain limited circumstances (e.g., for a significant multi-unit development plan, a large metropolitan area, airports or unique kiosk sites), we may modify the contributions or participation for a specific franchisee in our sole discretion.

#### Other Advertising Requirements

All advertising and promotion by you in any medium must be conducted in a dignified manner and conform to our standards and requirements as stated in the Franchise Manual or otherwise. You must obtain our approval of all advertising and promotional plans and materials that you desire to use before you use them if they have not been prepared or previously approved by us during the past 12 months. You must submit any unapproved plans and materials to us, and we must approve or disapprove the plans and materials within 14 days from the date of receipt. You may not use any plans or materials until they have been approved by us and must promptly discontinue use of any advertising or promotional plans or materials upon receiving notice from us.

We currently do not have a formal franchisee advisory council or association.

### Training:

Your Managing Owner or Operating Partner and up to five (5) of your personnel (if you open only one Deli Kiosk) must attend and complete our initial management training program to our satisfaction. All new managers hired by you and any Managing Owner or Operating Partner later appointed by you must attend and complete our initial training program to our satisfaction at designated kiosks or other workspaces (“**Training Facilities**”) which we may own or lease for training purposes.

In accordance with Section 3.1 of the Franchise Agreement, we will provide instructors and training materials for the initial training of your Managing Owner or Operating Partner and up to five (5) of your personnel (if you open only one Deli Kiosk) at no additional charge to you, provided that you or your employees will be responsible for expenses incurred in attending the training, including meals, lodging and transportation (as described in **Item 7**).

For initial training: (i) of your personnel in excess of the five (or 10) representatives noted above; (ii) of any person later employed by you in the position of manager; (iii) for each replacement Operating Partner or Managing Owner; (iv) after your first two Deli Kiosks are opened or (v) if the opening of the Deli Kiosk is moved to a later date and we require you to attend another initial training program, you must pay a training fee at the then-current rate being charged by us to franchisees operating under the System. You are responsible for all costs and expenses like meals, lodging and transportation of the persons attending training.

Initial training programs are offered at various times during the year depending on the number of franchisees entering the System, the number of replacement personnel needing training, the number of new kiosks we open and the timing of scheduled kiosk openings. The initial training program will generally last two weeks. Our trainers are all experienced food kiosk operators who have worked for us or an affiliate or have been a franchisee of us or an affiliate for at least two years. Our initial training and pre-opening training will be conducted by persons who have worked in our corporate office (or one of our affiliates’ corporate offices) for at least six months. The instructor will vary depending on the time, location, and subject matter taught.

The subjects covered, approximate hours of classroom and on the job training, and other information about our initial training program are described below:

#### **TRAINING PROGRAM**

Subject	Hours of classroom (See Note 1)	Hours of On-the-Job (See Note 1)	Location (See Note 2)
Customer Facing Position Training	5 hours	15 hours	Training Facility
Food Preparation Training	5 hours	15 hours	Training Facility
Management	5 hours	15 hours	Training Facility
Food Safety Training	5 hours	15 hours	Training Facility

### Notes:

<sup>1</sup> The time periods allocated to the subjects listed above are approximations, and the time actually spent by

you and your personnel may vary based on the experience and performance of those persons being trained.

<sup>2</sup> All required pre-opening training may be held at one of our Training Facilities and must be completed to our satisfaction at least two weeks (but not more than six weeks) before your Deli Kiosk opens. Our Training Facilities are located throughout the U.S., and the location of the Training Facilities to which you are assigned will vary depending upon the region of the U.S. in which your Deli Kiosk is located and the availability of these facilities in that area.

Instructional materials for the initial training program include the Franchise Manual, standard accounting forms, employee manuals and personnel forms.

We may require your personnel to attend supplemental training programs. We have the right to charge a reasonable fee for these supplemental training programs. You must also pay all expenses you or your personnel incur in any training program, including the cost of travel, lodging, and meals.

In addition to required training programs, we may provide conferences for general managers in a designated area. Attendance at these meetings is voluntary, and you will be responsible for your expenses. We may also hold annual conferences for general managers and quarterly meetings for unit supervisors. Your representatives may attend these meetings, at your expense.

As disclosed in **Item 16**, you may not advertise, promote, post or list information relating to the Deli Kiosk on the Internet (through the creation of a website or otherwise) without our prior written consent.

#### Computer Systems

You shall require your customers to utilize the Host Location's point of sale infrastructure for the purchase of your Deli Products. Pursuant to each Occupancy Agreement, Franchisor shall be given access Franchisee's sales information contained in the Host Location's point of sale infrastructure.



## **ITEM 12** **TERRITORY**

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

### **Franchise Agreement**

The Franchise Agreement grants you the right to operate the Deli Kiosk only at the approved location, which is described in Attachment A to the Franchise Agreement. You may not relocate the Deli Kiosk without first obtaining our written consent. There are no territorial rights or rights to acquire additional franchise locations granted with the Franchise Agreement. There is no requirement that you achieve any specified sales volume or market penetration under the Franchise Agreement. Pursuant to Section 1.2 of the Franchise Agreement, we are permitted to offer and sell (or authorize any person or entity to offer and sell) deli products and other products competitive with the products sold by your Deli Kiosk to the public through any distribution channel in any area. Unless a program for such is developed by us, you are not permitted to make sales of products outside of your Deli Kiosk or to deliver products to customers' homes or place of business. You may advertise and sell your products through the Internet or other marketing channels, but only if first approved by us pursuant to Section 11.5 of the Franchise Agreement.

We do not have any current plans or intentions to sell products similar to the products sold by your Deli Kiosk through another franchise or other business operation other than our current or new franchisees for a Deli Kiosk.

### **ITEM 13**

#### **TRADEMARKS**

The Franchise Agreement grants you the right to use the trademarks, service marks, names, logos, and commercial symbols designated by us (the “**Proprietary Marks**”) only in the manner we authorize and only for the operation of the Deli Kiosk at the location specified in the Franchise Agreement.

We do not have a federal registration or application for our principal trademark for Supreme Deli. Therefore, our trademark does not have any legal benefits and rights as a federally registered trademark or trademark application. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There is no presently effective determination of the United States Patent and Trademark Office (the “**USPTO**”), the trademark trial and appeal board, the trademark administrator of any state or any court, nor any pending infringement, opposition, or cancellation proceeding, nor any pending material litigation involving the Proprietary Marks which is relevant to their ownership, use or licensing.

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

If any infringement of or challenge to your use of the Proprietary Marks or litigation involving the Proprietary Marks is instituted or threatened against you, you must promptly notify us and must cooperate fully in defending or settling the litigation. You and your owners agree that neither you nor they will communicate with any person other than us and our counsel concerning any action, claim or infringement. We will have sole discretion to take action, as we deem appropriate and the right to exclusively control any litigation, USPTO action, or other proceeding involving any infringement, challenge or claims relating to the Proprietary Marks.

We are not obligated by the Franchise Agreement to specifically protect any rights granted to you to use the Proprietary Marks or to protect you against claims of infringement or unfair competition involving them. We are not obligated to participate in your defense and/or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the Proprietary Marks if the proceeding is resolved unfavorably to you.

You may not use any of the Proprietary Marks as part of your corporate or other name. You must also follow our instructions for identifying yourself as a Franchisee and for filing and maintaining your requisite trade name or fictitious name registrations. You must execute any documents we or our counsel determine are necessary or advisable to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability. Neither you nor your owners may take any action that would prejudice or interfere with the validity of our rights with respect to the Proprietary Marks and may not contest the validity of our interest in the Proprietary Marks or assist others to do so.

The license of the Proprietary Marks granted in the Franchise Agreement is non-exclusive to you except for the location of the Deli Kiosk. We have and retain the right, among others:

- (i) To grant other licenses for the Proprietary Marks in addition to those licenses already granted to existing franchisees.
- (ii) To use the Proprietary Marks in selling products and services.
- (iii) To develop and establish other systems using the same or similar Proprietary Marks or any other Proprietary Marks and grant licenses or franchises under those systems without providing you any rights.
- (iv) To develop other marks that may be similar to the Proprietary Marks and exclude those similar marks from the Proprietary Marks, in which case you will have no right to use them.

We reserve the right to substitute different Proprietary Marks for use in identifying the System and

the businesses operating under it if our currently owned Proprietary Marks no longer can be used, or if we, in our sole discretion, determine that substitution of different Proprietary Marks will be beneficial to the System. You will be responsible for all expenses related to the substitution of different Proprietary Marks and must complete the substitution in accordance with the deadlines we reasonably establish.

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

**Patents and Copyrights**

We do not own any registered patents, and do not have any pending patent applications, that are material to the franchise. We do not own any copyrights that are material to the franchise except as described below.

We claim copyright protection in original materials used in the System, including the Manual, menus, training, and advertising and promotional materials used in the System.

There is no presently effective determination of the U.S. Copyright Office (Library of Congress) or any court affecting our copyrights. There is no currently effective agreement that limits our right to use and/or license our copyrights. We are not obligated by the Franchise Agreement, or otherwise, to protect any rights you have to use the copyrights. We have no actual knowledge of any infringements that could materially affect the ownership, use or licensing of the copyrights.

**Confidential Manuals and Other Confidential Information**

You and your owners must at all times treat the Franchise Manual, any other manuals we authorize, and the information contained in those manuals, as confidential. You must not copy, duplicate, record or otherwise reproduce those materials, or make them available to any unauthorized person. The Franchise Manual is solely our property and must at all times be kept in a secure place on the Deli Kiosk premises. We may revise the contents of the Franchise Manual, and you must comply with each new or changed standard. You must at all times ensure that the Franchise Manual is kept current and up-to-date, and, if there is any dispute as to the contents of the Franchise Manual, the terms of the master copy of the Franchise Manual we maintain at our home office will be controlling.

In addition to our manuals, you and your owners must protect our other confidential information. You and your owners may not, during the term of the Franchise Agreement or after their termination or expiration, communicate, divulge, or use for the benefit of any other person or legal entity, any confidential information, drawings, knowledge, or know-how concerning the methods of development or operation of Deli Kiosks which may be communicated to you or them or of which you or they may learn in operating Deli Kiosks under the Franchise Agreement. You and your owners may divulge the confidential information only to those of your employees as must have access to it in order to develop or operate the Deli Kiosks. You shall be responsible for any improper disclosures of such confidential information by your employees. All information, drawings, knowledge, know-how, and techniques used in or related to the Deli Kiosk which we communicate in writing or otherwise to you, including, software licensed or provided by us, the Franchise Manual, recipes, plans and specifications, marketing information and strategies, and site evaluation and selection techniques are confidential for purposes of the Franchise Agreement.

Without limiting any other remedies available to us, if you or your owners fail to comply with the requirements of the Franchise Agreement concerning confidentiality, it will cause us irreparable injury and you and your owners must pay all our court costs and our reasonable attorneys' fees incurred in obtaining specific performance of, or an injunction against any violation of, the requirements of the agreements concerning confidentiality.

## **ITEM 15**

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

If you are operating as a corporation, a partnership or other business entity, when you sign the Franchise Agreement, you must designate an individual Owner to serve as your “**Managing Owner**.”

Your Managing Owner (or Operating Partner (as defined in the Franchise Agreement), as applicable) must (i) own the largest percentage share of ownership in you, but in no event less than 10%, (ii) be authorized by you to bind you in any dealings with us and your authorized distributors, suppliers, and contractors, (iii) be authorized by you to direct any actions necessary to ensure compliance with the Franchise Agreement, and (iv) unless an Operating Partner is appointed, devote his or her full time and best efforts to the operations of the Deli Kiosk with no operational or management commitments to other businesses. Your Managing Owner (or Operating Partner) must also satisfy our training requirements. Except as may be permitted under the Franchise Agreement, the Managing Owner’s interest in you must remain free of any encumbrance (including any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options).

We may require you, your Managing Owner, Operating Partner and your other Owners and officers to sign agreements to be individually bound by certain covenants, including covenants protecting our confidential and proprietary information and/or covenants not to compete. We may, at our sole discretion, require your Managing Owner, Operating Partner, and any other of your Owners to guarantee your performance under the Franchise Agreement, including but not limited to your financial obligations. If a guarantee is not required by us upon execution of the Franchise Agreement, we reserve the right if you are in monetary default under the Franchise Agreement (even if cured), to require any or all of your Owners to sign the Guaranty of Franchise Agreement, in addition to our other rights and remedies under the Franchise Agreement.

You cannot change your Managing Owner or your Operating Partner without our prior written consent.

We have the right to require you to comply with covenants against the use and disclosure of any confidential information and covenants not to compete by your Owners, Operating Partners, managers and any other employees or agents who have received or will receive access to our training or confidential information. All of the required covenants must be substantially in the form of those included in the Franchise Agreement attached hereto as **Exhibit A**.

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

You must use the Deli Kiosk premises solely for the operation of the Deli Kiosk and must keep the Deli Kiosk open and in normal operation for the hours and days we specify in the Manual or otherwise in writing. You must refrain from using or permitting the premises to be used for any other purpose or activity at any time without first obtaining our written consent.

You must meet and maintain the highest applicable health standards and ratings. You must furnish to us, within seven (7) days after receipt, a copy of any inspection report, warning citation, certificate and/or rating which indicates you failed to meet or maintain the highest applicable health or safety standards in operating the Deli Kiosk. If you fail to meet or maintain the health and safety standards or, if there is a public health, safety and/or sanitation emergency involving the Deli Kiosk, then you must temporarily close the Deli Kiosk immediately upon receipt of written notice from us and you shall not re-open the Deli Kiosk until you have (a) cured such health and safety deficiency(-ies) and/or resolved such emergency(-ies) and (b) received written permission from us to re-open the Deli Kiosk.

To ensure that the highest degree of quality and service is maintained, you must operate the Deli Kiosk in strict conformity with the methods, standards, and specifications we require in the Manual, as it is amended in our discretion.

You must purchase all equipment, food inventory, and packaging, labels, utensils and other supplies from us or an approved supplier. You must maintain in sufficient supply, and use and/or sell at all times, only the menu items, ingredients, products, materials, supplies, and paper goods that meet our standards and specifications, and must refrain from deviating from those standards by using or offering non-conforming items, without first obtaining our written consent. You are required to offer or sell only the products and services as have been expressly approved for sale in writing by us; to offer or sell all types of products and services specified by us; to refrain from any deviation from our standards and specifications without first obtaining our written consent; and to discontinue selling and offering for sale any menu items, products, or services which we may, in our discretion, disapprove in writing at any time. We may change the goods and services you are authorized to sell at any time in our discretion, and there are no limits on our right to do so.

You must charge customers the prices we designate for the sale of any products and/or services.

You are required to offer or sell authorized products and services only at the Host Location and to refrain from off-premises sales or catering unless expressly authorized by us in writing.

You are prohibited from installing or permitting to be installed on or about the Deli Kiosk premises, any fixtures, furnishings, equipment, computer software, decor, signs, games, vending machines, or other items not previously approved as meeting our standards and specifications without first obtaining our written consent.

You may only employ advertising materials and promotional activities which conform to the standards and specifications listed in the Franchise Manual or otherwise and which have first been approved by us in writing.

You may not advertise, promote, post or list information relating to the Deli Kiosk on the Internet (through the creation of a website or otherwise), including, but not limited to, social channels such as Facebook, Instagram, Twitter, SnapChat, Tumblr or TikTok without our prior written consent.

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

THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT. YOU SHOULD READ THESE PROVISIONS IN THE FRANCHISE AGREEMENT ATTACHED TO THIS DISCLOSURE DOCUMENT.

**THE FRANCHISE RELATIONSHIP**

Category	Section of Franchise Agreement	Summary
a. Length of the term of the Franchise	2.1	Term will begin on the effective date of your Franchise Agreement and, unless terminated sooner, will expire one year following the effective date (subject to renewal as provided in Section 2.2 of the Franchise Agreement).
b. Renewal or extension of the term	2.2	Unless Franchisor or Franchisee have delivered written notice to the other party of their intent not to renew the Franchise Agreement least 60 days prior to the expiration of the then-current term, the term shall be renewed for an additional one-year term, provided the conditions set forth in subsection c below have been satisfied or waived.
c. Requirements for Franchisee to renew or extend	2.2(a) thru (f)	To remain a Franchisee, you must meet all required conditions at the end of the then-current Term, including signing our then-current form of franchise agreement, which may be materially different from the form attached to this disclosure document, including higher fees and payment of a successor fee. Other conditions are: you must not be in default of any provisions of your Franchise Agreement; you must have satisfied all monetary obligations owed to us or our affiliates; you must execute a general release; and you must comply with our then-current qualification and training requirements.
d. Termination by Franchisee	Not applicable	Not applicable
e. Termination by Franchisor without “cause”	14.9	Franchisor may terminate the Franchise Agreement, upon thirty (30) days’ notice to Franchisee.
f. Termination by Franchisor with “cause”	14.2, 14.3 and 14.4	Each of your obligations and conditions under the Franchise Agreement is a material and essential obligation or condition, the breach or failure of which may result in termination.

Category	Section of Franchise Agreement	Summary
g. <b>“Cause”</b> defined - curable defaults	14.3	If you: abandon the Deli Kiosk unless the Deli Kiosk has been closed for a reason approved in writing by us or due to governmental order or a force majeure event; act or fail to act in a manner that results in a breach of our Occupancy Agreement; lose the right to transact business; engage in conduct that reflects unfavorably on us; fail to comply with your Franchise Agreement, the System, and/or any health, safety, or sanitation law, rule or regulation relating to cleanliness and sanitation, failure to resolve any public health or safety emergency; misuse the Proprietary Marks; enter into a subfranchise or similar agreement or a management or consulting arrangement relating to your Franchise Agreement and/or the Deli Kiosk; fail to pay amounts owed under the Franchise Agreement; fail to open the Deli Kiosk to the general public within 30 days after signing the Franchise Agreement. The ability to cure a default by Franchisee shall be in Franchisor’s sole discretion and to Franchisor’s sole satisfaction.
h. <b>“Cause”</b> defined - defaults which cannot be cured	14.2 and 14.5	If you: become insolvent or make a general assignment for the benefit of creditors; make a transfer in violation of the Franchise Agreement; file a voluntary petition for bankruptcy (or an involuntary petition involving you is filed); are adjudicated bankrupt or insolvent in proceedings filed against you; consent to a bill of equity or other proceeding for the appointment of a receiver or other custodian; have a receiver or other custodian appointed by any court; have proceedings for a composition of creditors instituted; have outstanding judgments against you for over 30 days; are dissolved; have execution levied against your business or property; are sued (or otherwise proceeded against) to foreclose any lien or mortgage against the Deli Kiosk (or equipment therein) and not dismissed within 30 days; have real or personal property of Deli Kiosk sold after levy; are indicted or convicted of a sub franchise crime for which imprisonment is a potential penalty; submit documentation containing any material false/misleading statements or omitting any material facts; violates or deal with anyone who violates any anti-terrorism laws; breach the Franchise Agreement or related agreements; etc.



Category	Section of Franchise Agreement	Summary
i. Franchisee's obligations on termination/non-renewal	15.1	You must immediately: cease operating the Deli Kiosk; cease using the System, the Proprietary Marks, the Manual, and the Confidential Information; return the Manual, Confidential Information, all written materials bearing the Proprietary Marks, and all computer hardware and software which may have been provided or licensed by us; cancel any assumed name or equivalent registration which contains the Proprietary Marks and give us evidence of compliance; and within 10 days after termination pay all amounts owed to us under the Franchise Agreement or otherwise. Within 30 days before and after the expiration or termination of your Franchise Agreement we have the option (but not the obligation) to purchase any or all of the furnishings, fixtures, equipment and signs related to your Deli Kiosk for 50% of their original purchase prices and all usable food inventory purchased from Franchisor that Franchisee has on hand at the Host Location and usable food inventory in transit thereto that has already been paid for by Franchisee for 90% of its original purchase price.
j. Assignment of contract by Franchisor	13.1	We have the right to transfer or assign our interest in the Franchise Agreement to any person or entity without restriction.
k. " <b><u>Transfer</u></b> " by Franchisee – defined	13.2	Transfer includes selling, assigning, transferring, conveying, giving away, pledging, mortgaging or otherwise encumbering any direct or indirect interest in Franchisee, Franchise Agreement, the Deli Kiosk, and/or Proprietary Marks.
l. Franchisor approval of transfer by Franchisee	13.2 and 13.3	You must obtain our written consent before transferring any interest described in <b><u>subsection k</u></b> above. We will not unreasonably withhold our consent.
m. Conditions for Franchisor approval of transfer	13.3	You must: pay all amounts due us or our affiliates; not be in default of your Franchise Agreement; execute a general release; pay a transfer fee; remain liable for pre-transfer obligations. Your proposed transferee must sign a written agreement agreeing to assume all obligations of your Franchise Agreement; meet our criteria for becoming a franchisee; sign our then-current Franchise Agreement; complete our training program; if proposed transferee is an entity, it must show us its compliance with the representations and warranties and covenants in the Franchise Agreement; and satisfy other reasonable conditions that we require.

n. Franchisor's right of first refusal to acquire Franchisee's business	13.6 and Attachment E	Within 30 calendar days after notice, we have the option to purchase the transferred interest on the same terms and conditions.
o. Franchisor's option to purchase Franchisee's business	Not applicable	Not applicable
p. Death or disability of Franchisee	13.7	Upon death or permanent disability of any person with an ownership interest in Franchisee, the franchise must be transferred to someone approved by us within two to three months from such death or within six months after notice to Franchisee regarding such permanent disability.
q. Non-competition covenants during the term of the franchise	16.3(a)	You are prohibited from: diverting or attempting to divert any business or customer to any competitor of SSS or taking any actions that injure or prejudice the Proprietary Marks and System; having any interest in any competitive deli kiosk/restaurant business.
r. Non-competition covenants after the franchise is terminated or expires	16.3(b) and (c)	For a period of two years after the earliest of the termination or expiration of your Franchise Agreement and the transfer of all of your interest in the Franchise Agreement, and for a period of one year after any individual or entity ceases to be a "Franchisee's Owner", you and such individual/entity, as applicable, are prohibited from: diverting or attempting to divert any business or customer to any competitor or taking any actions that injure or prejudice the Proprietary Marks and System; having any interest in any competitive deli kiosk/restaurant business located within the United States.
s. Modification of the agreement	20.1	Except for changes we are permitted to make under your Franchise Agreement, no amendment, change, or variance from the Franchise Agreement will be binding unless mutually agreed to and executed by the parties.
t. Integration/Merger clause	20.1	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be binding. We may not disclaim representations made in the disclosure document.
u. Dispute resolution by arbitration or mediation	21.2	Either party may submit claims or disputes to non-binding mediation; the non-binding mediation will be conducted through either an individual mediator or a mediation service organization. Otherwise, either party may submit their claims or disputes to be resolved in an arbitration proceeding conducted by JAMS (formerly Judicial Arbitration and Mediation Services)

v. Choice of forum	21.3	<p>Unless contrary to applicable state law and subject to the requirement in Section 21.2 of the Franchise Agreement to resolve disputes by arbitration or mediation, the venue for all court proceedings related to the Franchise Agreement is under the jurisdiction of the State Courts of Texas, located in Dallas County, Texas, and the United States Federal District Court for the Northern District of Texas, Dallas Division.</p> <p>In addition to the provisions noted in this chart, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of jury trial, waiver of punitive or exemplary damages, and limitations on when claims may be raised. See Sections 21.7 and 21.8 of the Franchise Agreement. We recommend that you carefully review all of these provisions, and the entire contract, with a lawyer.</p>
w. Choice of law	21.3	<p>Unless contrary to applicable state law, the Franchise Agreement shall be interpreted and construed under Texas law (without regard to Texas choice of law rules). Any State law regarding the offer and sale of franchises, franchise relationships and/or business opportunities will not apply unless the applicable jurisdictional requirements are met.</p>

**ITEM 18**  
**PUBLIC FIGURES**

We currently do not use any public figure to promote the sale of our franchises.

**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) Franchisor provides the actual records of an existing outlet you are considering buying; or (2) 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 outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Franchisor's management by contacting Katie Aung, 14043 Distribution Way, Farmers Branch, TX, 75234, 972-402-9498, the Federal Trade Commission and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Systemwide Outlet Summary as of December 31, 2023**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change (+/-)</b>
Franchised	2022	0	7	0
	2023	7	24	17
Company-Owned	2022	0	1	0
	2023	1	2	1
<b>Total Outlets</b>	2022	0	8	0
	2023	8	26	18

**Transfers of Outlets from Franchisees to New Owners (other than Franchisor) or Other Franchisees as of December 31, 2023**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
<b>Alabama</b>	2022	0
	2023	0
<b>Texas</b>	2022	0
	2023	6
<b>Kentucky</b>	2022	0
	2023	0
<b>Maryland</b>	2022	0
	2023	1
<b>Ohio</b>	2022	0
	2023	0
<b>Pennsylvania</b>	2022	0
	2023	3
<b>Tennessee</b>	2022	0
	2023	2
<b>Total Outlets</b>	2022	0
	2023	12

**Status of Franchisee-Owned Outlets as of December 31, 2023**

State	Year	Outlets at the Start of the Year	Outlets Opened (including Outlets Acquired from Franchisor)	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at the End of the Year
Alabama	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Texas	2022	0	0	0	0	0	0	0
	2023	0	9	0	0	0	0	9
Kentucky	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Ohio	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Pennsylvania	2022	0	2	0	0	0	0	2
	2023	2	8	0	0	0	0	10
Tennessee	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Totals	2022	0	7	0	0	0	0	7
	2023	7	18	0	0	0	1	26

**Status of Company-Owned Outlets as of December 31, 2023**

State	Year	Outlets at the Start of the Year	Outlets Opened (including Outlets Acquired from Franchisees)	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at the End of the Year
Alabama	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Kentucky	2022	0	0	0	0	0	0

	2023	1	0	1	0	1	1
<b>Maryland</b>	2022	0	0	0	0	0	0
	2023	1	0	0	0	0	1
<b>Ohio</b>	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
<b>Pennsylvania</b>	2022	1	0	0	0	0	1
	2023	4	0	2	0	1	3
<b>Tennessee</b>	2022	0	0	0	0	0	0
	2023	1	0	0	1	1	0
<b>Texas</b>	2022	0	0	0	0	0	0
	2023	6	0	5	0	4	2
<b>Totals</b>	2022	1	0	0	0	0	1
	2023	13	0	8	1	7	7

#### **Projected Openings as of December 31, 2023**

<b>State</b>	<b>Franchise Agreements Signed but Outlet Not Opened</b>	<b>Projected New Franchised Outlets in The Next Fiscal Year</b>	<b>Projected New Company-Owned Outlets in the Next Fiscal Year</b>
Alabama	0	1	0
Kentucky	0	1	0
Ohio	0	1	0
Pennsylvania	0	3	0
Tennessee	0	1	0
<b>Total</b>	<b>0</b>	<b>7</b>	<b>0</b>

The names of all current franchisees and the address and telephone number of each of their outlets are listed in **Exhibit E**.

The name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee or independent contractor who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business with Franchisor during the most recently completed fiscal year or who has not communicated with the Franchisor within 10 weeks of the disclosure document issuance date are listed in **Exhibit E**. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. Additionally, if you buy this franchise, your contact information may be disclosed to other buyers while you operate a franchise in the franchise system.

As of the date of this disclosure document, we are not offering to a prospective franchisee any outlets we currently control that were previously owned by a franchisee. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this disclosure document.



During the last three fiscal years, we have no current or former franchisees who have signed provisions restricting their ability to speak openly to you about their experience with our franchise system.

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

Franchisor has not been in business for three (3) fiscal years and cannot include all financial statements generally required by the Federal Trade Commission's Franchise Rule (16 C.F.R. Part 436) for this Item 21. As an alternative for companies that are new to franchising and that do not yet have three (3) years of audited financial statements, see **Exhibit C** audited financial statements for fiscal year 2023 and unaudited financial statements for prior fiscal years.

**ITEM 22**  
**CONTRACTS**

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

1. Franchise Agreement (with attachments) – **Exhibit A**
2. Form of General Release – **Exhibit G**

**ITEM 23**  
**RECEIPTS**

Attached as the last four pages of this disclosure document are duplicate receipts (each receipt is two pages). Please sign and date both Receipts and return one executed copy to us.

**EXHIBIT A to FRANCHISE DISCLOSURE DOCUMENT**

**FRANCHISE AGREEMENT**

**SUPREME SERVICE SOLUTIONS, INC., d/b/a SUPREME DELI  
FRANCHISE AGREEMENT**

---

(Franchisee Address)

---

(Franchisee Name)

---

(Date)

**SUPREME SERVICE SOLUTIONS, INC.**  
**FRANCHISE AGREEMENT**

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\* \* \* \* \*



SUPREME SERVICE SOLUTIONS, INC. D/B/A SUPREME DELI  
FRANCHISE AGREEMENT

This FRANCHISE AGREEMENT (including all Attachments hereto, this “Franchise Agreement”) is entered into between Supreme Service Solutions, Inc. d/b/a/ Supreme Deli, a Texas corporation (“Franchisor”) and \_\_\_\_\_ (“Franchisee” and, together with Franchisor and Franchisee, collectively the “Parties” and individually, each a “Party”) as of \_\_\_\_\_, 202\_\_ (the “Execution Date”). This Franchise Agreement shall be effective as of that certain date set forth on Schedule A hereto (the “Effective Date”), which shall be subsequently agreed to by the Parties.

Recitals

- Franchisor (and/or its owners, affiliates, and subsidiaries), as the result of the expenditure of time, skill, effort and money, has developed and owns a distinctive system (the “System”) relating to the establishment and operation of food kiosks (“Deli Kiosks”) which sell sandwiches, salads, paninis and deli platters and other deli meat and/or cheese products (in such combination as the Franchisor may determine is appropriate) (“Deli Products”).
- Deli Kiosks will be located initially at the premises of upscale third-party supermarkets (the “Hosts”), and potentially other locations in the future (“Host Locations”), that Franchisor intends to source under leases, licenses or other rights to occupy such Host Location (“Occupancy Agreements”) between the Host Location and Franchisor.
- In exchange for the right to locate Deli Kiosks at Host Locations, the Host retains, pursuant to its Occupancy Agreement or other location agreement, a percentage of revenue collected from Deli Kiosk sales (“Host Payments”).
- Franchisees prepare their Deli Products daily with such elements as deli meats, cheeses, vegetables, bread and/or other food (in such combination as Franchisor may determine is appropriate), which customers then purchase through the Host Location’s point of sale (“POS”) infrastructure, either to take with them or to consume at the Host Location’s shared common areas.
- All payments for Deli Products are processed by the Host, which forwards the net amounts therefrom, after withholding for sales tax and retaining its Host Payments, to Franchisor. From the net amounts received from the Host, Franchisor retains the fees and expense reimbursements to which it is entitled under this Franchise Agreement as well as any amounts otherwise due Franchisor from Franchisee for inventory, supplies or otherwise, remitting the remaining amount collected to Franchisee, provided that Franchisor intends to (but shall have sole discretion to decide otherwise) not withhold more than 50% of the amounts it receives in payment from time to time from a Host to apply against any such forgoing amounts owing Franchisor.
- The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, and furnishings; special recipes and menu items; uniform standards, specifications, and procedures for operations; Occupancy Agreements; quality and uniformity of menu items, products and services offered; procedures for inventory, management and financial controls; training and support; safety programs; quality control programs; and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time.
- Franchisor identifies the System by means of certain tradenames, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to Supreme Service Solutions, Supreme Deli and such other tradenames, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor for use in connection with the System (collectively, the “Marks”).

- Franchisor continues to develop and use (and control the use of) the Marks in order to identify for the public the source of Deli Products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance and service.
- Franchisor has established a high reputation and a positive image with the public as to the quality of Deli Products available at Deli Kiosks, which reputation and image have been and continue to be unique benefits to Franchisor and its franchisees.
- Franchisee and Owners (as defined below) understand and acknowledge the importance of Franchisor's high standards of quality, cleanliness, appearance and service and the necessity of operating the business franchised hereunder in conformity with Franchisor's standards and specifications. Attachment C contains a complete list of all owners of any type of interest in Franchisee, showing the type and number of interests owned. If Owners are entities as opposed to natural persons, Franchisee must also set forth on Attachment C the names of the natural persons who own or control such entities. The natural persons who are the ultimate owners of Franchisee, directly or indirectly through any number of affiliated entities, are herein defined as "Owners".
- Franchisee desires to use the System in connection with the operation of a Deli Kiosk at the location specified in Attachment A (the "**Location**"), as well as to receive the training and other assistance provided by Franchisor in connection operating the Deli Kiosk.

**NOW THEREFORE**, with the intent of being legally bound hereby, in consideration of the mutual covenants and promises hereinafter set forth, and other good and valuable consideration, which the Parties acknowledge is sufficient to create a legally binding agreement, the Parties agree as set forth herein.

## **ARTICLE 1** **GRANT OF FRANCHISE**

**Section 1.1 Grant of Franchise.** Subject to this Franchise Agreement, Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, the non-exclusive right and obligation to operate a franchised Deli Kiosk (as specified on Attachment A) in accordance with the System only at the Location using only the Marks at such kiosk (the "Franchised Deli Kiosk"). During the Term (defined below), Franchisee shall use the Location solely for the operation of the Franchised Deli Kiosk in accordance with this Franchise Agreement and for no other purpose and Franchisee shall not relocate the Franchised Deli Kiosk without the express prior written consent of Franchisor. Franchisee must participate in any delivery and/or takeout program designated by Franchisor via any method, platform or system Franchisor may require in accordance with Franchisor's standards and procedures. If Franchisor requires Franchisee to participate in such programs, Franchisee will not be granted an exclusive delivery territory in connection with such programs.

(a) Whether the Host Location for the Franchised Deli Kiosk is sourced by Franchisor or Franchisee and whether the Occupancy Agreement for the Franchised Deli Kiosk is with Franchisor or Franchisee, Franchisee shall strictly comply with the terms of the Occupancy Agreement and assure that there arises no breach thereof and Franchisee and its employees and agents shall comply with the Host's rules, policies and procedures applicable to it at the Host Location of the Franchised Deli Kiosk. If Franchisee is not a party to the Occupancy Agreement, Franchisor will provide a copy of the Occupancy Agreement to Franchisee with Franchisor's trade secrets and other proprietary information redacted.

(b) Franchisee or any of Owners shall not enter into any subfranchise agreement, management agreement, operating agreement, consulting arrangement, subcontracting arrangement, outsourcing arrangement, or any other similar arrangement relating to the rights and obligations of Franchisee hereunder or the management administration or other operation of the Franchised Deli Kiosk. This Franchise Agreement (including the rights, obligations, duties, and benefits hereunder) is intended solely for the Parties hereto, and no other person or entity shall have any rights, obligations, duties, and benefits under this Franchise

Agreement.

(c) Franchisee agrees this Franchise Agreement is strictly limited to the non-exclusive right and obligation to operate a franchised Deli Kiosk at the Location in accordance with this Franchise Agreement and does not grant any right to develop and/or operate any other Deli Kiosk.

**Section 1.2 No Territorial Rights.** Franchisee agrees that this Franchise Agreement does not grant any territorial rights, radius restrictions, minimum population requirements, and/or any other requirements which would govern and/or restrict where another Deli Kiosk may open and operate. Franchisor (on its behalf and on behalf of any other entity which it may acquire, or be acquired by, or otherwise is or becomes affiliated with) retains all rights not expressly granted in this Franchise Agreement.

(a) Franchisee agrees that Franchisor may establish, develop, construct, open, and operate Deli Kiosks at any location other than the Location (either directly or through a franchise, licensing, joint venture, or any other arrangement).

(b) Franchisor (including its affiliates, partners, and/or authorized representatives) may, at any time, advertise or promote the System and fulfill customer orders in any area, including the areas where the Location is located.

(c) Franchisor may offer and sell (or authorize any person or entity to offer and sell) goods and services displaying the Marks or other tradenames and trademarks (e.g., prepackaged food and beverage items, T-shirts and other memorabilia) to the public through any distribution channel in any area and Franchisee acknowledges such goods or services may be similar to those offered by the Franchised Deli Kiosk.

(d) Franchisor reserves the right to develop and establish other tradenames, service marks, trademarks, logos, emblems and indicia of origin which may be similar to, or different from, the Marks (collectively, the "Other Marks"). The Other Marks shall be separate and distinct from the Marks referenced in this Franchise Agreement; therefore, (i) Franchisee shall have no rights to the Other Marks, and (ii) Franchisor (on its own behalf and on behalf of any other entity which it may acquire, or be acquired by, or otherwise is or becomes affiliated with) reserves the right to establish, develop, construct, open, and operate kiosks, other food service operations and other businesses, including a food delivery business, under the Other Marks at any location, including in the area of the Location (either directly or through a franchise, licensing, joint venture or any other arrangement). The Other Marks may include, without limitation, brand extensions or related brands of Deli Kiosks such as counter-service kiosks, quick-service kiosks or other such kiosks, and the Other Marks may include such kiosks operating under a similar tradename.

(e) Franchisee releases and shall hold harmless (i) Franchisor and its owners, subsidiaries, affiliates, developers, lawyers, accountants, and other professional advisers, representatives, servants, independent contractors and agents, and (ii) the respective owners, subsidiaries, affiliates, lawyers, accountants, and other professional advisers, representatives, servants, independent contractors and agents of each of the foregoing, and the respective successors and assigns of any of those described in the preceding clauses (i) and (ii) (collectively, the "Franchisor Parties"), from any and all Damages (as defined in Section 17) which Franchisee may claim to have arising out of, or related to, the exercise by Franchisor or any other Franchisor Party of the rights reserved to Franchisor under this Section 1.2, including, without limitation, any claim related to an alleged cannibalization of Gross Sales (defined in Section 4.2(c)) and any claim related to the right to establish, develop, construct, open, and operate Deli Kiosks and other kiosks or food service operations, and other businesses under the Other Marks at any location (either directly or through a franchise, licensing, joint venture, or any other arrangement).

## **ARTICLE 2**

### **TERM AND SUCCESSOR FRANCHISE AGREEMENT**

**Section 2.1 Term.** Unless sooner terminated in accordance with this Franchise Agreement, the "Term"

of this Franchise Agreement shall be one (1) year, commence on the Effective Date, and renew in accordance with Section 2.2 below. Notwithstanding the foregoing, Franchisor may terminate this Agreement upon 30 days' notice to Franchisee, for any reason or no reason pursuant to Section 14.9 of this Agreement.

**Section 2.2 Renewal and Successor Franchise Agreement.** Unless Franchisee or Franchisor deliver written notice to the other party of its intent not to renew this Franchise Agreement at least sixty (60) days prior to the end of the then-current Term (the "Renewal Notice Date"), the Term shall automatically renew for an additional one-year Term so long as the following conditions precedent are satisfied prior to the end of the then-current Term; provided, however, that any or all of such conditions may be waived by Franchisor at its option

(a) As of the Renewal Notice Date and the date of the expiration of the then current Term, Franchisee shall not be in default of any provision of this Franchise Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its subsidiaries and affiliates; and Franchisee shall have substantially complied with all the terms and conditions of such agreements during the terms thereof.

(b) As of the Renewal Notice Date and as of the expiration of this Franchise Agreement, Franchisee shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its subsidiaries and affiliates and shall have timely met those obligations throughout the Term of this Franchise Agreement.

(c) If applicable, Franchisee and Owners shall execute the Successor Franchise Agreement (defined as the then-current form of franchise agreement in use by Franchisor), which agreement shall supersede this Franchise Agreement in all respects as of the date such Successor Franchise Agreement is effective, and the terms of which may substantially differ from the terms of this Franchise Agreement, including, without limitation, the Franchisee Earnings (as defined below) and percentage payment due as advertising fees.

(d) Upon each renewal of the Term, Franchisee shall pay a renewal fee between \$500 and \$6,500.

(e) Franchisee and each Owner shall execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor Parties.

(f) Franchisee shall comply with Franchisor's then-current qualification and operations training requirements.

### **ARTICLE 3** **TRAINING AND OPENING REQUIREMENTS**

**Section 3.1 Initial Training.** In connection with the opening of a Franchised Deli Kiosk, Franchisor shall provide (on such dates and at such locations as determined by Franchisor) an initial operational training program for Franchisee's Managing Owner and Operating Partner (as defined in Section 7.2(b)) and up to five (5) of Franchisee's other personnel per Franchised Deli Kiosk, and Franchisee agrees that such personnel must complete such operational training program to Franchisor's satisfaction prior to opening of each such Franchised Deli Kiosk (the "Initial Training").

(a) If the Managing Owner has completed the Initial Training and he or she will be opening a second or more Franchised Deli Kiosk(s), then Franchisor may, at its option, require such Managing Owner to receive additional training together with the Operating Partner and up to five (5) additional personnel who will be working at the Franchised Deli Kiosk(s).

(b) Any person subsequently employed by Franchisee in a management position at a Franchised Deli Kiosk and each subsequent Managing Owner and Operating Partner, if any, shall attend and complete, to Franchisor's satisfaction, the Initial Training and, in such event, Franchisee shall pay to Franchisor

a training fee of \$5,000 per each subsequent Managing Owner and Operating Partner requiring training, and Franchisee shall also be solely responsible for all expenses incurred by its training personnel, including airfare costs, rental car costs and other travel costs, lodging costs, meals and food costs, and other similar costs (such expenses collectively referred to herein as “Reimbursable Expenses”) incurred by Franchisor in connection with its personnel providing such training.

**Section 3.2 Other Assistance.** Franchisor may, at its option, provide such continuing advisory assistance to Franchisee in the operation of the Franchised Deli Kiosk, as Franchisor deems advisable.

(a) Franchisor may make available, from time to time, research data and other materials relating to merchandising, marketing, and advertising.

(b) Franchisor may, from time-to-time and at its option, provide to Franchisee advice and written materials concerning techniques of managing and operating the Franchised Deli Kiosk, including, without limitation, information regarding new developments and improvements in kiosk equipment, food products, packaging and preparation.

(c) Franchisor may, from time-to-time and its option, advance inventory and supplies to Franchisee on commercially reasonable terms and deduct any such due and owing indebtedness, interest, late fees, or any other costs or expenses incurred by Franchisor in connection with such arrangement from Franchisee’s share of the revenue of the Deli Kiosk.

**Section 3.3 Supplemental Training.** In addition to the Initial Training, Franchisor reserves the right to require Franchisee, Managing Owner, Operating Partner and other personnel at the Franchised Deli Kiosk to attend supplemental training courses, including via online compliance modules and at the Franchised Deli Kiosk, at times and locations determined by Franchisor and all Reimbursable Expenses associated with such supplemental training shall be Franchisee’s responsibility. Franchisor reserves the right to charge a fee to Franchisee for such supplemental training courses and training materials.

**Section 3.4 Opening Requirements.** In connection with the opening of the Franchised Deli Kiosk, Franchisee shall conduct, at Franchisee’s expense, such promotional and advertising activities as Franchisor may require. Franchisee agrees that Franchisor, in its reasonable business judgment, may require that the Franchised Deli Kiosk be supported, in whole or in part, by an opening crew composed of trained representatives of Franchisor before and after the date of opening of the Franchised Deli Kiosk. Franchisee’s management team shall be at the Franchised Deli Kiosk prior to the Franchised Deli Kiosk opening as directed by Franchisor (for a period not to exceed two weeks prior to opening) and no opening crew shall be furnished by Franchisor until Franchisor’s representative approves the Franchised Deli Kiosk as ready for training. Franchisee further agrees to reimburse Franchisor for all reasonable Reimbursable Expenses incurred in providing such opening crew for the Franchised Deli Kiosk.

**Section 3.5 Authorization to Open.** Prior to opening the Franchised Deli Kiosk for business, Franchisee shall comply with all opening requirements set forth in this Franchise Agreement, the Franchise Manual (as defined below), and/or elsewhere in writing by Franchisor. Franchisee shall not, in any event, open the Franchised Deli Kiosk to the public for business until Franchisee has received authorization to open from Franchisor.

**Section 3.6 Release by Franchisee.**

(a) Franchisor assumes all cost, liability, expense and responsibility for locating, obtaining, and developing the Franchised Deli Kiosk and for constructing and equipping (other than small utensils which Franchisee shall procure) the Franchised Deli Kiosk. Franchisee acknowledges that Franchisor’s selection of a prospective site does not constitute a representation, promise, warranty, or guarantee by Franchisor that the Franchised Deli Kiosk will be profitable or otherwise successful. Franchisee releases

Franchisor and shall hold Franchisor Parties harmless from any and all Damages (as defined in Section 17.5 herein) which may arise from Franchisor's locating, obtaining, and developing the Franchised Deli Kiosk and for equipping the Franchised Deli Kiosk.

(b) Franchisee releases Franchisor and shall hold Franchisor Parties harmless from any and all Damages which may arise from Franchisee's operation of the Franchised Deli Kiosk.

## **ARTICLE 4**

### **FEES AND PAYMENTS**

**Section 4.1 Initial Franchise Fee; Management Fee; Order Processing Fee.** Franchisee shall pay to Franchisor an Initial Franchise Fee (as defined and set forth on Attachment C), which may be an amount up to \$50,000 on the Execution Date. Notwithstanding anything herein to the contrary, within ninety (90) days following the Execution Date, Franchisor shall be entitled to retain up to fifty percent (50%) of the Initial Franchise Fee if Franchisee fails to (i) agree to an Effective Date with Franchisor within such 90-day period, or (ii) begin operations of the Deli Kiosk on the Effective Date due to Franchisee's acts or omissions; provided; however, that Franchisor shall return the entire Initial Franchise Fee to Franchisee if within ninety (90) days following the Execution Date, Franchisor fails to agree to an Effective Date with Franchisee within such 90-day period or the Deli Kiosk cannot begin operations prior to the 90th day following the Execution Date solely due to Franchisor's acts or omissions or the acts or omissions the Host Location, including any such acts or omissions by the Host Location as a result of state and federal laws and regulations. In the event the Produce Kiosk cannot begin operations prior to the 90th day following the Execution Date solely due to Franchisor's acts or omissions or the acts or omissions the Host Location, the return of the Initial Franchise Fee shall be Franchisee's sole remedy for any Damages incurred by the Franchisee. The right of Franchisor to retain up to fifty percent (50%) of the Initial Franchise Fee shall be in addition to any other fees, rights and remedies available to Franchisor for Franchisee's early termination under Section 14.4 of this Agreement. Upon payment, subject to the foregoing rebate, the Initial Franchise Fee shall be deemed fully earned and nonrefundable in consideration for administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise others. In consideration for the ongoing administrative, advisory, inspection and other expenses of Franchisor, for each Franchised Deli Kiosk, Franchisee shall pay to Franchisor a biweekly management fee in an amount equal to the greater of \$200 or 1% of the prior biweekly period's Gross Sales of such Franchised Deli Kiosk (the "Management Fee"), unless such fee is otherwise set forth on the signature page hereto. The Management Fee shall be paid on or before the Monday of the next biweekly period, subject to the Revenue Processing Period (as herein defined). Franchisee may request to order certain inventory or supplies through accounts maintained by Franchisor. For each such order, Franchisor may charge a processing fee of \$50 in such event.

### **Section 4.2 Franchise Earnings and Definition of Gross Sales.**

(a) **Franchisee Earnings.** During the Term (and in consideration of Franchisee's operation of the Franchised Deli Kiosk in accordance with the terms of this Franchise Agreement), Franchisor shall pay to Franchisee a continuing biweekly fee in an amount equal to \_\_\_\_% of Gross Sales, as defined below (the "Franchisee Earnings"). Franchisor can deduct biweekly any and all amounts owed to it by Franchisee from any Franchisee Earnings it owes to Franchisee; provided, however, that Franchisor intends (but shall have sole discretion to decide otherwise) to not deduct more than 50% biweekly of the amount received from the Host to apply against amounts owed to Franchisor by Franchisee. Franchisee promises to repay all remaining amounts owing to Franchisor in the event the amount withheld from the Franchisee Earnings is insufficient to repay all amounts owing to Franchisor at such time.

(b) **Franchisee Payment and Reporting Date.** The Host will provide Franchisor with a biweekly Gross Sales report in arrears. Franchisor is paid directly by the Host according to the Gross Sales report, the first of which may not be received until four to six (4-6) weeks after the commencement of operations at a particular Host Location. Accordingly, and subject to Franchisor's receipt of the Host's initial Gross Sales

report and payment by the Host to Franchisor of all amounts due to Franchisor related to such Gross Sales report, Franchisor will begin paying the Franchisee Earnings, less any required fees or amounts payable by the Franchisee to the Franchisor, no later than six (6) weeks after the Deli Kiosk begins operating (the "Revenue Processing Period") for the first biweekly period of its operations and thereafter will continue to pay the Franchisee Earnings, less any required fees or amounts payable by the Franchisee to the Franchisor, to Franchisee biweekly for the subsequent biweekly periods completed, subject to Franchisor's receipt of the Host's Gross Sales report for the applicable biweekly period and payment by the Host to Franchisor of all amounts due to Franchisor related to such Gross Sales report. Franchisor shall not be held liable for any delayed payments of Franchisee Earnings to the Franchisee that are a result of any delay by the Host to timely deliver the Gross Sales report and amounts due thereunder to Franchisor.

(c) **Underpayment; Overpayment.** In the event Franchisee determines the amount of Franchisee Earnings remitted by Franchisor is incorrect as a result of an underpayment of such Franchisee Earnings, Franchisee shall promptly deliver written notice of such underpayment to Franchisor. Franchisor shall have thirty (30) days to review its books and records and the Gross Sales report delivered by the Host after the date Franchisor receives the written notice from Franchisee under this Section 4.2(c), by which thirty (30) day period Franchisor shall either deliver a written report, along with sufficient documentation, that such Franchisee Earnings were accurate or deliver the additional amount of Franchisee Earnings to resolve the underpayment. In the event of underpayment, Franchisor shall not be deemed to be in breach of this Agreement prior to receiving the written notice from Franchisee regarding the underpayment or during the thirty (30) day review period provided under this Section 4.2(c). In the event Franchisor determines that it has overpaid any amount of Franchisee Earnings to Franchisee, Franchisor shall deliver a written notice to Franchisee containing sufficient details and accompanying documentation to demonstrate the overpayment. Franchisor shall be permitted to offset any such overpayment against the next payment of Franchisee Earnings due and payable to the Franchisee.

(d) **Gross Sales.** The term "Gross Sales" shall include the total amount of revenue collected from the sale of all goods or services provided by and/or from the Franchised Deli Kiosk and all other income of every kind and nature related to the Franchised Deli Kiosk (including, without limitation, the full value of on-premise sales, whether for cash or credit and with no deductions or exclusions whatsoever), except (i) federal, state, or municipal sales taxes collected by Host or Franchisee from customers and paid by Host to the appropriate taxing authority and (ii) any refunds, returns or credit card chargebacks.

**Section 4.3 Other Payments.** Any payments required to be paid by Franchisee to Franchisor under this Franchise Agreement must be received by Franchisor within ten (10) days of Franchisee's receipt of any billing statement or invoice therefor, and shall be paid to Franchisor at:

Supreme Service Solutions, Inc.  
14043 Distribution Way  
Farmers Branch, TX, 75234

**Section 4.4 Late Charge and Interest on Late Payments.** Any payment not actually received by Franchisor on or before the date on which such payment is due shall be deemed as late. To compensate Franchisor for the increased administrative expense of handling late payments, Franchisor has the right to charge a late charge for each delinquent payment, in the amount of five percent (5%) of the amount due, which late charge is due upon making the delinquent payment. In addition to such late charge, Franchisee shall pay Franchisor interest on such late payment from the date it was due until paid at the lesser of (a) eighteen percent (18%) per annum and (b) the maximum rate permitted by applicable law. Entitlement to such interest shall be in addition to any other remedies Franchisor may have. Franchisee agrees this section does not constitute Franchisor's agreement to accept payments after they are due or a commitment by Franchisor to extend credit to Franchisee or otherwise finance the operation of the Franchised Deli Kiosk.

**Section 4.5 Application of Payments/No Refunds/No Offset.** Regardless of any designation by Franchisee, Franchisor has the right to apply any payments by Franchisee to any of Franchisee's past due

indebtedness, interest, late fees, or any other indebtedness or amounts owed to Franchisor. Except as expressly set forth in this Agreement, under no circumstances will any amounts paid or payable to Franchisor be refunded by Franchisor for any reason. Franchisee shall not withhold, retain, deduct, credit, and/or offset any amounts which may be owed by Franchisor to Franchisee against any amounts due from Franchisor to Franchisee.

**Section 4.6 Method of Payments Through Hosts.** For Deli Kiosks at Host Locations where Products are paid for by the Franchised Deli Kiosk's customers through the Host's POS infrastructure (the "Host POS Method"), Franchisee shall not receive direct payments from customers for such sales. Instead, customer payments are made directly to the Host. Franchisee further acknowledges and agrees that all sales will be made through cash registers and/or payment systems of the Host and that Franchisee shall not make any sales through any other cash registers or payment systems.

(a) Under the Host POS Method, the Host shall retain from the Franchised Deli Kiosk its Host Payments. The Host Location and the Occupancy Agreement shall be sourced and negotiated exclusively by Franchisor. The Host Payments shall be established from time-to-time through negotiation directly and exclusively between Franchisor or Franchisor's affiliate and Host, may vary from Deli Kiosk to Deli Kiosk and may fluctuate during the term of this Franchise Agreement. In no event shall Franchisee or Owners or their respective employees or agents have any negotiations or other communications with any Host as to any Occupancy Agreement terms or Host Payments. If a Host shall initiate any such communications with Franchisee, Franchisee shall promptly direct them to Franchisor and fully inform Franchisor of such communications.

(b) Upon the Host remitting to Franchisor the Gross Sales from the Franchised Deli Kiosk at the Host Location less the Host Payment, Franchisor shall first retain all amounts owed to it by Franchisee under this Agreement before paying the Franchisee Earnings, subject to the intended 50% cap on retained funds described in Section 4.2(a) of this Agreement.

(c) Franchisor does not guaranty the payment due from Franchisor to Franchisee, and Franchisor shall have no obligation to pay Franchisee until Franchisor first receives remittance of Gross Sales less the Host Payment from the Host.

**Section 4.7 Method of Payments Not Through Hosts.** Franchisor shall have the right to unilaterally modify the payment structure provided for in Section 4.6 at any time. In the event Franchisor payment arrangements are modified such that customer payments are made directly to the Franchised Deli Kiosk, all amounts not owed to Franchisee pursuant to this Franchise Agreement shall be paid to and received by Franchisor (or any third party so designated by Franchisor) on or before the date such amount is due. All such payments must be made by wire transfer, ACH, electronic payment or other mechanism as designated from time to time by Franchisor, and each payment shall be accompanied by the electronic, digital or other reports as specified by Franchisor. Franchisee shall not withhold, retain, deduct, credit, and/or offset any amounts which may be owed by any Franchisor Party to Franchisee (and/or its affiliates or subsidiaries) against any amounts due from Franchisee to Franchisor.

**Section 4.8 Payment by Pre-Authorized Bank Transfer.** Franchisee agrees to execute and complete the Authorization Agreement in Attachment D, and/or such other documents as Franchisor may require from time to time, to authorize and direct Franchisee's bank or financial institution to pay and deposit directly to Franchisor's account, and to charge to Franchisee's account, the amount of the NAP Fee (defined in Section 11.2(a) below) and other amounts due and payable to Franchisor by Franchisee pursuant to this Franchise Agreement. Franchisee's authorizations will permit Franchisor to initiate debit entries and/or credit correction entries to Franchisor's account for the amount of such fees and other amounts then payable to Franchisor from Franchisee. Franchisee agrees to maintain, at all times during the term of this Agreement, a balance in Franchisee's account at Franchisee's bank or financial institution sufficient to allow the appropriate amount to be debited from Franchisee's account for payment of such fees and other amounts payable by Franchisee for deposit in Franchisor's account.



**Section 4.9 Taxes Generally.** Franchisee shall promptly pay when due all taxes, duties, and/or fees levied or assessed (including, without limitation, gross receipts taxes, franchise taxes, sales taxes, withholding taxes, value added taxes, and/or any similar taxes or fees) and all accounts and other indebtedness of every kind incurred by Franchisee under this Franchise Agreement (collectively, “Taxes”). In the event of any bona fide dispute as to Franchisee’s liability for Taxes, Franchisee may contest the validity or the amount of such Taxes in accordance with procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against this Franchise Agreement, the Franchised Deli Kiosk, and/or Location (or any improvements thereon).

(a) All payments made by Franchisee to Franchisor under this Franchise Agreement shall be paid in U.S. Dollars and, except as otherwise provided in this Agreement, shall be paid by Franchisee to Franchisor without any retention, deduction, credit, and/or offset for any Taxes.

(b) Any Taxes imposed upon or with respect to this Franchise Agreement or any materials, supplies or specifications acquired by or provided to Franchisee pursuant to or in connection with this Franchise Agreement shall be paid by Franchisee.

(c) In the event Franchisor is required under applicable law or otherwise elects (all as determined by Franchisor in its sole discretion) to pay any Taxes to the appropriate taxing authority(ies) which govern the Location subject to this Franchise Agreement, then Franchisee shall immediately pay to Franchisor an amount equal to any amount(s) so paid by Franchisor to such taxing authority(ies).

(d) Franchisee consents to the electronic delivery of all tax forms for which Franchisor is required or elects to deliver to Franchisee.

**Section 4.10 Texas Margin Tax.** For purposes of the Texas Margin Tax, Franchisor’s performance of the services specified in this Franchise Agreement will cause it to conduct part of the active trade or business of Franchisee in connection with collecting cash payable to Franchisee, and the compensation specified herein includes both the payment of fees to Franchisor and the reimbursement of specified costs incurred in Franchisor’s conduct of the active trade or business of Franchisee. Franchisor and Franchisee intend Franchisor to be, and shall treat Franchisor as, a “management company” within the meaning of Section 171.0001(11) of the Texas Tax Code. Franchisee and Franchisor will apply Sections 171.1011(m-1) and 171.1013(f)-(g) of the Texas Tax Code to Franchisor’s reimbursements paid to it pursuant to this Franchise Agreement of specified costs and wages and compensation. Franchisor and Franchisee further recognize and intend that (i) as a result of the relationship created by this Franchise Agreement, reimbursements paid to Franchisor pursuant to this Franchise Agreement are “flow-through funds” that Franchisor is mandated by law or fiduciary duty to distribute, within the meaning of Section 171.1011(f) of the Texas Tax Code, and (ii) as a result of Franchisor’s contractual duties under this Franchise Agreement, certain reimbursements hereunder and payments to Franchisee are “flow-through funds” mandated by contract to be distributed within the meaning of Section 171.1011(g) of the Texas Tax Code.

## **ARTICLE 5**

### **FRANCHISOR’S FRANCHISE MANUAL, PUBLIC RELATIONS, AND CRISIS COMMUNICATIONS**

**Section 5.1 Franchise Manual.** The term “Franchise Manual” means the then-current manuals, policies, specifications, standards, checklists, evaluation forms, spreadsheets, guides, recipes, handbooks, documents, and other information designated by Franchisor from time-to-time regarding the System and Deli Kiosks. The Franchise Manual is part of the System and may be updated, modified, and/or revised by Franchisor from time-to-time in its sole discretion. The Franchise Manual also includes such other manuals, policies, specifications, standards, guides, documents, and other information as may be designated by Franchisor in the future with respect to Deli Kiosks. The Franchise Manual also includes certain information with respect to fees

and penalties which may be levied against the Franchisee for violations or breaches of the Franchise Manual and/or this Agreement, including, without limitation, failure of the Franchisee to maintain consistent ordering practices with respect to Products and unapproved or non-conforming Products. The Franchise Manual, including such fee and penalty information, is hereby incorporated into this Agreement by reference.

(a) During the Term, Franchisee shall remain in strict conformity with the System and the Franchise Manual and Franchisee shall also operate the Franchised Deli Kiosk in strict conformity with the System and Franchise Manual in accordance with Section 7.1.

(b) Franchisor has the right, at its option, to furnish the Franchise Manual to Franchisee in the form of paper copies, electronic copies, on computer diskette or CD-Rom, or electronic copies accessed through the Internet, designated website(s), or other media. Franchisor may update, modify, and/or revise such website from time-to-time in its sole discretion.

(c) Franchisor has the right to update, modify, and/or revise the System and/or the Franchise Manual in the future to reflect changes to Deli Kiosks and changes in the System, image, specifications, standards, procedures, approved products, and other items. In such event, Franchisee shall thereafter comply with the System and/or Franchise Manual, as updated, modified, and/or revised.

**Section 5.2 Franchisee's Use of Franchise Manual.** With respect to Franchisee's use of the Franchise Manual, Franchisee agrees that:

(a) Franchisee and Owners shall at all times treat the Franchise Manual (including the information therein) as confidential, and shall use all reasonable efforts to maintain the confidentiality of such manuals (and the information therein).

(b) Franchisee and Owners shall not at any time copy, duplicate, record or otherwise reproduce the Franchise Manual, in whole or in part, nor otherwise make the same available to any unauthorized person.

(c) The Franchise Manual shall at all times remain the sole property of Franchisor.

(d) Franchisor may from time to time supplement and/or modify the Franchise Manual and Franchisee expressly agrees that such supplements and/or modifications shall be effective upon receipt and Franchisee shall promptly comply with all such supplements and/or modifications.

(e) To the extent that Franchisee maintains a hardcopy(ies) of the Franchise Manual (or any portion thereof), Franchisee shall at all times maintain the Franchise Manual in a secure place at the Franchised Deli Kiosk and shall ensure the Franchise Manual is kept current and up-to-date. In the event of any dispute as to the contents of the Franchise Manual, the terms of the master version of the Franchise Manual maintained by Franchisor on Franchisor's website referenced above or at Franchisor's home office shall control.

(f) If applicable and if Franchisee's copy of the Franchise Manual is lost, destroyed or significantly damaged, Franchisee will immediately notify Franchisor and will be obligated to obtain from Franchisor a replacement copy of the Franchise Manual for a replacement fee of \$2,000.

**Section 5.3 Public Relations and Crisis Communications.** Franchisee agrees that:

(a) In the event a public relations matter or health or safety crisis arises, Franchisee must immediately inform Franchisor of the matter or crisis and Franchisor reserves the right (but shall not be obligated) to direct and control any and all crisis communications on behalf of Franchisee and the Franchised Deli Kiosk. Franchisee shall also alert Franchisor to any potential crisis situation which Franchisee reasonably believes may be developing.

(b) Franchisee may retain its own local public relations firm for its day-to-day public relations needs and must inform Franchisor of the firm's identity.

(c) Franchisee shall not distribute any press release to the media without the prior written consent of Franchisor, in its sole discretion.

(d) Unless otherwise required by applicable law or when truthfully conveying Franchisee's experience as a franchisee of Franchisor, Franchisee shall not make any disparaging, defamatory or negative remarks regarding Franchisor, its affiliates, or any of its or their products, vendors, suppliers, services or personnel to any person or entity (including the Host Location).

## **ARTICLE 6**

### **FRANCHISEE'S REPRESENTATIONS AND CERTAIN COVENANTS**

**Section 6.1 Franchisee's Representations.** Franchisee represents, warrants and covenants as set forth below.

(a) If Franchisee is a corporation, limited liability company, or partnership, then Franchisee is duly organized and validly existing under the law of its state of formation.

(b) If Franchisee is a corporation, limited liability company, or partnership, then 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 corporate charter, articles or certificate of incorporation, articles or certificate of organization, shareholder agreements, limited liability company agreement, written partnership agreement, bylaws and/or other organizational documents ("Organizational Documents") shall at all times provide that the activities of Franchisee are confined exclusively to operating the Franchised Deli Kiosk unless otherwise consented to by Franchisor in writing.

(d) The execution of this Franchise Agreement and the performance of Franchisee's obligations hereunder have been duly authorized by Franchisee and are within Franchisee's corporate power and permitted under Franchisee's Organizational Documents.

(e) If Franchisee is an entity, then Franchisee has delivered to Franchisor copies of all of Franchisee's constating documentation, whether Organizational Documents or resolutions of the board of directors, board of managers, managing members or general partners authorizing entry into and performance of this Franchise Agreement, other governing documents and any amendments thereto.

(f) Attachment C contains a complete list of all Owners. Franchisee shall maintain a current list of Owners and such list shall be certified by the Managing Owner and furnished to Franchisor upon Franchisor's request. In the event the list of Owners changes, Franchisee shall promptly execute an addendum to Attachment C to ensure the information contained in Attachment C complies with this Franchise Agreement.

(g) If Franchisee is an entity, Franchisee shall maintain stop-transfer instructions against the transfer on its records of any equity securities of Franchisee and each certificate, if any, representing equity ownership of the entity shall have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Franchise Agreement and its applicable constating document shall provide that ownership of an interest in Franchisee is held subject to all restrictions imposed upon assignments by this Franchise Agreement.

(h) If any director (or person serving in a similar capacity for a non-corporate entity) or officer of Franchisee shall cease to serve as such or any individual shall be elected or appointed as a director or officer of Franchisee subsequent to the execution of this Franchise Agreement, then Franchisee shall provide Franchisor with notice thereof within ten (10) days subsequent to such change. In the event such newly-elected officer or director is a “Managing Owner” or “Operating Partner” (as defined in Section 7.2(b)), then Franchisee shall cause such newly- elected director or officer to comply with the relevant portions of this Franchise Agreement.

(i) At the sole discretion of Franchisor, Franchisor may require the Managing Owner, Operating Partner, and any other Owner to execute the Guaranty in the form set forth on Attachment G upon execution of this Franchise Agreement. If no Guaranty is executed with this Franchise Agreement, in the event of a monetary default under this Franchise Agreement (even if such monetary default is cured), Franchisor reserves the right to require the Managing Owner any other Owner to sign the Guaranty in the form set forth on Attachment G, in addition to Franchisor’s other rights and remedies hereunder.

(j) Franchisee acknowledges and agrees that the representations, warranties and covenants set forth in this Section 6.1 are continuing obligations of Franchisee and that any failure to comply or failure of compliance with such representations, warranties and covenants shall constitute a material event of default under Article 14 pursuant to which Franchisor may terminate this Franchise Agreement in addition to such other rights and remedies available to Franchisor hereunder. Franchisee shall cooperate with Franchisor in any efforts made by Franchisor to verify Franchisee’s compliance with such representations, warranties and covenants.

**Section 6.2 Background Information.** Franchisee agrees to promptly provide information regarding Franchisee, Managing Owner, Operating Partner, Owners, and other senior level individuals associated with Franchisee and/or the Franchised Deli Kiosk as Franchisor may request from time-to-time for the purpose of conducting background checks and security clearances. Franchisee shall fully cooperate with Franchisor in respect of any requirements of law that are implicated by Franchisor’s right to obtain background checks hereunder, including, without limitation, any consents or approvals from the subjects of such background checks as may be required by applicable law.

## **ARTICLE 7**

### **OPERATION OF THE FRANCHISED DELI KIOSK**

**Section 7.1 Operation of the Franchised Deli Kiosk.** During the Term, Franchisee shall operate the Franchised Deli Kiosk in a first-class manner and in strict conformity with the System and the Franchise Manual (and such other required methods, standards and specifications as Franchisor may from time to time prescribe in the Franchise Manual or otherwise) which Franchisee acknowledges exist to protect the System and the Marks. In the event of an update, modification, and/or revision to the System and/or Franchise Manual, Franchisee shall thereafter comply with the System and/or Franchise Manual, as updated, modified, and/or revised. Franchisee acknowledges that every detail of the Franchised Deli Kiosk is important to Franchisee, Franchisor, and other franchisees in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all franchisees, and to protect Franchisor’s reputation and goodwill. Furthermore, Franchisee agrees:

(a) To purchase all equipment, food inventory, and packaging, labels, utensils and other supplies in accordance with the Franchise Manual and maintain in sufficient supply, and to use and/or sell at all times, only such equipment, food inventory, and packaging, labels, utensils and other supplies (collectively, “**Products**”) that conform with Franchisor’s standards and specifications, and to refrain from deviating therefrom, including by the use or offer of non-conforming items, without Franchisor’s prior written consent. Franchisee may, in accordance with the Franchise Manual, be required to purchase a produce slicing machine and additional cutting tools at an approximate cost of \$5,500.00. Franchisee shall label all products for sales tracking processing using a label machine approved by Franchisor. Franchisor shall make such label machines available to Franchisee at a cost of \$100 per month.

(b) To sell or offer for sale only such Products and services as have been expressly approved for sale in writing by Franchisor; to sell or offer for sale all Products and services specified by Franchisor; to refrain from any deviation from Franchisor's standards and specifications without Franchisor's prior written consent; and to discontinue selling and offering for sale any menu items, Products or services which Franchisor may, in its discretion, disapprove in writing at any time.

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

(d) To purchase and install, at Franchisee's expense, all fixtures, furnishings, equipment, computer software and hardware, decor and signs as Franchisor may direct from time to time in the Franchise Manual or otherwise in writing; and to refrain from installing or permitting to be installed on or about the Franchised Deli Kiosk premises, without Franchisor's prior written consent, any fixtures, furnishings, equipment, computer software and hardware, decor, signs, games, vending machines or other items not previously approved by Franchisor as meeting Franchisor's standards and specifications, including those standards and specifications in the Franchise Manual.

(e) To sell or offer for sale Products and services only at the Franchised Deli Kiosk (or Products to be delivered from the Franchised Deli Kiosk) and to refrain from off-premises sales or catering unless expressly authorized by Franchisor in writing.

(f) If the Franchised Deli Kiosk accepts direct customer payments (rather than under the Host POS Method), to permit Franchisor to poll Franchisee's point-of-sale and other related computer systems (regardless of location at the Franchised Deli Kiosk, Franchisee's offices, or other locations) for the purpose of compiling data regarding Gross Sales and other relevant data.

(g) Provide food production and food safety logs to Franchisor each Monday and, if requested by Franchisor, other relevant data related to the Franchised Deli Kiosk in a file format and export method reasonably established by Franchisor, at Franchisee's sole cost.

(h) Franchisee acknowledges that Franchisor may implement new and/or supplemental programs and/or procedures from time-to-time and in its sole discretion (e.g., food-and- kiosk safety programs, operational improvement procedures, nutrition information programs, etc.) as an integral part of the System and Franchisee shall be required to participate in (and comply with) such programs and/or procedures established by Franchisor. Franchisee acknowledges it may be responsible for the payment of certain costs associated with such programs and/or procedures. Franchisor reserves the right to establish (and set forth the terms and conditions of) such programs and procedures through a modification and/or revision to the System and/or Franchise Manual and, in such event, Franchisee shall thereafter comply with the System and/or Franchise Manual, as modified and/or revised.

## **Section 7.2 Managing Owner and Operating Partner.**

(a) Managing Owner. Franchisee shall designate and retain an individual to serve as the "Managing Owner" of the Franchised Deli Kiosk. The Managing Owner (i) shall be deemed as a "Franchisee's Owner" hereunder and must have the largest share of unencumbered equity ownership in Franchisee, but not less than ten percent (10%), (ii) must be authorized by Franchisee to bind Franchisee in any dealings with Franchisor

and authorized distributors, suppliers, and contractors of Franchisee, (iii) must be authorized by Franchisee to direct any actions necessary to ensure compliance with the Franchise Agreement, and (iv) must devote his full time and best efforts to the satisfaction of Franchisee's obligations under this Franchise Agreement and the daily operations of the Franchised Deli Kiosk. Except as may otherwise be provided in this Franchise Agreement, the Managing Owner's interest in Franchisee shall be and shall remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. Franchisee has not taken and agrees that it will not hereafter take, whether directly or indirectly, any action to avoid the authority requirements of the Managing Owner through the entry of limiting board resolutions, management agreements, amendment of Organizational Documents or any other similar device or arrangement. Franchisee agrees to furnish Franchisor with such evidence as Franchisor may request from time to time for the purpose of assuring Franchisor that the Managing Owner's authority remains as represented herein.

(b) **Operating Partner.** If the Managing Owner does not intend to devote his full time and best efforts to the daily operation of the Franchised Deli Kiosk, then Franchisee must also designate an individual "Operating Partner", who must be approved by Franchisor. The Operating Partner (i) shall be deemed as a "Franchisee's Owner" hereunder and must be authorized by Franchisee to bind Franchisee in any dealings with Franchisor and authorized distributors, suppliers, and contractors of Franchisee, (ii) must be authorized by Franchisee to direct any actions necessary to ensure compliance with the Franchise Agreement, and (iii) must devote his full time and best efforts to the satisfaction of Franchisee's obligations under this Franchise Agreement and the daily operations of the Franchised Deli Kiosk with no operational or management commitments to other businesses. The Operating Partner must live within a 50-mile radius of the Franchised Deli Kiosk. Except as may otherwise be provided in this Franchise Agreement, the Operating Partner's interest in Franchisee, if any, shall be and shall remain free of any pledge, mortgage, hypothecation, lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options.

(c) **Change of Managing Owner or Operating Partner.** Franchisee shall not change the Managing Owner and/or Operating Partner without the prior written consent of Franchisor. Any sale, transfer or assignment of the Managing Owner's interest in Franchisee, or any portion thereof, shall be subject to the restrictions on transfer described in Article 13 and any failure to comply with such requirements shall be deemed a material event of default by Franchisee under Article 14. Any sale, transfer or assignment of the Operating Partner's interest in Franchisee, if any, or any portion thereof, shall be subject to the restrictions on transfer described in Article 13 and any failure to comply with such requirements shall be deemed a material event of default by Franchisee under Article 14.

**Section 7.3 Hours of Operation.** Franchisee shall keep the Franchised Deli Kiosk open and in normal operation for such hours and days as Franchisor may from time-to-time specify in the Franchise Manual or as Franchisor may otherwise reasonably request or approve in writing.

**Section 7.4 Personnel and Staffing.** Franchisee shall staff the Franchised Deli Kiosk in accordance with the Franchise Manual and Franchisee agrees to maintain a competent, conscientious, and fully-trained staff at the work space and/or Franchised Deli Kiosk including at least two fully-trained, full-time employees, including at least one fully-trained, full-time manager (unless otherwise agreed to in writing by Franchisor). At all times the Franchised Deli Kiosk is to be open for business, the Franchised Deli Kiosk shall be staffed by one manager and at least one additional employee of Franchisee. Franchisee agrees to take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such dress code as Franchisor may prescribe from time to time. Franchisee also acknowledges and agrees that Franchisor may require Franchisee to maintain "above-kiosk" supervision (e.g., area director(s), regional director(s), etc.) and, in such event, Franchisee shall ensure that such personnel are fully-trained in accordance with the Franchise Manual. Franchisee alone is responsible for hiring, firing, line-training, disciplining, setting hours for and otherwise supervising all employees. As between Franchisor and Franchisee, Franchisee is solely responsible for the safety and well-being of Franchisee's employees and the customers of the Franchised Deli Kiosk. Any evaluation or inspection Franchisor conducts is not intended to exercise, and does not constitute, control over Franchisee's day-to-day operation of the Franchised Deli Kiosk or to assume any responsibility for Franchisee's

obligations under this Franchise Agreement. No employee of Franchisee will be deemed to be an employee of Franchisor for any purpose whatsoever, and nothing in any aspect of the System or the Marks in any way shifts any employee or employment related responsibility from Franchisee to Franchisor. Franchisee will defend, indemnify, and hold Franchisor and each other Franchisor Party harmless from and against all claims arising out of or relating to (a) any employee of Franchisee being deemed or purported to be deemed to be an employee of Franchisor and (b) any event, allegation or finding that for any purpose whatsoever, or in any way shifts any employee or employment related responsibility from Franchisee to Franchisor.

**Section 7.5 Health and Safety Standards.** Franchisee shall, at all times, operate the Franchised Deli Kiosk in accordance with (i) the highest health, safety, and sanitation standards under applicable law and (ii) the highest health, safety, and sanitation standards as set forth in the Franchise Manual. Franchisee shall furnish to Franchisor, within seven (7) days after receipt thereof, a copy of any inspection report, warning, citation, certificate and/or rating which indicates Franchisee's satisfaction of or failure to meet or maintain the highest health, safety, and/or sanitation standards in the operation of the Franchised Deli Kiosk.

(a) **Temporary Closure of Franchised Deli Kiosk.** In the event Franchisee violates the terms of Section 7.5, then (in addition to Franchisor's other rights and remedies hereunder) Franchisee shall temporarily close the Franchised Deli Kiosk immediately upon receipt of written notice from Franchisor and Franchisee shall not re-open the Franchised Deli Kiosk until Franchisee has cured such violation(s) of Section 7.5 and received written permission from Franchisor to re-open the Franchised Deli Kiosk.

(b) **Public Health and/or Safety Emergency.** In the event of a public health, safety, and/or sanitation emergency involving the Franchised Deli Kiosk, then (in addition to Franchisor's other rights and remedies hereunder) Franchisee shall temporarily close the Franchised Deli Kiosk immediately upon Franchisee becoming aware thereof (and in any event not later than immediately upon receipt of written notice to do so from Franchisor) and Franchisee shall not re-open the Franchised Deli Kiosk until such emergency has been resolved and Franchisee has received written permission from Franchisor to re-open the Franchised Deli Kiosk.

**Section 7.6 Approved Suppliers.** Franchisee shall purchase all Products used or offered for sale at the Franchised Deli Kiosk solely from Franchisor or as otherwise required by Franchisor, the Franchise Manual and this Franchise Agreement and, to the extent any Products are permitted to be purchased from others, they shall be purchased by Franchisee from suppliers (including manufacturers, distributors and other sources) who (i) demonstrate, to the continuing satisfaction of Franchisor, the ability to meet Franchisor's then-current standards and specifications for such items; (ii) possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; (iii) have been approved in writing by Franchisor prior to any purchases by Franchisee from any such supplier; and (iv) have not thereafter been disapproved.

(a) If Franchisee desires to purchase any products from an unapproved supplier, Franchisee shall submit to Franchisor a prior written request to Franchisor for such approval, or shall request the supplier itself to do so. Franchisee shall not purchase from any supplier unless and until such supplier has been approved in writing by Franchisor. Franchisee acknowledges it will be required to secure such supplier's signature to such agreements as Franchisor may require, including, without limitation, a confidentiality agreement acceptable to Franchisor, as conditions precedent to any approval by Franchisor. Franchisee agrees that its failure to comply with this Section 7.6(a) will result in an assessment of a non-compliance fee equal to 150% of the Franchisee's cost of the products if such products had been purchased from an approved supplier or Franchisor. In the event Franchisee repeatedly fails to place sufficient orders of Product from an approved supplier and/or Franchisor consistent with Franchisee's prior weekly sales, Franchisor shall be entitled to automatically order on Franchisee's behalf and deliver to Franchisee, at Franchisee's sole cost, the amount of Products necessary for Franchisee to meet demands, calculated according to Franchisee's prior weekly sales. Any such ordering and delivering of Products on behalf of Franchisee shall be charged to Franchisee at a cost of up to 150% of the cost for the Products so ordered and delivered.

(b) Franchisor shall have the right to require that its representatives be permitted to inspect

any Product supplier's facilities at any time, and that samples from any such supplier be delivered, at any time, either to Franchisor or to an independent laboratory designated by Franchisor for testing. A charge, not to exceed the cost of the inspection and the test, shall be paid by Franchisee, though without limiting Franchisee's liability therefor, Franchisee may require reimbursement from or direct payment by the supplier.

(c) Franchisor reserves the right, at its option, to re-inspect from time to time the facilities and products of any previously-approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Franchisor's then-current criteria. Nothing in the foregoing shall be construed to require Franchisor to approve any particular supplier (such determination to be made by Franchisor in its sole discretion).

(d) Franchisee shall timely fulfill all financial obligations it owes to any supplier. In the event Franchisee fails to timely pay any supplier, Franchisor may, in its sole discretion, make such payment on Franchisee's behalf and charge to Franchisee, together with a \$50 administrative fee, all costs and expenses incurred by Franchisor in making such payment.

**Section 7.7 Proprietary Products.** Franchisee acknowledges and agrees that Franchisor has developed, and after the Effective Date may develop certain Deli Products which are made from highly confidential secret recipes and which are trade secrets of Franchisor (the "Proprietary Products"). Because of the importance of quality and uniformity of production and the significance of the Proprietary Products to the System, it is to the mutual benefit of the Parties that Franchisor closely controls the production and distribution of the Proprietary Products. Accordingly, Franchisee agrees to only use Proprietary Products in the Franchised Deli Kiosk which have been purchased from Franchisor or from a source designated by Franchisor, unless otherwise permitted in writing by Franchisor.

**Section 7.8 Maintenance of the Franchised Deli Kiosk.** Franchisee shall clean and maintain the Franchised Deli Kiosk in a first-class manner and condition and Franchisee shall report to Franchisor any repairs to the Franchised Deli Kiosk as may be required to maintain the Franchised Deli Kiosk in a first-class manner and condition. All repairs, replacements, additions, and modifications to the Franchised Deli Kiosk shall require Franchisor's prior written consent.

**Section 7.9 Current Image.** Upon Franchisor's request, Franchisee shall, at its sole cost and expense, make all improvements and alterations that Franchisor may determine to be necessary for the Franchised Deli Kiosk to conform with the then-current image of Deli Kiosks as required by the System or as prescribed by Franchisor from time-to-time (the "Current Image"). Franchisee shall, at its expense, undertake and complete such improvements and alterations within reasonable times specified by Franchisor.

**Section 7.10 Remodeling and/or Redecorating of Franchised Deli Kiosk.** Franchisee acknowledges Franchisor's right to make changes in the Current Image, as it reasonably deems appropriate; and Franchisor has the right to require Franchisee to make specific changes to the Franchised Deli Kiosk from time-to-time to conform with the Current Image, and Franchisee must cooperate as needed to allow for such changes.

**Section 7.11 Inspection by Franchisor.** Franchisee shall grant Franchisor and its agents, including representatives of the Host, the right to enter the Franchised Deli Kiosk at any time for the purpose of conducting inspections of the Franchised Deli Kiosk and Franchisee shall cooperate with Franchisor and its agents in such inspections by rendering such assistance as they may reasonably request. Upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Franchise Agreement, Franchisee shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection, including, but not limited to, correcting any use of unauthorized Products or unauthorized Product substitutions. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right and authority (without, however, any obligation to do so), to correct such deficiencies and to charge Franchisee a reasonable fee and reimbursement for Franchisor's expenses in so acting, payable by Franchisee immediately upon demand by Franchisor. Franchisor reserves the right to institute



policies and procedures regarding such inspection in the Franchise Manual, including without limitation, fees for failure to timely comply with such policies and procedures. Franchisor and its agents, including representatives of the Host operating under the authority of the Host, shall have the right to dispose of any unauthorized Products and Products that do not conform to the requirements set forth in the Franchise Manual. Neither Franchisor nor the Host shall have any responsibility for replacing any unauthorized or non-conforming Products. Neither Franchisor nor the Host shall be required to attempt to resell the unauthorized or non-conforming Products or otherwise mitigate any losses the Franchisee may sustain as a result of the disposal of the unauthorized or non-conforming Products.

**Section 7.12 Mandatory Sanitation and Food Safety Program.** Franchisor reserves the right to require Franchisee's participation in a sanitation and food safety program relating to the Franchised Deli Kiosk (including periodic inspections and evaluations of the Franchised Deli Kiosk) in accordance with such rules, terms, and conditions as Franchisor deems advisable. Franchisor reserves the right to incorporate the rules, terms, and conditions of such program into the Franchise Manual and to supplement such rules, terms, and conditions from time-to-time through modifications to the Franchise Manual. Franchisee shall, at all times, operate the Franchised Deli Kiosk in accordance with the rules, terms, and conditions of such mandatory sanitation and food safety program. Franchisee acknowledges Franchisee may be responsible for some (or all) costs of such program as it applies to the Franchised Deli Kiosk.

**Section 7.13 Prices at Franchised Deli Kiosk.** Subject to this Franchise Agreement, Franchisor shall determine the prices of Products or services offered at the Franchised Deli Kiosk as permitted by applicable law. To the fullest extent permitted by applicable law, Franchisor reserves the right to establish maximum, minimum or other pricing requirements with respect to the prices Franchisee may charge for menu items, Products or services offered at the Franchised Deli Kiosk.

**Section 7.14 Compliance with Laws and Industry Standards.** Franchisee shall operate the Franchised Deli Kiosk in compliance with all federal, state and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Deli Kiosk, including, without limitation, business licenses, certificates of occupancy, liquor licenses, fictitious name registrations, sales tax permits and fire permits. Franchisee shall be solely responsible for any fines, costs, or penalties related to the foregoing matters.

(a) Franchisee shall notify Franchisor in writing within five (5) days of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency, or other governmental instrumentality related to any of the matters referenced in this Section 7.14 or which may adversely affect the Franchised Deli Kiosk.

(b) Franchisee shall, at its sole cost, comply (i) with rules and regulations promulgated by industry groups, trade associations and similar non-governmental (and/or quasi-governmental) organizations as Franchisor shall require and/or (ii) rules and regulations promulgated by Franchisor which are reasonably consistent with rules and regulations promulgated by such industry groups, trade associations and similar non-governmental (and/or quasi-governmental) organizations.

(c) Franchisor and Franchisee acknowledge and agree that protection of customer privacy and credit card information is necessary to protect the goodwill of businesses operating under the Marks and System. Accordingly, Franchisee agrees that it will cause the Franchised Deli Kiosk to meet or exceed, at all times, all applicable security standards developed by the Payment Card Industry Data Security Standards (PCI DSS) council, or its successor, and other regulations and industry standards applicable to the protection of customer privacy and credit card information, including but not limited to the Fair and Accurate Credit Transaction Act (FACTA) and all other successor or additional laws, and all other data security requirements Franchisor may prescribe. Franchisee is solely responsible for educating itself as to these regulations and standards and for achieving and maintaining applicable compliance certifications. Franchisee will defend, indemnify and hold Franchisor and each other Franchisor Party harmless from and against all claims arising out

of or relating to Franchisee's violation of this Section 7.14.

**Section 7.15 Supplemental Marketing Programs.** Franchisee acknowledges that (i) supplemental marketing programs (e.g., limited time offers, gift cards, gift certificates, coupons, loyalty programs, customer relationship management and other supplemental marketing programs) are an integral part of the System and (ii) Franchisee shall be required to participate in (and comply with) such supplemental marketing programs, if any, established by Franchisor from time-to-time. Franchisee acknowledges it may be responsible for the payment of certain costs associated with these supplemental marketing programs. Franchisor reserves the right to establish (and set forth the terms and conditions of) such supplemental marketing programs through (i) a supplement and/or modification to the Franchise Manual or (ii) a standard supplemental marketing program agreement which Franchisee agrees to sign, if requested by Franchisor. Franchisee acknowledges that Franchisor may from time to time institute a gift card program and Franchisee shall be required to participate in (and comply with the terms and conditions of) Franchisor's gift card policy as amended or modified by Franchisor from time-to-time.

## **ARTICLE 8** **MARKS**

**Section 8.1 Franchisee's Use of the Marks.** With respect to Franchisee's licensed use of the Marks pursuant to this Franchise Agreement, Franchisee agrees that:

- (a) Franchisee shall use only the Marks designated by Franchisor and then only in the manner authorized by Franchisor or otherwise with the prior written consent of Franchisor.
- (b) Franchisee shall use the Marks only at the Franchised Deli Kiosk or in advertising for the Franchised Deli Kiosk (unless otherwise previously authorized by Franchisor in writing).
- (c) Franchisee shall cause all advertising materials, promotional materials, signs, banners, decorations, paper goods (including disposable food containers, napkins, menus, forms and stationery) and other items designated by Franchisor used in connection with the Franchised Deli Kiosk to display the Marks in the form, color, location and manner prescribed and approved in writing by Franchisor.
- (d) Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Franchised Deli Kiosk only under the Marks Franchisor has authorized Franchisee to use, without prefix or suffix.
- (e) During the Term of this Franchise Agreement, Franchisee shall identify itself as the owner of the Franchised Deli Kiosk and an independent franchisee in conjunction with any use of the Marks, including, but not limited to, uses on invoices, order forms, receipts and contracts, as well as the display of a notice in such content and form and at such conspicuous locations at the Franchised Deli Kiosk as Franchisor may designate in writing.
- (f) Franchisee's right to use the Marks is limited to such uses as are authorized under this Franchise Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights.
- (g) Franchisee shall not use the Marks to incur any obligation or indebtedness on behalf of Franchisor.
- (h) Franchisee shall not use the Marks (or any derivative or portion thereof) as part of its corporate or other legal name.

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

In the event of any infringement of or challenge to Franchisee's use of the Marks or litigation involving the Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor and shall cooperate fully in defending or settling such litigation. Franchisee and Owners agree that they will not communicate with any person other than Franchisor and Franchisor's counsel in connection with any such action, claim or infringement. Franchisor shall have sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation, United States Patent and Trademark Office action or other proceeding arising out of any infringement, challenge or claims relating to the Marks.

**Section 8.2 Limitations on Franchisee's Use of Marks.** With respect to Franchisee's licensed use of the Marks pursuant to this Franchise Agreement, Franchisee agrees that:

(a) Franchisor is the owner or licensee of all right, title and interest in and to the Marks and the goodwill associated with and symbolized by them.

(b) The Marks are valid and serve to identify the System and those who are authorized to operate under the System.

(c) Franchisee shall not directly or indirectly contest the validity or Franchisor's ownership of the Marks.

(d) Franchisee's use of the Marks pursuant to this Franchise Agreement does not give Franchisee any ownership interest or other interest in or to the Marks, except the license granted by this Franchise Agreement.

(e) Any and all goodwill arising from Franchisee's use of the Marks and the System under this Franchise Agreement shall inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Franchise Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Marks.

(f) The right and license of the Marks granted hereunder to Franchisee is non-exclusive, and Franchisor thus has and retains the rights, among others:

(i) To use the Marks itself in connection with selling menu items, Products and services;

(ii) To grant other licenses for the Marks, in addition to those licenses already granted to existing franchisees;

(iii) To develop and establish other systems using the same or similar Marks, or other Marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee; and

(iv) To develop and establish the Other Marks and exclude the Other Marks from the Marks.

(g) Franchisee's use of the Marks pursuant to this Franchise Agreement does not give Franchisee any interest in or right to use the Other Marks.

**Section 8.3 Substitutions to Marks.** Franchisor reserves the right to substitute different Marks for use in identifying the System and the business operating thereunder if Franchisor's currently owned Marks no longer can be used, or if Franchisor, in its sole discretion, determines that substitution of different Marks will be beneficial to the System. In such event, Franchisee shall be responsible for all expenses related to the substitution of different Marks at Franchisee's Deli Kiosk.

## **ARTICLE 9** **CONFIDENTIAL INFORMATION**

**Section 9.1 Confidential Information.** Franchisee and Owners shall not, during the term of this Franchise Agreement and for a period of five (5) years thereafter, communicate, divulge or use for the benefit of any other person, partnership, association, or corporation any information, trade secrets, knowledge, or know-how concerning the Marks, System, Franchise Manual and methods of development and operation of the Franchised Deli Kiosk, including without limitation software licensed or provided by the Company, recipes, training materials, construction plans and specifications, marketing information and strategies, and site evaluation and selection techniques (collectively, the "Confidential Information"). The foregoing items shall be deemed as Confidential Information regardless of whether such items are disclosed to Franchisee under a "confidentiality notice" and whether spoken, written, printed, electronic, or in any other form or medium.

**Section 9.2 Use and Disclosure.** Franchisee and Owners (i) shall disclose Confidential Information only to such of Franchisee's employees as must have access to it in order to operate the Franchised Deli Kiosk, (ii) shall not copy, duplicate, record, or otherwise reproduce the Confidential Information, in whole or in part, nor otherwise make the same available to any unauthorized person, and (iii) shall be solely responsible to ensure that Franchisee's managers, employees, agents, and independent contractors having access to Confidential Information comply with this Article 9 and do not communicate, divulge or use Confidential Information in violation of this Article 9.

**Section 9.3 Confidentiality Agreement.** In addition to Franchisee's obligations under Section 9.1, Franchisor may require that Franchisee cause Owners and any of Franchisee's or Owners' respective managers, employees, agents or independent contractors having access to Confidential Information to execute a Confidentiality Agreement in the form contained in Attachment B.

**Section 9.4 Breach of Confidentiality.** Franchisee acknowledges that any failure to comply with the requirements of this Article 9 shall constitute a material event of default under Article 14 and will cause Franchisor irreparable injury. Therefore (and in addition to any remedies under Article 14 or applicable law), Franchisor may obtain specific performance of, or an injunction against violation of, the requirements of this Article 9 without being required to post bond and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Article 9.

**Section 9.5 Franchisee's Access to Confidential Information and Other Information.** In addition to Confidential Information, Franchisor may, from time-to-time and at Franchisor's sole option, elect (i) to grant Franchisee access to certain database(s), web-based information programs, and other software, and/or (ii) to make other information related to the Franchised Deli Kiosk available to Franchisee and Franchisee agrees to promptly comply, at Franchisee's sole cost, with all rules and requirements imposed by Franchisor in connection therewith (including, without limitation, implementing required security measures, updating and restricting Franchisee's personnel access lists, and other requirements).

**Section 9.6 Survival.** The terms of this Article 9 shall survive the termination, expiration, or any transfer of this Franchise Agreement. Franchisee shall pay to Franchisor all Damages, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Franchise Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Article 9.

## **ARTICLE 10**

### **ACCOUNTING AND RECORDS**

**Section 10.1 Proof of Financial Ability.** Prior to executing this Agreement, Franchisee must provide to Franchisor evidence (e.g., bank statements and/or financial statements) demonstrating its financial ability to pay all costs of purchasing and operating the Franchised Deli Kiosk through the Revenue Processing Period and thereafter.

**Section 10.2 Other Financial Statements.** At least thirty (30) days prior to the beginning of each fiscal year during the Term, Franchisee shall prepare and submit to Franchisor a complete operating budget for the Franchised Deli Kiosk in a form prescribed by Franchisor from time to time.

**Section 10.3 Certification.** Each statement and report referenced in Sections 10.1 and 10.2 shall be signed by Franchisee and the Managing Owner attesting that it is true, complete and accurate.

#### **Section 10.4 Audit Rights.**

(a) **Franchisor's Audit Rights.** Franchisor or its designated agents shall have the right at all reasonable times to request, inspect, audit and copy, at Franchisor's expense, the books, records, financial statements, tax returns, and other information, in any medium whatsoever, of Franchisee and any affiliates and/or parent company(ies) involved in the operation of the Franchised Deli Kiosk in order to determine the amount of Franchisee's sales at the Franchised Deli Kiosk as well as other results of operations.

(b) **Franchisee's Audit Rights.** Franchisee or its designated agents shall have the right once per each 12-month period commencing on the Effective Date and each renewal date of the Term at all reasonable times to request, inspect, audit, and copy, at Franchisee's expense, the books, records, financial statements, tax returns and other information, in any medium whatsoever, of Franchisor only to the extent necessary to verify the Gross Sales realized by the Franchised Deli Kiosk and that the amounts paid to Franchisee are in compliance with this Agreement.

(c) **Audit Results.** If any such inspection or audit referenced above should reveal that any amounts have been overpaid or underpaid, then the Party that either accepted the overpayment or underpaid the other Party shall immediately pay to the other Party the amount that was overpaid or underpaid upon demand, in addition to interest from the date such amount was due until paid, at the rate of eight percent (8%) per annum, or the maximum rate permitted by applicable law, whichever is less. The foregoing remedy shall be in addition to any other remedies a Party may have under this Franchise Agreement.

## **ARTICLE 11**

### **ADVERTISING**

**Section 11.1 Advertising Programs.** Franchisee shall participate in any National Advertising Program of Franchisor ("NAP") as directed by Franchisor and Franchisee agrees that such direction may be changed by Franchisor from time-to-time during the Term. Franchisee may engage in local advertising which complies with the requirements set forth on Attachment E; however, all such advertising shall be subject to Franchisor's prior written approval.

**Section 11.2 National Advertising Program.** In the event Franchisor requires Franchisee to participate in a NAP, then Franchisee shall comply with this Section 11.2.

(a) On or before the tenth (10<sup>th</sup>) day of each calendar month, Franchisee shall pay to Franchisor a continuing monthly advertising fee in an amount up to or equal to 1% of Gross Sales (the "NAP Fee"). The NAP Fee shall be determined by Franchisor in its sole discretion from time-to-time during the Term, but shall not exceed 1% of Gross Sales.

(b) The NAP shall be organized, governed, and operated in accordance with written guidelines prepared and approved in advance by Franchisor (the “NAP Guidelines”) and Franchisor shall be responsible for maintaining and administering advertising programs in accordance with the NAP Guidelines. No advertising or promotional plans or materials may be used by the NAP or furnished to its members without the prior written consent of Franchisor. Further, Franchisor shall direct all advertising and production programs in the NAP and Franchisor shall have sole responsibility for all advertising, marketing, and/or promotional materials used in connection with the NAP all as determined by Franchisor in its sole discretion.

(c) The NAP Fee shall be used exclusively by Franchisor in connection with any and all costs incurred in connection with the NAP including, without limitation, (i) maintaining, directing, and preparing advertising materials such as the preparation and coordination of television, digital (email, sms (text messages), search, display, video, social), radio, print, direct mail, outdoor billboard advertising, marketing surveys and other public relations activities; (ii) the employment of advertising agencies to assist in the NAP; (iii) the preparation and distribution of promotional brochures and other marketing materials in connection with the NAP; (iv) the cost of developing and maintaining any website(s) related to the NAP; (v) reasonable administrative costs and overhead incurred by Franchisor in activities reasonably related to the administration or direction of the NAP; and (vi) such other items as may be set forth in the NAP Guidelines.

**Section 11.3 Administration of Advertising Programs.** Franchisor reasonably anticipates that the NAP Fee shall be expended for advertising and/or promotional purposes as described herein during Franchisor’s fiscal year within which such fees are received. In the event excess amounts remain in such advertising program at the end of such fiscal year, then all expenditures in the following fiscal year(s) shall be made first out of accumulated fees from previous years and then from fees collected during the current year.

(d) The NAP is operated as a conduit for the collection and expenditure of advertising fees for the purposes stated herein. An unaudited statement of the operations of the National Advertising Fund shall be prepared annually by Franchisor and shall be made available to Franchisee upon Franchisee’s request.

(e) Franchisor reserves the right to terminate the NAP; provided that such program shall not be terminated until all monies in the program has been expended for advertising and/or promotional purposes or other appropriate arrangements have been made with respect to such monies.

**Section 11.4 Advertising Standards and Approval.** All advertising and promotion by Franchisee in any medium shall be conducted in a dignified manner and shall conform to the standards and requirements of Franchisor as set forth in the Franchise Manual or otherwise. Franchisee shall obtain Franchisor’s prior written consent to all advertising and promotional plans and materials that Franchisee desires to use which have not been prepared or previously approved by Franchisor within one (1) year prior to the date of use by Franchisee.

(a) Franchisee shall not use any advertising, marketing, and/or promotional materials in connection with the Franchised Deli Kiosk unless such materials have been approved by Franchisor in writing. Franchisee shall submit any unapproved advertising, marketing and/or promotional materials to Franchisor (by personal delivery or through the mail, return receipt requested), and Franchisor shall use reasonable efforts to approve or disapprove such materials within fourteen (14) days from the date of receipt thereof by Franchisor. Franchisee shall use no such materials until they have been approved by Franchisor and shall promptly discontinue use of any advertising, marketing and/or promotional materials upon notice from Franchisor.

(b) This Section 11.4 shall apply in all respects to the distribution and display of advertising, marketing, and/or promotional materials in any medium (including, without limitation, print, radio, television, and the display or use by Franchisee of advertising and promotional materials and the Marks on the Internet).

**Section 11.5 Internet and Electronic Commerce.** Franchisee shall not advertise the Franchised Deli

Kiosk over the Internet (or any other form of electronic commerce and/or electronic media) without Franchisor's prior written consent. Franchisee shall not use the Marks over the Internet (or any other form of electronic commerce and/or electronic media) without Franchisor's prior written consent. Franchisee shall not develop, create, establish, and/or use any website or other electronic media which uses and/or creates any association with the System and/or the Marks (including any abbreviation, acronym, phonetic variation or visual variation).

(a) All domain names using, and/or creating any association with, the System and/or the Marks (including any abbreviation, acronym, phonetic variation, or visual variation) shall be registered in Franchisor's name. Franchisor may grant to Franchisee a non-exclusive license to use domain name(s) selected by Franchisor for Franchisee's use in accordance with this Franchise Agreement. Franchisee shall not register any domain name in any class or category that uses or creates any association with the System and/or Marks (including any abbreviation, acronym, phonetic variation or visual variation) without Franchisor's prior written consent.

(b) Franchisee agrees that any consent by Franchisor to develop, create, establish, advertise, register and/or use any of the Marks over the Internet (or any other form of electronic commerce and/or electronic media) shall be subject to certain conditions including, without limitation, requirements as to form, content and appearance; requirement of a hypertext link to Franchisor's website(s); prohibitions on hypertext links to third-party websites; and other requirements, restrictions and prohibitions deemed necessary by Franchisor.

(c) On termination or expiration of this Franchise Agreement or in the event Franchisee fails to comply with this Section 11.5, Franchisor shall have the right (in addition to Franchisor's other rights and remedies hereunder) to revoke its consent to Franchisee's development, creation, establishment, advertisement, registration and/or use any of the Marks over the Internet or any other form of electronic commerce and/or electronic media (including, without limitation, website(s) and domain names) and, in such event, Franchisee shall immediately cease all such activities and shall immediately take all actions reasonably required to disassociate Franchisee from all such activities.

**Section 11.6 Copyrights.** Franchisee acknowledges that Franchisor or its affiliates own the worldwide copyright and other ownership rights to the Franchise Manual, and all components of the System that are written, electronic and/or magnetic media subject to copyright (collectively, the "Copyright Materials"). Franchisee acknowledges and agrees that it may only make modifications to the Copyright Materials upon receiving the prior written consent of Franchisor and that any such modifications shall be and remain the property of Franchisor. Franchisee agrees to use proper copyright and other proprietary notices in connection with all Copyright Materials or translations, modifications or adaptations of the Copyright Materials and conform to Franchisor's standards for protecting its rights. Franchisee agrees to promptly cause the execution of any assignments, waivers of rights, or other documents, and take any further actions needed or advisable to ensure that Franchisor has such copyright and other rights described in this Section 11.6.

## **ARTICLE 12** **INSURANCE**

**Section 12.1 Liability Insurance.** During the Term, Franchisee shall maintain, at its cost, insurance with following coverages and limits:

(a) commercial general liability insurance with the following coverages and limits:

<b>Coverage</b>	<b>Limit</b>
General Aggregate	\$2,000,000
Products/Completed Ops Aggregate	\$2,000,000
Personal & Advertising Injury	\$1,000,000

Each Occurrence	\$1,000,000
Fire Damage	\$300,000
Medical Expense	\$5,000
Hired & Non-Owned Auto Liability	\$1,000,000

(b) commercial property insurance with the following coverages and limits:

Sub of Insurance	Limits	Cause of Loss	Deductible
Business Personal Property	\$10,000-\$25,000	Special Form	\$1,000
Business Income & Extra Expense	ALS 12 months		24 hours

(c) umbrella insurance with the following coverages and limits:

Limit	Retention Amount	Retention Basis
\$1,000,000	\$0	Per Occurrence

**Section 12.2 Worker's Compensation Insurance.** During the Term, Franchisee shall subscribe to the workers' compensation law in the state in which the Franchised Deli Kiosk is located and shall maintain, at its sole cost, workers' compensation and employers' liability insurance covering all of Franchisee's employees with the following coverages and limits:

Coverage Description	Applies	Limits
Bodily Injury by Accident	Per Accident	\$1,000,000
Bodily Injury by Disease	Policy Limit	\$1,000,000
Bodily Injury by Disease	Per Employee	\$1,000,000

Franchisee is required to carry this insurance regardless of waiver or exemption of coverage under applicable state statute.

**Section 12.3 Additional Insurance Policies.** During the Term, Franchisee agrees to maintain, at its cost, such additional insurance policies as a reasonably prudent franchisee would maintain or as reasonably required by Franchisor. Franchisees may, upon written request to Franchisor, request additional insurance coverage beyond what is required by this Franchise Agreement. Franchisor on a good faith basis shall review the request and upon determining the validity of such request, assist Franchisee with securing such additional coverage. Any costs, including premiums and deductibles, related to such additional coverage shall be fully borne by the Franchisee.

**Section 12.4 Policy Requirements.** All insurance policies required under this Article 12 will contain provisions to the effect that the insurance will not be canceled or modified without at least thirty (30) days' prior written notice to Franchisor and that no modification will be effective unless approved in writing by Franchisor. All such policies will be issued by a company or companies, rated "A" or better by AM Best, responsible and authorized to do business in the state in which Franchised Deli Kiosk is located, as Franchisee may determine, and as approved by Franchisor, which approval will not be unreasonably withheld.

(a) All insurance policies required hereunder, with the exception of workers' compensation insurance and employers' liability insurance, shall name Franchisor and the other Franchisor Parties as additional insureds and shall expressly provide that any interest of same therein shall not be affected by any breach by Franchisee of any policy provisions. In addition, all insurance policies required hereunder



shall waive subrogation in favor of Franchisor and the other Franchisor Parties.

(b) Franchisee may elect to have reasonable deductibles in connection with the insurance coverage required under Sections 12.1 and 12.2 subject to a reasonable evaluation of Franchisee's financial strength as compared to such deductibles and otherwise subject to Franchisor's prior written consent. Franchisee may not agree to sublimits in the insurance policies required by this Article 12 without the prior, written consent of Franchisor.

(c) Franchisee's obligation to maintain the insurance policies under this Article 12 shall not (i) release Franchisee from its obligations under the indemnity provisions set forth in this Agreement; or (ii) be limited by reason of any insurance which may be maintained by Franchisor.

(d) Franchisor reserves the right to reasonably revise and/or reasonably increase the insurance coverages required under this Article 12 and Franchisee shall promptly comply with any such revisions and/or increases.

(e) Not less than once per year, Franchisee shall deliver to Franchisor certificates of insurance evidencing the insurance coverages required under this Article 12. Franchisee shall also deliver such certificates and/or copies of such insurance policies within ten (10) days after Franchisor's request.

**Section 12.5 Franchisor's Right to Procure and Cancel Insurance.** In the event Franchisee fails to comply with this Article 12, then (in addition to any other remedies available to Franchisor under this Franchise Agreement), Franchisor shall have the right (but not the obligation) to procure such insurance on Franchisee's behalf and to charge same to Franchisee, which charges, together with a reasonable fee for Franchisor's expenses in so acting, shall be payable by Franchisee immediately upon notice. Additionally, in the event Franchisee has obtained insurance coverage through any policy or program of Franchisor, Franchisee consents to Franchisor's cancellation of such coverage in Franchisor's reasonable discretion (which shall include in the event of any default by Franchisee under this Franchise Agreement or other termination of this Franchise Agreement).

## **ARTICLE 13**

### **TRANSFER AND ASSIGNMENT**

**Section 13.1 Transfer by Franchisor.** Franchisor shall have the right to transfer or assign this Franchise Agreement and all or any part of its rights or obligations herein (including, without limitation, the Marks and/or the System) to any person or legal entity and, in such event, (i) the transferee or assignee shall be solely responsible for all of Franchisor's obligations hereunder arising after the date of such transfer or assignment and (ii) Franchisor shall be released of its obligations hereunder to the extent such obligations arise after the date of such transfer or assignment. Franchisee expressly and specifically waives any Damages against Franchisor in connection therewith.

(a) Without limiting the foregoing, Franchisee agrees that Franchisor may (i) sell its assets, the Marks or the System to a third Party; (ii) offer its securities privately or publicly; (iii) merge, acquire other corporations or be acquired by another corporation or other person; and/or (iv) undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring, and Franchisee expressly and specifically waives any Damages against Franchisor in connection therewith.

(b) Nothing contained in this Franchise Agreement shall require Franchisor to offer any Deli Products, whether or not bearing the Marks, to Franchisee if Franchisor transfers or assigns its rights in or obligations under this Franchise Agreement.

**Section 13.2 Transfer by Franchisee.** Franchisee agrees the rights and duties set forth in this Franchise Agreement are personal to Franchisee and that Franchisor entered into this Franchise Agreement in reliance on

the business skill, financial capacity and personal character of Franchisee and Owners.

(a) Franchisee and/or Owners shall not (i) sell, assign, transfer, convey, give away, gift, pledge, mortgage or otherwise encumber any direct or indirect interest in this Franchise Agreement and/or the Marks and (ii) shall not grant a security interest or collateral interest in this Franchise Agreement and/or Marks. Franchisee and/or Owners shall not sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any direct or indirect interest in Franchisee and/or the Franchised Deli Kiosk without the prior written consent of Franchisor which Franchisor may withhold in its sole discretion or condition upon any or all of the requirements set forth in Section 13.3 (or others, as determined by Franchisor in its sole discretion). Any change or series of changes in ownership of Franchisee that result(s) in the change in ownership of 50% or more of the equity interests of Franchisee shall be deemed an assignment.

(b) Any purported assignment, transfer, conveyance, give away, gift, pledge, mortgage or other encumbrance (by operation of law or otherwise) by Franchisee and/or Owners which does not comply with this Article 13 (including, without limitation, the prior written consent of Franchisor) shall be null and void and shall constitute an event of default under Section 14.2(b) of this Franchise Agreement.

**Section 13.3 Conditions for Approval.** Franchisor may, in its sole discretion, require any or all of the following as conditions precedent to its approval to a transfer of any interest in Franchisee (and Franchisee agrees that all such conditions are reasonable and necessary).

(a) All of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and all other Franchisor Parties shall have been satisfied.

(b) Franchisee shall not be in default of any provision of this Franchise Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisor or any other Franchisor Party and Franchisee.

(c) Franchisee, Owners and the proposed transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and the other Franchisor Parties, in their business and individual capacities, including, without limitation, claims arising under this Franchise Agreement and federal, state and local laws, rules and ordinances.

(d) The proposed transferee shall enter into a written agreement, in a form satisfactory to Franchisor, assuming full, unconditional liability for and agreeing to perform from the date of the transfer, all obligations, covenants and agreements contained in this Franchise Agreement; and, if transferee is an entity, transferee's owners, shall execute such agreement as transferee's owners and shall, jointly and severally, guarantee the performance of all such obligations, covenants and agreements in writing in form and substance satisfactory to Franchisor.

(e) The proposed transferee shall demonstrate to Franchisor's satisfaction that such transferee meets the criteria considered by Franchisor when reviewing a prospective franchisee's application for a franchise, including but not limited to Franchisor's educational, managerial and business standards; transferee's good moral character, business reputation and credit rating; transferee's aptitude and ability to operate the Franchised Deli Kiosk in accordance with this Franchise Agreement (as may be evidenced by prior related business experience or otherwise); transferee's ability, financial resources, infrastructure and capital for operation of a multi-unit kiosk business; and the geographic proximity of other Deli Kiosks owned or operated by transferee (if any) in relation to the Franchised Deli Kiosk.

(f) The proposed transferee shall execute, for a term ending on the expiration date of this Franchise Agreement and with such renewal term as may be provided by this Franchise Agreement, the standard form franchise agreement then being offered to new franchisees in the System and other ancillary agreements as Franchisor may require; and if transferee is an entity, the ultimate, natural person owners of such transferee

entity, shall execute such agreements as transferee's principals and shall guarantee the performance of all such obligations, contracts and agreements in writing in a form satisfactory to Franchisor. Such agreements shall supersede this Franchise Agreement and its ancillary documents in all respects and the terms of such agreements may differ from the terms of this Franchise Agreement, including, without limitation, a lower percentage Franchisee Earnings and a higher advertising contribution; provided, however, that the transferee shall not be required to pay any Initial Franchise Fee.

(g) Franchisee, Owners, and the proposed transferor shall remain liable for all of the obligations and liabilities related to this Franchise Agreement and/or the Franchised Deli Kiosk prior to the effective date of the transfer of the Franchised Deli Kiosk and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability.

(h) The proposed transferee, the transferee's manager(s) and the transferee's operating partner shall complete, at transferee's cost, any training programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require.

(i) Franchisee and proposed transferee shall pay a transfer fee not to exceed \$10,000, plus such greater amount as is necessary to reimburse Franchisor for its reasonable costs and expenses associated with any transfer of this Franchise Agreement and preparing or reviewing transfer documentation, including, without limitation, the costs of background checks, legal and accounting fees, plus any other fees that may be payable under this Franchise Agreement. The total transfer fees shall be paid in two, non-refundable installments: (a) one-half (1/2) shall be paid together with the delivery to Franchisor of the application from the proposed transferee; and (b) the balance of the transfer fees, the amount of such total transfer fees to be determined by Franchisor in its sole discretion pursuant to this Section 13.3(i), which shall be paid on or before the date of the transfer.

(j) If the proposed transferee is an entity, then transferee shall make and will be bound by any or all of the representations, warranties and covenants set forth in Article 6 and the transferee shall provide to Franchisor evidence satisfactory to Franchisor that the terms of Article 6 have been satisfied and are true and correct on the date of transfer.

(k) Franchisee, Owners and the proposed transferor and transferee shall comply with any other conditions that Franchisor reasonably requires from time-to-time as part of Franchisor's transfer policies including, without limitation, evidence of Host Location consent, landlord consent, subordination of purchase price to monetary obligations under this Franchise Agreement, execution of confidentiality and non-compete agreements, etc.

**Section 13.4 No Security Interest.** Franchisee shall not grant a security or collateral interest in this Franchise Agreement, the System and/or the Marks. Franchisee shall not grant a security or collateral interest in the Franchised Deli Kiosk without Franchisor's prior written consent, which shall not be unreasonably withheld. In connection therewith, the appropriately approved secured party will be required by Franchisor to agree that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured Party and to cure any default of Franchisee.

**Section 13.5 Transfer for Convenience of Ownership.** Any proposed assignment and/or transfer of this Franchise Agreement by Franchisee to an affiliated or subsidiary corporation or other entity formed by Franchisee solely for the convenience of ownership shall be subject to Franchisor's prior written consent which Franchisor may condition upon any or all of the requirements set forth in Section 13.3 (as determined by Franchisor in its sole discretion). With respect to any proposed assignment or transfer under this Section 13.5, Franchisee shall be the owner of all of the voting stock or interest of such corporation or entity and if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the transferee corporation or entity as such individual had in Franchisee prior to the transfer.

**Section 13.6 Right of First Refusal.** The Right of First Refusal attached hereto as Attachment E is hereby incorporated into this Franchise Agreement.

**Section 13.7 Transfer Upon Death or Permanent Disability.**

(a) Upon the death of any person with an interest in this Franchise Agreement and/or Franchisee (the “Deceased”), the executor, administrator or other personal representative of the Deceased shall propose a transfer of such interest to a third party within sixty (60) days after the death of the Deceased for approval by Franchisor. If the transferee is not approved by Franchisor, then the executor, administrator or other personal representative of the Deceased shall propose a transfer such interest to a third-party approved by Franchisor within thirty (30) days after such disapproval. If Franchisor again disapproves or such transfer was made without the consent of Franchisor, Franchisor shall have the right to terminate this Agreement immediately.

(b) Upon the permanent disability of any person with an interest in this Franchise Agreement or Franchisee, Franchisor may, in its sole discretion, require such interest to be transferred to a third party in accordance with the conditions described in this Article 13 within six (6) months after notice to Franchisee. “Permanent disability” shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Franchise Agreement or in the Guaranty attached to this Franchise Agreement for at least ninety (90) consecutive days and from which condition recovery within ninety (90) days from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician selected by Franchisor upon examination of the person; or if the person refuses to submit to an examination, then such person shall be automatically deemed permanently disabled as of the date of such refusal for the purpose of this Article 13. The costs of any examination required by this Section 13.7(b) shall be paid by Franchisor.

**Section 13.8 Non-Waiver of Claims.** Franchisor’s consent to a transfer of any interest under this Article 13 shall not constitute a waiver of any claims it may have against the transferor nor shall it be deemed a waiver of Franchisor’s right to demand full and exact compliance with any of the terms of this Franchise Agreement by the proposed transferee.

**Section 13.9 Offerings by Franchisee.** Ownership interests in or other securities of Franchisee may be offered by private offering or otherwise, only with the prior written consent of Franchisor (whether or not Franchisor’s consent is required under this Article 13), which consent shall not be unreasonably withheld. All documents or other offering materials used in such offering shall be submitted to Franchisor for a limited review as discussed below prior to their being used in the proposed offering. No Franchisee offering shall imply (by use of the Marks or otherwise) that Franchisor is participating in an underwriting, issuance or offering of Franchisee or Franchisor securities; and Franchisor’s review of any offering shall be limited solely to the subject of the relationship between Franchisee and Franchisor. No review of or comment upon (of any suggested revisions of) any offering materials by Franchisor or any other Franchisor Party or their legal counsel or other advisers or agents shall be taken to imply that Franchisor or any other Franchisor Party shall have any responsibility or liability for such offering materials or any statements therein. Franchisor may, at its option, require Franchisee’s offering materials to contain a written statement prescribed by Franchisor concerning the limitations described in this Section 13.9. Franchisee and the other participants in the offering shall fully indemnify Franchisor and the other Franchisor Parties in connection with any such offering. For each proposed offering, Franchisee shall pay to Franchisor a non-refundable fee of \$5,000. Franchisee shall give Franchisor written notice at least thirty (30) days prior to the date of commencement of any offering or other transaction covered by this Section 13.9.

**ARTICLE 14**  
**DEFAULT AND TERMINATION**

**Section 14.1 Obligations Material.** Franchisee acknowledges and agrees that each of Franchisee’s

obligations described in this Franchise Agreement is a material and essential obligation of Franchisee; that nonperformance of such obligations will adversely and substantially affect Franchisor and the System; and agrees that the exercise by Franchisor of the rights and remedies set forth herein are appropriate and reasonable.

**Section 14.2 Default and Automatic Termination.** Each of the following shall be deemed an event of default by Franchisee and, upon such default, this Franchise Agreement shall automatically terminate without notice to Franchisee or cure period.

(a) Franchisee shall become insolvent or makes a general assignment for the benefit of creditors.

(b) Any purported assignment, transfer, conveyance, give away, gift, pledge, mortgage or other encumbrance (by operation of law or otherwise) by Franchisee and/or Owners which does not comply with Article 13.

(c) Franchisee files a voluntary petition (or an involuntary petition involving Franchisee is filed) under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state thereof, or admits in writing its inability to pay its debts when due or Franchisee is adjudicated a bankrupt or insolvent in proceedings filed against Franchisee under any section or chapter of federal bankruptcy laws or under any similar law or statute of the United States or any state thereof or if Franchisee's auditors shall issue a going concern warning in respect of Franchisee in connection with any audit of Franchisee's financial statements.

(d) 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. 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. If proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee. If a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless supersedeas bond is filed). If Franchisee is dissolved or if execution is levied against Franchisee's business or property. If suit or other proceeding to foreclose any lien or mortgage against the Franchised Deli Kiosk (or equipment therein) is instituted against Franchisee and not dismissed within thirty (30) days or if the real or personal property of Franchisee's Deli Kiosk shall be sold after levy thereupon by any sheriff or other person with competent jurisdiction.

(e) Franchisee or any of Owners (i) violates any "Anti-Terrorism Laws", as defined below, (ii) is listed under any such Anti-Terrorism Laws, (iii) has any dealings with any person listed under any such Anti-Terrorism Laws, and/or (iv) assets are blocked under any such Anti-Terrorism Laws. The term "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

**Section 14.3 Other Defaults by Franchisee.** Each of the following shall be deemed an event of default by Franchisee under this Franchise Agreement.

(a) Franchisee ceases to operate or otherwise abandons the Franchised Deli Kiosk unless the Franchised Deli Kiosk has been closed (i) for a purpose that has been expressly approved in writing by Franchisor; (ii) due to governmental order; (iii) due to fire, flood, other casualty, or other catastrophic forces beyond Franchisee's control (provided that in the case of subsection (iii) (A) such event was not caused by Franchisee's intentional and/or negligent acts, (B) that Franchisee applies within thirty (30) days after such

event, for Franchisor's approval (which approval shall not be unreasonably withheld) to reconstruct the Franchised Deli Kiosk, which reconstruction is also conditioned upon the Host's approval which Franchisor shall use commercially reasonable efforts to obtain, and (C) Franchisee thereafter diligently pursues such reconstruction) or (iv) due to the Host Location preventing access to the Location of the Franchised Deli Kiosk; provided that none of the events described in subsections (ii)-(iv) are a result of Franchisee's breach of the Occupancy Agreement for the Location or Franchisee losing the right to transact business in the jurisdiction where the Franchised Deli Kiosk is located.

(b) Franchisee or any of Owners or any of their respective employees or agents is indicted or convicted (regardless of any pending appeal) of a crime for which imprisonment is a potential penalty, or any other crime or offense that Franchisor believes, in its sole discretion, is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Franchisor's interest therein.

(c) Submission by Franchisee or any of Owners of a franchise application and/or management commitment form (or other documentation required under this Franchise Agreement) which contains any materially false or misleading statements or omits any material fact.

(d) Franchisee or any of Owners or any of their respective employees or agents engages in conduct that is deleterious or reflects unfavorably on Franchisor, the System, the Host Location or any party to the Occupancy Agreement, the Marks and/or the goodwill associated therewith including, without limitation, conduct which exhibits a disregard for the physical and mental well-being of employees, customers, Franchisor's representatives, the Host Location or any party to the Occupancy Agreement, the public at large (e.g., but not as a limitation, battery, assault, sexual harassment, discrimination, and other forms of threatening, outrageous, or socially unacceptable behavior).

(e) Franchisee fails to comply with this Franchise Agreement, the System, and/or any health, safety, or sanitation law, rule, or regulation relating to cleanliness and sanitation of the Franchised Deli Kiosk. Franchisee's construction, maintenance, and/or operation of the Franchised Deli Kiosk represents a threat or danger to public health or safety.

(f) Franchisee misuses or makes any unauthorized use of the Marks or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein.

(g) Franchisee and/or any of Owners enters into a subfranchise agreement, management agreement, consulting arrangement, subcontracting arrangement, outsourcing arrangement, or any other similar arrangement relating to this Franchise Agreement and/or the Franchised Deli Kiosk.

(h) Franchisee fails to pay the Initial Franchise Fee, the Management Fee, the NAP Fee, if any, and/or any other amounts due hereunder.

(i) Franchisee or any of Owners fails to comply with any provision of this Franchise Agreement.

(j) Franchisee repeatedly fails to comply with the provisions of this Franchise Agreement (whether or not cured after notice).

(k) Franchisee has not opened the Franchised Deli Kiosk for business to the general public within thirty (30) days from the Effective Date of this Franchise Agreement.

**Section 14.4 Remedies for Default by Franchisee.** In the event of a default, then Franchisor may, at its option, also elect any one or more of the following remedies.

(a) With respect to a default under Section 14.3(a), Franchisor may terminate this Franchise Agreement immediately upon written notice of a default and may elect to operate the Deli Kiosk. In such event, Franchisee shall reimburse Franchisor for all costs and expenses incurred by Franchisor in assuming the operation of such Deli Kiosk and shall also pay to Franchisor an early termination fee of \$10,000.

(b) With respect to a default under Section 14.3(c) or (e), Franchisor may terminate this Franchise Agreement immediately upon written notice, which notice shall specify the nature of the default(s).

(c) With respect to a default under Section 14.3(d), Franchisor may terminate this Franchise Agreement upon three (3) days' prior written notice which notice shall specify the nature of the default(s). In the event Franchisee cures such default(s) to the satisfaction of Franchisor prior to the expiration of such 3-day period, then such default shall be deemed as cured and this Franchise Agreement shall not terminate due to such default. If any such default is not cured within such three (3) day period, then this Franchise Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the 3-day period.

(d) With respect to other defaults under Section 14.3, Franchisor may terminate this Franchise Agreement upon ten (10) days' prior written notice to Franchisee, which notice shall specify the nature of the default(s). In the event Franchisee cures such default(s) to the satisfaction of Franchisor prior to the expiration of such 10-day period (or such shorter period in the event of an emergency), then such default shall be deemed as cured and this Franchise Agreement shall not terminate due to such default. If any such default is not cured within such ten 10-day period, then this Franchise Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the ten 10-day period.

(e) Apply a progressive warning and fine structure in accordance with Franchisor's then-current Franchise Manual.

(f) In addition to all other rights and remedies available under this Section 14.4, Franchisor may elect any other right or remedy available to Franchisor under this Franchise Agreement, at law or in equity.

**Section 14.5 No Cure Period.** Franchisee agrees there is no cure period for any of the events of default described in Section 14.2. Franchisee agrees there is no cure period for any of the events of default described in Section 14.3 except as expressly set forth in Section 14.4. If any applicable law or rule requires a notice period and/or a cure period, then the notice period and/or cure period required under such law or rule shall be substituted for the requirements herein.

**Section 14.6 No Waiver.** Forbearance by Franchisor to enforce its rights and remedies in this Article 14 in the event of a default by Franchisee shall not constitute a waiver of such default and shall not constitute a waiver by Franchisor of its rights and remedies in this Article 14 in the event of any subsequent default by Franchisee.

**Section 14.7 Remedies Not Exclusive.** No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or in equity.

**Section 14.8 Default by Franchisor.** If Franchisor defaults in the performance of any term of this Franchise Agreement, then Franchisee shall deliver written notice of such default to Franchisor within thirty (30) days after such default and such notice shall clearly and definitively specify each act or omission constituting such default. If Franchisee does not believe that Franchisor has cured such default within sixty (60) days after delivery of such default notice to Franchisor, then Franchisee shall notify Franchisor that Franchisee believes such default has not been cured. If Franchisee fails to notify Franchisor within such sixty (60) day period that such default has not been cured, then such default shall be deemed as cured.

**Section 14.9 Termination Without Cause.** Franchisor may terminate this Agreement, upon thirty (30)

days' notice to Franchisee, for any reason or no reason. If Franchisor exercises this right and thereby terminates this Agreement during the initial one-year Term of this Agreement, then Franchisor will pay to Franchisee an amount equal to the Initial Franchise Fee prorated in accordance with the number of days remaining in such initial one-year Term.

## **ARTICLE 15**

### **TERMINATION OR EXPIRATION OF FRANCHISE AGREEMENT**

**Section 15.1 Termination or Expiration.** Upon termination or expiration of this Franchise Agreement, Franchisee agrees that all rights and licenses granted to Franchisee under this Franchise Agreement (including, without limitation, rights to use the System, the Franchise Manual, and the Marks) shall immediately terminate and any right, title, and interest claimed by Franchisee to any such matters shall immediately revert to Franchisor without further notice or documentation. Franchisee shall also comply with the following obligations:

(a) Franchisee shall immediately cease to operate the Franchised Deli Kiosk and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

(b) Franchisee shall immediately and permanently cease to use, in any manner whatsoever, the System, the Marks, the Franchise Manual and the Confidential Information. In connection with the promotion, advertising, marketing, and/or operation of any other business conducted by Franchisee, Franchisee shall not, under any circumstances, use any reproduction, counterfeit, copy or colorable imitation of the Marks which is likely to cause confusion, mistake or deception, or which is likely to dilute Franchisor's rights in and to the Marks. Franchisee shall not use any designation of origin, description, or representation which falsely suggests or represents an association and/or connection (or former association or connection) with Franchisor.

(c) Franchisee shall immediately cease to occupy the Host Location and return to Franchisor, or if so instructed by Franchisor, the Host, any keys or other access elements in the possession of Franchisee or Owners or their respective employees or agents and comply with any "De-Identification Schedule" as may be provided by Franchisor to Franchisee or Owners.

(d) Franchisee shall immediately deliver to Franchisor the Franchise Manual, Confidential Information, all written materials bearing the Marks or identifying the Franchised Deli Kiosk, all computer hardware and software which may have been provided or licensed by Franchisor, such items as may be listed in the De-Identification Schedule, and all other records, files, instructions, correspondence, brochures, agreements, invoices, and other materials relating to the operation of the Franchised Deli Kiosk. Franchisee shall retain no copy or record of any of the foregoing, except Franchisee's copy of this Franchise Agreement and copies of any correspondence between the Parties.

(e) Franchisee shall take such action as may be necessary to cease the use of any name that includes any words identified to Franchisor or the Marks, including cancelation of any assumed name or equivalent registration which contains such words or the Marks and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Franchise Agreement.

(f) Franchisor will pay the remaining Franchisee Earnings owing from Franchisor to Franchisee within ten (10) days after receipt of the final Host Payment for the period ending on such expiration or termination date, while first withholding all amounts owing to it by Franchisee. In the event the entire remaining Franchisee Earnings are withheld as a result and Franchisee still owe amounts to Franchisor, then within then within ten (10) days after notice to Franchisee of receipt of the final Host Payment and such withholding therefrom, Franchisee shall pay all sums owing to Franchisor under this Franchise Agreement including, without limitation, all Damages (including costs under subparagraph (g) below and reasonable attorneys' fees) incurred by Franchisor as a result of such termination or expiration. In the event Franchisee



fails to comply with this subparagraph (f), then (in addition to any rights and remedies available to Franchisor), such failure shall give rise to and remain a lien in favor of Franchisor (until paid in full) against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee at the Franchised Deli Kiosk (in addition to any other rights and remedies available to Franchisor under this Franchise Agreement or applicable law).

(g) Within thirty (30) days before and after the expiration or termination of this Franchise Agreement, Franchisor may purchase (i) any or all of the furnishings, fixtures, equipment and signs, related to the Franchised Deli Kiosk for 50% of their original purchase prices and (ii) all usable food inventory purchased from Franchisor that Franchisee has on hand at the Host Location and in transit thereto that has already been paid for by Franchisee for 90% of its original purchase price. All purchase orders for food or other supplies provided by Franchisor not yet in transit shall immediately be deemed to be terminated by the Parties and Franchisor shall reimburse to Franchisee any cost paid for such food or other supplies.

(h) In the event Franchisee fails or refuses to comply with the requirements of this Section 15.1, then Franchisor shall have the right to enter the Location, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required under this Section 15.1, at the expense of Franchisee, which expense Franchisee agrees to pay to Franchisor upon demand.

**Section 15.2 Survival.** The terms of this Article 15 shall survive the termination or expiration of this Franchise Agreement. Franchisee shall pay to Franchisor all Damages, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Franchise Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Article 15.

## **ARTICLE 16**

### **NO-COMPETE CLAUSE AND RELATED COVENANTS**

**Section 16.1 Best Efforts.** During the Term, Franchisee, Managing Owner and Operating Partner (as applicable) agree to devote full time and best efforts to the management and operation of the Franchised Deli Kiosk.

**Section 16.2 Receipt of Confidential Information.** Franchisee and Owners agree (i) they will either receive or have access to valuable specialized training and Confidential Information which is beyond their present skills and experience, and (ii) that such training and Confidential Information provide a competitive advantage and will be valuable to them in the operation of the Franchised Deli Kiosk, (iii) access to such training and Confidential Information is a primary reason for entering into this Franchise Agreement, (iv) such training and Confidential Information are provided by Franchisor for the benefit of the System and each Deli Kiosk under the System and (v) that the System and each such kiosk individually and mutually benefit from Franchisee's compliance with the covenants described below.

**Section 16.3 No-Compete Clause.** In consideration for such training and Confidential Information (and the other benefits provided to Franchisee by this Franchise Agreement), Franchisee and Owners agree and shall cause the employees and managers of the Deli Kiosk who have access to Confidential Information to agree as follows:

(a) During the Term, Franchisee, Owners and the employees and managers of the Deli Kiosk shall not directly, indirectly, or in any manner whatsoever:

(i) Divert or attempt to divert any business or customer of Deli Kiosks to any Competitive Deli Kiosk (defined below) or otherwise take any action injurious or prejudicial to the goodwill associated with the Marks and the System.

(ii) Own, maintain, develop, operate, or have any interest in any Competitive Deli Kiosk. The term “Competitive Deli Kiosk” shall be deemed to mean any kiosk or similar establishment featuring Deli Products as primary menu items, but shall not include other Deli Kiosks franchised from the Franchisor.

(b) Commencing on (i) the expiration or termination of this Franchise Agreement or (ii) on the date of an approved transfer of all of Franchisee’s interest in this Franchise Agreement and continuing for a period of two (2) years after such date, Franchisee and its employees and Owners shall not directly, indirectly, or in any manner whatsoever:

(i) divert or attempt to divert any business or customer of any Deli Kiosk to any competitor or otherwise take any action injurious or prejudicial to the goodwill associated with the Marks and the System.

(ii) own, maintain, develop, operate, or have any interest in any Competitive Deli Kiosk located in the United States of America.

(c) Commencing on the earlier to occur of (i) the expiration or termination of this Franchise Agreement or (ii) the date which an individual or entity ceases to satisfy the definition of “Franchisee’s Owner” and continuing for a period of one year after such date, such Franchisee’s Owner shall not directly, indirectly, or in any manner whatsoever:

(A) divert or attempt to divert any business or customer of any Deli Kiosk to any Competitive Deli Kiosk or otherwise take any action injurious or prejudicial to the goodwill associated with the Marks and the System.

(B) own, maintain, develop, operate, or have any interest in any Competitive Deli Kiosk located in the United States of America.

(d) In addition to any other rights and remedies available to Franchisor under this Franchise Agreement and in the event of a violation of Sections 16.3(a), 16.3(b), and/or 16.3(c), which Franchisee and Owners recognize and acknowledge would cause irreparable damage to Franchisor, the exact amount of which will be difficult or impossible to ascertain, and that the remedies at law for any such breach will be inadequate, Franchisor may demand, in its sole discretion, specific performance and injunctive relief without the necessity of proving actual damages or posting any bond or other security.

**Section 16.4 Managers and Employees.** At Franchisor’s request, Franchisee shall require and obtain execution of covenants substantially identical to those set forth in this Article 16 (including covenants applicable upon the termination of a person’s relationship with Franchisee) from any and all managers of Franchisee and any other employees of Franchisee who have received or will receive training or Confidential Information, and any holder (except for limited partners) of a beneficial interest of greater than one percent (1%) of the securities of Franchisee and any entity directly or indirectly controlling Franchisee, if Franchisee is an entity (or is a general partner, manager or managing member of an entity directly or indirectly controlling a general partner of Franchisee, if Franchisee is a partnership or limited liability company respectively). The covenants required by this Section 16.4 shall be substantially in the form contained in Attachment B.

**Section 16.5 Survival.** The terms of this Article 16 shall survive the termination, expiration, or any transfer of this Franchise Agreement. The Parties agree this Article 16 shall be construed as independent of any other provision of this Franchise Agreement. If all or any portion of this Article 16 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a Party, Franchisee and Owners expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were

separately stated in and made a part of this Article 16.

**Section 16.6 Reduction in Scope.** Franchisee and Owners agree that Franchisor shall have the right, in its sole discretion, to reduce the scope of any provision, or portion thereof, in this Article 16 without their consent, effective immediately upon notice to Franchisee; and Franchisee and Owners agree that they shall comply forthwith with any provision as so modified, which shall be fully enforceable notwithstanding the provisions of Section 20.1.

**Section 16.7 No Defense.** Franchisee and Owners expressly agree that the existence of any claims they may have against Franchisor, whether or not arising from this Franchise Agreement, shall not constitute a defense to the enforcement by Franchisor of the provisions of this Article 16. In addition to any other rights and remedies, Franchisee and Owners agree to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Article 16.

**Section 16.8 Consent to Injunctive Relief.** Franchisee and Owners acknowledge that a violation of the terms of this Article 16 would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee and Owners accordingly consent to the issuance of an injunction prohibiting any conduct by Franchisee or Owners in violation of the terms of this Article 16 without the necessity of proving actual damages or requirement of posting bond or other security.

## **ARTICLE 17**

### **RELATIONSHIP OF THE PARTIES AND INDEMNIFICATION**

**Section 17.1 No Fiduciary or Special Relationship.** The Parties agree (i) this Franchise Agreement does not create a fiduciary or other special relationship between them, and (ii) nothing in this Franchise Agreement is intended to designate either Party as an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

(a) During the Term, Franchisee shall hold itself out to the public as an independent operation operating the Franchised Deli Kiosk under this Franchise Agreement. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, if required by Franchisor, exhibiting a notice of that fact in a conspicuous place in the Franchised Deli Kiosk, the content of which Franchisor reserves the right to specify.

(b) The Parties agree that nothing in this Franchise Agreement authorizes Franchisee or any of Owners to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee or Owners or for any claim or judgment arising therefrom against Franchisee, any of Owners or Franchisor.

(c) Franchisee shall be the sole and exclusive employer of its employees with the sole right to hire, discipline, and discharge such employees and the sole right to establish wages, hours, benefits, employment policies and other terms and conditions of employment for such employees all as determined by Franchisee in its sole discretion without consultation or approval by Franchisor. Additionally, Franchisee must communicate to all employees that Franchisee, not Franchisor, is their employer; and Franchisee must ensure that no payroll checks or other employment-related documents (such as job applications and W-2s) contain or reference the Marks or Franchisor's name. Franchisee shall be solely responsible for the payment of all social security taxes and/or other applicable payroll-related, government-mandated contributions and/or taxes and Franchisee shall indemnify and hold Franchisor and the other Franchisor Parties harmless from any liability for any such contributions and/or taxes.

**Section 17.2 Indemnity.** Franchisee and the Owners, jointly and severally, are responsible for all

Damages (defined below), including any such Damages incurred by Franchisor, related to Franchisee's obligations under this Franchise Agreement and the development and operation of the Franchised Deli Kiosk. Franchisee shall, at all times, indemnify and hold Franchisor and the other Franchisor Parties harmless to the fullest extent permitted by law (without regard to the cause thereof or the negligence of Franchisor or the other Franchisor Parties) from all Damages, including, but not limited to (i) all costs and fees, including reasonable attorney's fees, associated with the enforcement of this Section 17.2; and (ii) any and all fines, interest and penalties resulting from any violation, breach, or asserted violation or breach by Franchisee of any federal, state or local law, regulation, ruling, standard or directive or any industry standard, related to Franchisee's obligations under this Franchise Agreement and the development and operation of the Franchised Deli Kiosk including, without limitation, Damages related to the following matters:

(a) The infringement, alleged infringement, misuse or any other violation or alleged violation by Franchisee or any of Owners of any patent, mark or copyright or other proprietary right owned or controlled by third parties (except as such may occur with respect to any right to use the Marks or other proprietary information granted hereunder).

(b) The violation, breach or asserted violation or breach by Franchisee or any of its Owners of any federal, state or local law, regulation, ruling, standard or directive or any industry standard (including, without limitation, any claims related to the employment of Franchisee's employees).

(c) Libel, slander or any other form of defamation of Franchisor, the System or any developer or franchisee operating under the System, by Franchisee or by any of Owners.

(d) The violation or breach by Franchisee or by any of Owners of any provision of this Franchise Agreement or in any other agreement between Franchisee, its subsidiaries and affiliates and Franchisor or any other Franchisor Party.

(e) Acts, errors, or omissions of Franchisee, any of Franchisee's subsidiaries or affiliates and any of Owners and the officers, directors, managers, shareholders, members, partners, agents, representatives, independent contractors and employees of Franchisee or Owners and their respective subsidiaries and affiliates in connection with the establishment and operation of the Franchised Deli Kiosk.

**Section 17.3 Notice to Franchisor.** Franchisee and each of the Owners agree to give Franchisor prompt notice of any such action, suit, proceeding, claim, demand, inquiry, or investigation. At the expense and risk of Franchisee and each of the Owners, Franchisor may elect to assume (but under no circumstance is obligated to undertake) or associate legal counsel of its own choosing with respect to, the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation. Such an undertaking by Franchisor shall, in no manner or form, diminish the obligation of Franchisee and each of the Owners to indemnify Franchisor and the other Franchisor Parties and to hold them harmless for any Damages for which Franchisor is entitled to indemnification.

#### **Section 17.4 Settlement or Other Remedial Actions.**

(a) In order to protect persons or property, or its reputation or goodwill, or the reputation or goodwill of others, Franchisor may, at any time and without notice, as it, in its judgment deems appropriate, consent or agree to settlements or take such other remedial or corrective actions it deems expedient with respect to the action, suit, proceeding, claim, demand, inquiry or investigation if, in Franchisor's sole judgment, there are reasonable grounds to believe that (i) any of the acts or circumstances enumerated in Section 17.2 have occurred or (ii) any act, error, or omission as described in Section 17.2(e) may result directly or indirectly in damage, injury, or harm to any person or any property.

(b) All Damages incurred under this Article 17 shall be chargeable to and paid by Franchisee or any of Owners pursuant to its obligations of indemnity under this Article 17, regardless of any actions,

activity, including settlement, remedial or corrective actions, or defense undertaken by Franchisor or the subsequent success or failure of such actions, activity or defense.

**Section 17.5 Definition of Damages.** As used in this Agreement, the term “Damages” shall include, without limitation, all liability, losses, damages (including, without limitation, compensatory, exemplary and punitive damages), claims, fines, charges, costs, expenses, debts, lost profits, reasonable attorney’s fees, court costs, settlement amounts, judgments, compensation for damages to Franchisor’s reputation and goodwill, costs of changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

**Section 17.6 No Liability.** Franchisor Parties do not assume any liability whatsoever for acts, errors, or omissions of those with whom Franchisee, or any of Owners, or Franchisee’s or Franchisee’s respective subsidiaries and affiliates or any of such parties’ respective officers, directors, managers, shareholders, members, partners, agents, representatives, independent contractors and employees of Franchisee, its subsidiaries or affiliates may contract, regardless of the purpose.

**Section 17.7 No Requirement to Pursue Third Party.** Under no circumstances shall the Franchisor Parties be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Franchisee or any of the Owners. Franchisee and each of the Owners agree that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable from Franchisee or any of Owners by Franchisor or any other Franchisor Parties.

**Section 17.8 Survival.** The terms of this Article 17 shall survive the termination, expiration, or any transfer of this Franchise Agreement.

## **ARTICLE 18** **APPROVALS AND WAIVERS**

**Section 18.1 Requests for Approvals.** Whenever this Franchise Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent shall be obtained in writing. Franchisor makes no warranties or guarantees upon which Franchisee or Owners may rely, and assumes no liability or obligation to Franchisee or such persons, by providing any waiver, approval, consent, or suggestion to Franchisee or Owners in connection with this Franchise Agreement, or by reason of any neglect, delay, or denial of any request therefor.

**Section 18.2 No Waiver.** No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee or Owners under this Franchise Agreement shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee or Owners, or as to any subsequent breach or default. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee or Owners of any terms, provisions, covenants, or conditions of this Franchise Agreement.

## **ARTICLE 19** **NOTICES**

**Section 19.1 Notices and Other Communications.** Any and all notices, reports and payments permitted or required to be delivered by the provisions of this Franchise Agreement shall be (i) personally delivered, (ii) delivered by overnight delivery service, (iii) delivered by certified/registered mail, return receipt requested, or (iv) delivered by email, electronic delivery, prepaid telex, or facsimile, provided sender confirms any delivery under this clause (iv) by sending a confirmation copy by overnight delivery service or certified/registered mail, return receipt requested, within one (1) business day after transmission thereof to the respective Parties at the addresses listed below. So long as any notice is prepared, addressed, and delivered in

accordance with this Article 19, then any such notice shall be deemed to have been received (i) at the time of personal delivery, (ii) at the time of transmission in the case of email, electronic delivery, facsimile or telex, provided confirmation is sent as described above, (iii) on the next business day in the case of overnight delivery service, or (iv) within three (3) business days after mailing in the case of registered or certified mail. The Parties may change their notice information below by delivery of written notice to the other Party in accordance with this Article 19 with new notice information. Franchisor may elect (in its sole discretion) to deliver copies of any notices to Franchisee under this Franchise Agreement to Franchisee's lender(s), landlord(s), and other similar third-parties.

Notices to Franchisor: Supreme Service Solutions, Inc.  
14043 Distribution Way Farmers Branch, TX,  
75234 Attn: Katie Aung  
Email: katieaung@yummisushi.net

with a copy to: Steven R. Block  
Blank Rome LLP  
200 Crescent Court, Suite 1000  
Dallas, TX 75201  
Email: steve.block@blankrome.com

Notices to Franchisee and  
Owners:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_  
EMAIL: \_\_\_\_\_

## **ARTICLE 20** **MISCELLANEOUS PROVISIONS**

**Section 20.1 Entire Agreement; Amendments.** This Franchise Agreement, the documents referred to herein, and the Attachments hereto constitute the entire, full and complete agreement between Franchisor and Franchisee concerning the subject matter hereof, and shall supersede all prior and contemporaneous agreements, discussions, correspondence, understandings and/or communications in any form or format between the Parties hereto with respect to the subject matter hereof. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Franchise Agreement shall be binding on either Party unless mutually agreed to by the Parties and executed by their authorized officers or agents in writing. In entering into this Franchise Agreement, no Party is relying on any promise, warranty, inducement or representation by the other Party other than those expressly set forth herein; provided, however, that nothing in this Franchise Agreement is intended to disclaim any representations made by Franchisor in the franchise disclosure document provided to Franchisee by Franchisor.

**Section 20.2 Severability.** Except as expressly provided to the contrary herein, each portion, section, part, term and/or provision of this Franchise Agreement shall be considered severable; and if, for any reason, any section, part, term and/or provision herein 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, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Franchise Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the Parties hereto; and said invalid portions, sections, parts, terms and/or provisions shall be deemed not to be a part of this Franchise Agreement.

**Section 20.3 No Benefit.** Except as expressly provided to the contrary herein, nothing in this Franchise Agreement is intended, nor shall be deemed, to confer upon any person or legal entity any rights or remedies under this Franchise Agreement (and otherwise except for Franchisee, Owners, Franchisor and Franchisor's officers, managers, and employees).

**Section 20.4 Agreement to be Bound.** Franchisee and Owners, as applicable, expressly agree to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Franchise Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a Party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

**Section 20.5 Force Majeure.** Franchisor shall not be liable or responsible to Franchisee, or be deemed to have defaulted under or breached this Franchise Agreement, for any failure or delay in fulfilling or performing any term of this Franchise Agreement, when and to the extent such failure or delay is caused by or results from acts beyond Franchisor's control, including, without limitation, the following force majeure events ("Force Majeure Event(s)"): (a) acts of God, pandemics and epidemics; (b) flood, fire, earthquake, national disasters, or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the date of this Agreement; (f) national or regional emergency; (g) strikes, labor stoppages or slowdowns, or other industrial disturbances, including, but not limited to, global, regional, or local supply chain disruptions for any reason; and (h) telecommunication and electronic communication breakdowns, power outages or shortages, lack of warehouse or storage space, inadequate transportation services, or inability or delay in obtaining supplies of adequate or suitable materials; (i) hacking and security breaches, including denial of service; (j) global, regional, or local network outages of electronic servers and systems; and (k) other similar events beyond the control of Franchisor.

**Section 20.6 Captions.** All captions in this Franchise Agreement are intended solely for the convenience of all Parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

**Section 20.7 Survival.** Any obligation of Franchisee or Owners that contemplates performance of such obligation after termination, expiration, or any transfer of this Franchise Agreement shall be deemed to survive such termination, expiration or transfer.

**Section 20.8 References.** All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable; and, without limiting the obligations individually undertaken by the Owners hereunder, all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Franchise Agreement on behalf of Franchisee. Each reference in this Franchise Agreement to a corporation or partnership shall be deemed to also refer to a limited liability company and any other entity or organization similar thereto. Each reference to the constating or organizational documents, owners, directors, managers and officers of an entity in this Franchise Agreement shall be deemed to refer to the functional equivalents of such organizational documents, owners, directors, managers, and officers, as applicable, in the case of any type of entity or organization similar thereto.

**Section 20.9 Counterparts.** This Franchise Agreement may be executed in one or more counterparts and each counterpart so executed shall be deemed an original.

**Section 20.10 Business Days.** The term "business days" means any days excluding Saturday, Sunday and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving and Christmas.

**Section 20.11 Franchisee's Responsibility for Owners.** Franchisee shall be solely and completely responsible to ensure (and cause) each of the Owners to comply with the terms of this Franchise Agreement and each of the Owners must sign the Signature Page of Owners attached hereto. Franchisee agrees that any violation of the terms of this Franchise Agreement by Owners shall constitute an event of default under Article 14.

**Section 20.12 Outsourcing by Franchisor.** Franchisor may, in its sole discretion, elect to outsource and/or subcontract certain of Franchisor's obligations set forth in this Franchise Agreement to subsidiaries, affiliates, contract employees, third-party vendors and/or other third-party suppliers; provided (i) any such outsourcing and/or subcontracting shall not discharge Franchisor from its obligations under this Franchise Agreement, and (ii) any such outsourced or subcontracted obligations shall be performed in accordance with the terms of this Franchise Agreement.

## **ARTICLE 21** **DISPUTE RESOLUTION**

**Section 21.1 Legal Remedies.** Franchisor and Franchisee will each have the right in a proper case to obtain specific performance, eviction from the premises of the Franchised Deli Kiosk, temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction. Franchisee agrees that Franchisor may have temporary or preliminary injunctive relief without bond, but upon due notice, and Franchisee's sole remedy in the event of the entry of such injunctive relief will be the dissolution of the injunctive relief, if warranted, upon hearing duly had (all claims for Damages by reason of the wrongful issuance of any injunction being expressly waived).

### **Section 21.2 Non-Binding Mediation; Arbitration.**

(a)The Parties agree that in the event of any dispute among the Franchisor, Franchisee and/or any of their respective Affiliates arising out of, relating to or in connection with this Franchise Agreement or the transactions contemplated hereby (each a "Dispute"), the Parties must first negotiate in good faith to resolve and cure the Dispute for thirty (30) days. In the event the Parties are unable to resolve the Dispute in such 30-day period, such Dispute shall be submitted to confidential mediation at JAMS in Dallas County, Texas. The Parties shall cause the mediation to be conducted within fifteen (15) days after the matter is submitted to the mediator. Any settlement or disposition agreed to in the mediation shall be final and binding on and enforceable against the parties to the Dispute if such settlement is executed by all parties to the Dispute.

(b)The Parties agree in the event of any Dispute is submitted to but not resolved pursuant to Section 21.2(a) in confidential mediation, such Dispute shall be resolved by confidential arbitration in front of a single arbitrator to be conducted by JAMS (formerly Judicial Arbitration and Mediation Services, Inc.) in Dallas County, Texas, in accordance with its Comprehensive Arbitration Rules and Procedures ("CARP"), provided the JAMS Optional Expedited Arbitration Procedures set forth in Rule 16 of the CARP shall apply and control over any other conflicting CARP rules, and the Federal Arbitration Act (the "FAA"). The Parties agree to participate in confidential arbitration within thirty (30) days after the date of the non-binding, confidential mediation at which the Parties failed to resolve the Dispute. Any award rendered by the arbitrator shall be final and binding on the parties to the Dispute submitted to arbitration, and judgment may be entered on it in any court of competent jurisdiction. The Parties agree to require the arbitrator to issue its written disposition of the matter(s) in dispute within thirty (30) days following the confidential arbitration. Notwithstanding any provision of this Franchise Agreement to the contrary, Franchisor may initiate proceedings in any court of competent jurisdiction to seek an injunction or injunctions to prevent breaches of this Franchise Agreement, to enforce specifically the terms and provisions of this Franchise Agreement, to compel arbitration as required by this Section 21.2, to enforce or collect upon any arbitration award entered hereunder, or to claim Damages under Articles 9 and 16. This Section 21.2 does not cover any claims that are by law non-arbitrable (and only to the



extent the law is not preempted by the FAA), unless the Franchisee elects to arbitrate such claims. The Parties agree that any such non-arbitrable claims and any proceedings initiated by Franchisor pursuant to this Section 21.2 shall be brought only in a state or federal court located in the Dallas County, Texas. The Parties hereby irrevocably submit to the exclusive jurisdiction of these courts and waive the defense of inconvenient forum to the maintenance of any action or proceeding in such venue.

(c)The Parties hereby agree that all costs and fees incurred by the Parties with respect to any non-binding, confidential mediation and/or binding, confidential arbitration shall be shared equally between the Parties.

**Section 21.3 Discovery.** In relation to any and all claims or disputes either Party may submit for mediation or arbitration or, to the extent permitted by this Franchise Agreement, to a court of competent jurisdiction, the Parties hereby agree to limit discovery document requests, depositions, requests for electronically stored information (“ESI”), interrogatories, requests for admission and requests for production as set forth below in this Section 21.3:

(a)The Parties waive all right to conduct oral, video, or in-person depositions or medical examinations.

(b)The Parties shall submit all discovery requests in writing to the other Party, which written discovery requests shall be limited to:

(i) Twenty-five (25) interrogatories;

(ii) Twenty-five (25) requests for admission; and

(iii) Twenty-five (25) requests for production.

(c)Each Party shall have sixty (60) days to respond to the requests identified in Section 21.3(b), and any failure to respond shall be deemed an admission in the favor of the non-responding Party.

(d)All written discovery requests identified in Section 21.3(b) must be served contemporaneously, and the failure to serve all written discovery requests contemporaneously shall be deemed a waiver of any and all future written discovery requests.

The Parties by mutual written consent may waive part or all of this Section 21.3; provided, however, that that waiver of any part or all of this Section 21.3 with respect to an individual claim or dispute shall not be deemed a waiver for any other ongoing or future claims or disputes between the Parties.

**Section 21.4 Consent to Jurisdiction; Venue; Governing Law.** Subject to Section 21.2, Franchisee and Owners irrevocably (a) submit themselves to the exclusive jurisdiction of the State Courts of Texas, located in Dallas County, Texas, and the United States Federal District Court for the Northern District of Texas, Dallas Division; (b) waive all questions of personal jurisdiction for the purpose of effectuating this provision; (c) agree that service of process may be made upon any of them in any proceeding relating to, or arising out of, this Franchise Agreement (including the relationship contemplated by this Franchise Agreement) by any means allowed by Texas or Federal law; and (d) agree that venue for any proceeding relating to, or arising out of, this Franchise Agreement shall be in Dallas County, Texas; provided Franchisor may bring an action for injunctive or other extraordinary relief in any state or federal court which has jurisdiction. With respect to all claims, controversies, disputes and/or actions, this Franchise Agreement shall be interpreted and construed under Texas law (without regard to Texas choice of law rules), except that any state law regarding (i) the offer and sale of franchises, (ii) franchise relationships and/or (iii) business opportunities will not apply unless the applicable jurisdictional requirements are met independently without reference to this paragraph. Franchisee, Owners, and Franchisor acknowledge the terms of this Section 21.3 provide each of the Parties with the mutual benefit of uniform interpretation of this Franchise Agreement and any dispute arising out of the relationship contemplated

by this Franchise Agreement. Franchisee, Owners and Franchisor acknowledge the receipt and sufficiency of mutual consideration for such benefit.

**Section 21.5 Class, Collective and Multi-Party Action Waiver.** Disputes among Franchisor, Franchisee and/or any of their respective Affiliates arising out of, relating to or in connection with this Franchise Agreement or the transactions contemplated hereby, including but not limited to the arbitrability of any such dispute, must be arbitrated on an individual basis only. No arbitrator has authority to join or consolidate claims or to proceed with arbitration on a class, collective, or multi-party basis, including, but not limited to, under California's Private Attorneys General Act of 2004 ("PAGA"). Any disputes concerning the applicability or validity of this waiver shall be decided by the arbitrator. Each Party waives (the "Waiver") the right to a jury or bench trial and also waives the right to bring, maintain, participate in, or receive money from any class, collective, and/or other multi-party proceeding, whether in arbitration or otherwise. The Parties agree to arbitrate all disputes among the Parties on an individual basis only. The arbitrator is without authority to preside over any dispute by you on behalf of any other franchisee(s) of the Franchisor or joined by or consolidated with another person's claim. The Waiver will be severable from this Agreement if there is a final judicial determination that it is invalid, unenforceable, unconscionable, void, or voidable. In such case, the action must be litigated in a civil court of competent jurisdiction exclusively the State or Federal courts located in Dallas County, Texas; provided, however, the portion of the Waiver that is enforceable will be enforced in arbitration.

**Section 21.6 Place of Execution of Franchise Agreement.** Franchisee, Owners, and Franchisor acknowledge (i) this Franchise Agreement was executed in Dallas County, Texas; and (ii) performance of certain obligations of Franchisee and Owners under this Franchise Agreement, including payment of monetary sums due hereunder, shall occur at Franchisor's principal offices in Farmers Branch, Texas.

**Section 21.7 Costs and Attorneys' Fees.** Prior to the commencement of litigation, arbitration, or other dispute resolution procedure and in the event Franchisor incurs costs and expenses (including attorneys' fees) in connection with Franchisee's failure to comply with (and/or failure to timely pay amounts owing to Franchisor under) this Franchise Agreement, then Franchisee shall promptly reimburse Franchisor for such reasonable costs and expenses. In the event of litigation, arbitration, or other dispute resolution procedure between the Parties to enforce this Franchise Agreement, the prevailing Party (or in the case of a disputed amount, the Party whose claimed amount is closest to the amount finally determined in such dispute resolution procedure) in any such action shall be entitled to recover reasonable costs and expenses from the other Party, including, without limitation, court costs, reasonable attorneys' fees, discovery and investigation costs.

**Section 21.8 Rights of Parties are Cumulative.** Franchisor's and Franchisee's rights under this Franchise Agreement are cumulative and the exercise or enforcement of any right or remedy under this Franchise Agreement will not preclude the exercise or enforcement by a Party of any other right or remedy under this Franchise Agreement which it is entitled by law or this Franchise Agreement to exercise or enforce.

**Section 21.9 Waiver of Punitive Damages and Jury Trial.** To the fullest extent permitted by law, the Parties waive any right to, or claim for, any punitive or exemplary 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 recovery of actual damages, if any. In addition, the Parties irrevocably waive trial by jury in any action, proceeding and/or counterclaim brought by either Party.

**Section 21.10 Limitation of Claims.** Any and all claims by the Franchisee arising out of or relating to this Franchise Agreement or the relationship among the Parties to this Franchise Agreement will be deemed waived and Franchisee will be thus barred from taking further action on account thereof unless an action or proceeding is commenced within ninety (90) days from the date Franchisee knew or should have known of the claim.

**ARTICLE 22**  
**ACKNOWLEDGMENTS**

**Section 22.1 Investigation by Franchisee and Owners.** Franchisee and Owners agree that (i) they have conducted an independent investigation of the Franchised Deli Kiosk; (ii) the business venture contemplated by this Franchise Agreement involves business risks; and (iii) Franchisee's success will be largely dependent upon the ability of Franchisee and its Owners as independent business people. Franchisor expressly disclaims the making of, and Franchisee and Owners agree not having received, any warranty or guarantee, express or implied as to the potential volume, profits, or success of the business venture contemplated by this Franchise Agreement. Further, Franchisee and Owners acknowledge that Franchisor has made no representations that Franchisee or any of Owners may or will derive income from the Franchised Deli Kiosk.

**Section 22.2 Receipt of Documents.** Franchisee and Owners acknowledge they have received a copy of Franchisor's franchise disclosure document and have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Franchise Agreement by counsel of their own choosing at least fourteen (14) calendar days prior to its execution and they are entering into this Franchise Agreement after having made an independent investigation and not upon any representation as to the profits and/or sales volume which Franchisee might be expected to realize.

**Section 22.3 Acknowledgement by Franchisee and Owners.** Franchisee and Owners acknowledge they have read and understood this Franchise Agreement, the Attachments hereto, and agreements relating hereto, if any, and that Franchisor has accorded Franchisee and Owners ample time and opportunity to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Franchise Agreement.

**Section 22.4 Franchisor's Right to Vary the System and Other Standards.** Franchisee and Owners acknowledge and agree that other franchisees of the System may be granted franchise rights at different times and in different situations pursuant to franchise agreements which may substantially differ from this Franchise Agreement (including without limitation, Franchisee Earnings, advertising fees, and other fees). Franchisee and Owners acknowledge and agree that Franchisor reserves the right to vary the System and other standards, specifications, and operating procedures (including standards and specifications related to building, furniture, fixtures, equipment, and signage) to address different circumstances or for other reasons deemed sufficient by Franchisor, in its sole discretion.

*[Remainder of page intentionally left blank; Signature Page follows.]*

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

Franchisor:

Supreme Service Solutions, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Franchisee:

\_\_\_\_\_  
[Entity Name, if applicable]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Management Fee (if different than provided for in the Franchise Agreement): \_\_\_\_\_

## SIGNATURE PAGE OF OWNERS

As of the Effective Date of the Franchise Agreement, each of the undersigned acknowledges and agrees as follows:

- (1) This “Signature Page of Owners” constitutes a part of the Franchise Agreement.
- (2) Each of the undersigned is included in the term “Owners” as described in the Franchise Agreement.
- (3) Each has read the terms and conditions of the Franchise Agreement. Each acknowledges that the undertakings by Owners in the Franchise Agreement are made and given in partial consideration of, and as a condition and inducement to, Franchisor’s execution of the Franchise Agreement.
- (4) The undersigned individuals, jointly and severally, make all of the covenants, representations, and agreements of Owners set forth in the Franchise Agreement.

Owners:

---

Signed as an Individual

Name: \_\_\_\_\_

---

Signed as an Individual

Name: \_\_\_\_\_

---

Signed as an Individual

Name: \_\_\_\_\_

---

Signed as an Individual

Name: \_\_\_\_\_

---

Signed as an Individual

Name: \_\_\_\_\_

---

Signed as an Individual

Name: \_\_\_\_\_

---

## **SCHEDULE A**

The Franchisor and Franchisee hereby agree that the Franchise Agreement's Effective Date shall be \_\_\_\_\_, 202\_\_ (the "Effective Date"). Franchisor and Franchisee acknowledge and agree that the Effective Date and Execution Date may be different dates, and all references to the "Effective Date" in the Franchise Agreement by and between Franchisor and Franchisee shall mean the Effective Date set forth on this Schedule A.

### **FRANCHISOR:**

\_\_\_\_\_  
Name:

Title:

Date:

### **FRANCHISEE:**

\_\_\_\_\_  
Name:

Title:

Date:

# ATTACHMENT A TO FRANCHISE AGREEMENT

## THE LOCATION

## Approved Location for the Franchised Deli Kiosk

[illegible]

## ATTACHMENT B TO FRANCHISE AGREEMENT

### CONFIDENTIALITY AGREEMENT

This Confidentiality and Noncompete Agreement (this “Confidentiality Agreement”) is entered into between Supreme Service Solutions, Inc. (“Franchisor”), \_\_\_\_ (“Franchisee”) and \_\_\_\_ (“Covenantor” and together with each of Franchisor and Franchisee, each a “Party” and collectively, the “Parties”) to be effective as of \_\_\_\_\_, 202\_\_ (the “Effective Date”). Capitalized terms used in this Agreement shall have the meanings ascribed to such terms in the Franchise Agreement unless otherwise defined herein.

### RECITALS

Franchisor, as the result of the expenditure of time, skill, effort and money, has developed and owns a unique and distinctive system (the “System”) relating to the establishment and operation of food kiosks (“Deli Kiosks”) which sell sandwiches, salads, paninis and deli platters and other deli meat and/or cheese products (in such combination as Franchisor may determine is appropriate) (“Deli Products”). Deli Kiosks are generally located at the premises of third-parties (the “Hosts”), typically upscale supermarkets (“Host Locations”), that in most instances are sourced by Franchisor and under leases, licenses or other rights to occupy such Host Location (“Occupancy Agreements”) between the Host Location and Franchisor.

The distinguishing characteristics of the System include, without limitation, distinctive exterior and interior design, decor, color scheme, furnishings, special recipes and menu items; uniform standards, specifications, and procedures for operations, Occupancy Agreements, quality and uniformity of menu items, products and services offered, procedures for inventory, management, and financial control, training and support; financing programs; safety programs; quality control programs; Occupancy Agreements and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time.

Franchisor identifies the System by means of certain tradenames, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, Supreme Service Solutions, Supreme Deli and such other tradenames, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor for use in connection with the System (collectively, the “Marks”).

The Confidential Information provides economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means to, Franchisor’s competitors who could obtain economic value from knowledge and use of the Confidential Information.

Franchisor has taken, and intends to take all reasonable steps to maintain the confidentiality and secrecy of Confidential Information.

Franchisor has granted Franchisee a limited right to operate Deli Kiosks using the System and Confidential Information pursuant to that certain Franchise Agreement, dated as of \_\_\_\_\_ (the “Franchise Agreement”), between Franchisor and Franchisee.

Franchisor and Franchisee have agreed the importance to Franchisor and to Franchisee and other licensed users of the System of restricting use, access and dissemination of Confidential Information.

Franchisor and Franchisee acknowledge it will be necessary for certain employees, directors, officers, partners, members, managers and owners of Franchisee to have access to and to use some or all of the Confidential Information in the operation of Deli Kiosks using the System.

Franchisee has agreed to obtain from those employees, directors, officers, partners, members, managers



and owners written agreements protecting Confidential Information and the System against unfair competition.

Covenantor desires to remain (or desires to become) an employee, director, officer, partner, member, manager or owner of Franchisee and Covenantor desires to receive and use Confidential Information in the course of his or her employment. Covenantor acknowledges that receipt of and the right to use the Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

NOW THEREFORE, with the intent of being legally bound hereby, in consideration of the mutual covenants and promises hereinafter set forth, and other good and valuable consideration, which the Parties acknowledge is sufficient to create a legally binding agreement, the Parties agree as set forth herein.

(1) Confidentiality Agreement.

(a) All information and materials (including, without limitation, the Franchise Manual), knowledge, know-how, or techniques concerning the Marks, the System, and methods of operation of the Franchised Deli Kiosk, including, without limitation, , drawing, pictures, designs, software licensed or provided by Franchisor, recipes, training materials, construction plans and specifications, marketing information and strategies, and site evaluation and selection techniques shall be deemed as "Confidential Information". For the avoidance of doubt, a person describing his or her experience as a franchisee of Franchisor to another prospective franchisee of Franchisor shall not constitute the disclosure of Confidential Information.

(b) Covenantor shall receive Confidential Information in confidence and shall, at all times, maintain them in confidence, and use the Confidential Information only in the course of his or her employment by or association with Franchisee, or in the performance of Covenantor's other responsibilities to Franchisee, and only in connection with this Confidentiality Agreement and/or operation by Franchisee of a Deli Kiosk using the System for so long as Franchisee is licensed by Franchisor to use the System.

(c) Covenantor shall not, at any time, make copies of any documents or compilations containing some or all of Confidential Information without Franchisor's express written permission.

(d) Covenantor shall not, at any time, disclose or permit the disclosure of Confidential Information except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the operation of a Deli Kiosk using the System.

(e) Covenantor shall surrender the Franchise Manual and any other material containing some or all of Confidential Information to Franchisee or to Franchisor, upon request, or upon termination of employment by or association with Franchisee or Covenantor, or upon conclusion of the use for which Franchise Manual or other information or material may have been furnished to the Covenantor.

(f) Covenantor shall not, directly or indirectly, do any act or omit to do any act, which would or would be likely to be injurious or prejudicial to the goodwill of the System.

(2) Covenants Not to Compete.

(a) In order to protect the goodwill and distinctive qualities of the System and the confidentiality and value of Confidential Information, and in consideration for the disclosure to Covenantor of Confidential Information, Covenantor further agrees and covenants that, during the time Covenantor is employed by Franchisee, or is an officer, director, partner, member, manager or owner of Franchisee, Covenantor shall not:

(i) Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of Franchisee's Deli Kiosks using the System to any kiosk or similar establishment featuring Deli Products as primary menu items (a, "Competitive Deli Kiosk").

(ii) Directly or indirectly, for Covenantor or through, on behalf of or in conjunction with any person, partnership or corporation, or other entity, without the prior written consent of Franchisor, own, maintain, develop, operate, engage in, or have any interest in, advise, help or make loans to any Competitive Deli Kiosk.

(b) In further consideration for the disclosure to Covenantor of Confidential Information and to protect the uniqueness of the System, Covenantor agrees and covenants for two (2) years following the termination of his or her employment or relationship by Franchisee or Covenantor (or, in the event Covenantor is an Owner, 1 year following the date Covenantor ceases to satisfy the definition of "Owner"), Covenantor shall not:

(i) Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of Franchisee's Deli Kiosks using the System to any Competitive Deli Kiosk.

(ii) Directly or indirectly, for Covenantor or through, on behalf of or in conjunction with any person, partnership, corporation or other entity, without the prior written consent of Franchisor, own, maintain, develop, operate, engage in, or have any interest in, advise, help or make loans to any Competitive Deli Kiosk located in the United States of America.

(3) Miscellaneous.

(a) Franchisee undertakes to use its best efforts to ensure that Covenantor acts as required by this Confidentiality Agreement and any Franchise Agreement.

(b) Covenantor agrees that in the event of a breach of this Confidentiality Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of such a breach, or threatened or attempted breach of any of the provisions hereof, Franchisor shall be entitled to enforce the provisions of this Confidentiality Agreement and shall be entitled, in addition to any other remedies which are made available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Confidentiality Agreement and/or the Franchise Agreement, without the necessity of showing actual or threatened harm, and without being required to furnish a bond or other security.

(c) Covenantor and Franchisee, jointly and severally, agree to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Confidentiality Agreement.

(d) Any failure by Franchisor or Franchisee to object to or take action with respect to any breach of any provision of this Confidentiality Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

(e) Section 21.2 of the Franchise Agreement is hereby incorporated by reference, mutadis mutandis. Subject to Section 21.2 of the Franchise Agreement and except as expressly set forth below, Covenantor irrevocably (i) submits himself/herself to the jurisdiction of the State Courts of Texas, located in Dallas County, Texas, and the United States Federal District Court for the Northern District of Texas, Dallas Division; (ii) waives all questions of personal jurisdiction for the purpose of effectuating this provision; (iii) agrees that service of process may be made upon any of them in any proceeding relating to, or arising out of, this Franchise Agreement (including the relationship contemplated by this Franchise Agreement) by any means allowed by Texas or federal law; and (iv) agrees that venue for any proceeding relating to, or arising out of, this Franchise Agreement shall be in Dallas County, Texas; provided Franchisor or Franchisee may bring an action for injunctive or other extraordinary relief in any state or federal court that has jurisdiction. With respect to all claims, controversies, disputes and/or actions, this Confidentiality Agreement shall be interpreted and construed under Texas law (without regard to Texas choice of law rules).

(f) The Parties agree that each of the foregoing covenants shall be construed as independent of any

other covenant or provision of this Confidentiality Agreement. If all or any portion of a covenant in this Confidentiality Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor or Franchisee is a party, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant was separately stated in and made a part of this Confidentiality Agreement.

(g) This Confidentiality Agreement, and the Franchise Agreement it is attached to, contain the entire agreement of the Parties regarding the subject matter hereof. This Confidentiality Agreement may be modified only by a duly authorized writing executed by all Parties.

(h) Any and all notices, reports and payments permitted or required to be delivered by the provisions of this Confidentiality Agreement shall be (i) personally delivered, (ii) delivered by overnight delivery service, (iii) delivered by certified/registered mail, return receipt requested, or (iv) delivered by email, electronic delivery, prepaid telex, or facsimile, provided sender confirms any delivery under this clause (iv) by sending a confirmation copy by overnight delivery service or certified/registered mail, return receipt requested, within one (1) business day after transmission thereof to the respective Parties at the addresses listed below. So long as any notice is prepared, addressed, and delivered in accordance with this subparagraph (h), then any such notice shall be deemed to have been received (i) at the time of personal delivery, (ii) at the time of transmission in the case of email, electronic delivery, facsimile or telex, provided confirmation is sent as described above, (iii) on the next business day in the case of overnight delivery service, or (iv) within three (3) business days after mailing in the case of registered or certified mail. At Party may change their notice information below by delivery of written notice to the other Parties in accordance with this subparagraph (h) with new notice information. Franchisor may elect (in its sole discretion) to deliver copies of any notices to Franchisee and Covenantor under this Confidentiality Agreement to their respective lender(s), landlord(s), and other similar parties.

Notices to Franchisor:

Supreme Service Solutions, Inc.  
14043 Distribution Way Farmers Branch,  
TX, 75234 Attention: Katie Aung  
Email: katieaung@yummisushi.net

w/ a copy to:

Steven R. Block  
Blank Rome LLP  
200 Crescent Court, Suite 1000  
Dallas, TX 75201  
Email: steve.block@blankrome.com

Notices to Franchisee  
and Covenantor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_

(i) The rights and remedies of Franchisor under this Confidentiality Agreement are fully assignable and transferable and shall inure to the benefit of its successors, assigns and transferees. The respective obligations of Franchisee and the Covenantor hereunder are personal in nature and may not be assigned by Franchisee or Covenantor, as applicable, without the prior written consent of Franchisor.

*[Remainder of page intentionally left blank; Signature Page follows.]*

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

Franchisor:

Supreme Service Solutions, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Franchisee:

Entity Name, if applicable:

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Covenantor:

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTACHMENT C TO FRANCHISE AGREEMENT

OWNERS, MANAGING OWNER AND OPERATING PARTNER

Managing Owner: \_\_\_\_\_

Operating Partner: \_\_\_\_\_

Owners

Percentage of Ownership

\_\_\_\_\_

\_\_\_\_\_

ATTACHMENT D TO FRANCHISE AGREEMENT

PRE-AUTHORIZED BANK TRANSFER (DIRECT DEBITS)

Name of Person or Legal Entity: \_\_\_\_\_

ID Number (if applicable): \_\_\_\_\_

Account Name: \_\_\_\_\_

Address: \_\_\_\_\_

The undersigned depositor ("Depositor") hereby authorizes SUPREME SERVICE SOLUTIONS, INC. ("COMPANY") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("Depository") and to debit such account pursuant to COMPANY'S instructions for any and all amounts due to COMPANY. The Depositor understands that all amounts debited from the account below will be credited to COMPANY'S account. IN LIEU OF COMPLETING THE INFORMATION REQUIRED ON THE FOLLOWING FOUR LINES, FRANCHISEE MAY ATTACH A CANCELLED OR VOIDED CHECK HERETO.

_____	_____	
Depository	Branch	
_____	_____	_____
City	State	Zip Code
_____	_____	
Telephone Number of Bank	Contact Person at Bank	
_____	_____	
Bank Transit/ABA Number	Account Number	

This authority is to remain in full force and effect until Depository has received joint written notification from COMPANY and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Notwithstanding the foregoing, Depository may terminate this authority by providing COMPANY and Depositor with thirty (30) days' prior written notice. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if (a) within fifteen (15) calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or (b) forty-five (45) days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

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Depositor

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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Depository

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## ATTACHMENT E TO FRANCHISE AGREEMENT

### RIGHT OF FIRST REFUSAL

*Capitalized terms used in this Right of First Refusal shall have the meanings ascribed to such terms in the Franchise Agreement unless otherwise defined herein.*

(1) In the event Franchisee receives (or delivers) an acceptable bona fide offer from a third party related to a proposed sale of the Franchised Deli Kiosk (or any portion thereof or interest therein), then Franchisee shall give Franchisor written notice setting forth the name and address of the prospective purchaser, the price and terms of the offer together with a franchise application completed by the prospective purchaser, a copy of the proposed purchase and sale agreement, and all exhibits, copies of any real estate purchase agreement or agreements, proposed security agreements and related promissory notes, assignment documents, title insurance commitment and any other information that Franchisor may request in order to evaluate the offer.

(2) Franchisor shall then have the right of first refusal to purchase Franchisee's interest covered by such offer at the price and upon the same terms of the offer. Franchisor shall have thirty (30) calendar days after receipt of Franchisee's notice of offer and the furnishing of all reasonably requested information within which to notify Franchisee in writing of its intent to accept or reject the offer. Silence on the part of Franchisor shall constitute rejection. Franchisee may not rely upon any notice from Franchisor of its intention to accept or reject the offer nor shall such notice be effective unless such notice is in writing and signed by an officer of Franchisor. In the event an offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, Franchisor may elect to purchase the interest proposed to be sold for the reasonable equivalent in cash. If the Parties cannot agree within a reasonable time on the reasonable equivalent in cash of the non-cash part of the offer, an independent appraiser shall be designated by Franchisor to determine such amount, and his determination shall be binding.

(3) If the proposed sale includes assets of Franchisee not related to the Franchised Deli Kiosk, then Franchisor may, at its option, elect to purchase only the assets related to the Franchised Deli Kiosk and an equitable purchase price shall be allocated to each asset included in the proposed sale.

(4) If (in addition to the Franchised Deli Kiosk) the proposed sale includes (i) other Franchised Deli Kiosk(s) operated by Franchisee (or affiliates of Franchisee) and/or (ii) Franchisor-franchised kiosks other than Deli Kiosks (the "Non-Deli Kiosks"), then Franchisor may, at its option, elect to purchase: (i) only the Franchised Deli Kiosk; (ii) only the other Franchised Deli Kiosk(s) operated by Franchisee (or affiliates of Franchisee or ); (iii) only the Non-Deli Kiosks; or (iv) any combination of kiosks set forth in clauses (i)-(iii) whether on an individual kiosk basis or on an aggregate basis; and an equitable purchase price shall be allocated to each kiosk.

(5) To the extent any franchise agreements or other agreements relating to the Non- Deli Kiosks may be inconsistent with, or conflict with the terms of the right of first refusal contained herein, the terms of this right of first refusal shall control. This right of first refusal shall apply to any transfer, conveyance, assignment, consolidation, merger, change of ownership or any other transaction in which legal or beneficial ownership of the franchise granted in a franchise agreement is vested in an individual or entity other than Franchisee; provided, however, it shall not apply if Franchisee consists of more than one person and the transfer or assignment is from one partner to another, both of whom are signatories to this Franchise Agreement, so long as (i) the Managing Owner continues to satisfy the requirements set forth in this Franchise Agreement, and (ii) Franchisor is given written notice thereof prior to such transfer.

(6) The election by Franchisor not to exercise its right of first refusal as to any offer shall not affect its right of first refusal as to any subsequent offer.

(7) Any sale, attempted sale, assignment or other transfer of the rights pursuant to the Franchise



Agreement which is effected without first giving Franchisor the right of first refusal described above shall be void and of no force and effect.

(8) If Franchisor does not accept the offer referenced herein, then Franchisee may conclude the sale to the purchaser who made the offer provided Franchisor's consent to the assignment be first obtained, which consent will not be unreasonably withheld upon compliance with the conditions imposed by Franchisor on the assignment including the conditions set forth in Article 13.

(9) In addition, Franchisee agrees that, prior to acquiring any other Deli Kiosk franchise which may be offered to it for sale or which it may offer to purchase, such franchise will first be offered to Franchisor on the same terms, conditions and price.

\* \* \* \* \*

## ATTACHMENT F TO FRANCHISE AGREEMENT

### REQUIREMENTS FOR LOCAL ADVERTISING

1. Franchisee must obtain prior approval from Franchisor on all advertising materials to be used in the Local Advertising Program before production (including all in-store and external marketing pieces).
2. All advertising materials used in the local advertising must fall into the categories listed below.
  - (a) Advertising Materials for Use Inside Franchised Deli Kiosk. Franchisor-approved advertising materials for use inside the Franchised Deli Kiosk (e.g., food photography, table tents, rolodex table stands, menu inserts, drink coasters, chalkboards, banners, danglers, stickers, posters, promotional t-shirts and special promotional in-store bounceback certificates).
  - (b) Advertising Materials for Use Outside Franchised Deli Kiosk. Franchisor-approved advertising materials for use outside the Franchised Deli Kiosk (e.g., advertising on television, radio, and cinema including talent and residual costs, direct mail pieces, free-standing insert ads, newspaper or magazine ads, internet ads, bumper stickers, flyers, banners, door hangers, magnets, advertising on billboards and advertising on subway, mall, airport and telephone kiosks).
  - (c) Public Relations or Promotional Events. Franchisor-approved public relations materials, events or sponsorships (e.g., media press releases, media kits, talent for in-store promotional events such as face painting, clowns, etc., promotional giveaways items such as pens, pins, t-shirts, etc.).
  - (d) Co-Operative Advertising Agreements. Franchisor-approved cooperative advertising efforts (e.g., advertising which may be required under the lease agreement for the Franchised Deli Kiosk).

\* \* \* \* \*

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ATTACHMENT G TO FRANCHISE AGREEMENT

GUARANTY OF FRANCHISE AGREEMENT ("GUARANTY")

The undersigned ("Guarantor"), for the purpose of inducing Supreme Service Solutions, Inc., d/b/a Supreme Deli, a Texas corporation ("Franchisor") to enter into that certain Franchise Agreement dated \_\_\_\_\_ (as amended, restated, supplemented or otherwise modified from time to time, and including all Attachments thereto, the "Franchise Agreement") with \_\_\_\_\_ ("Franchisee"), hereby agrees to be individually bound (and if multiple guarantors, jointly and severally bound) by all the terms and conditions of the Agreement and unconditionally and irrevocably guarantee to Franchisor and its successors and assigns that all of Franchisee's obligations under the Franchise Agreement will be punctually paid and performed.

Upon written demand from Franchisor after a default by Franchisee under the Franchise Agreement, Guarantor will immediately make each payment and perform each obligation required of Franchisee under the Franchise Agreement. Without affecting the obligations of Guarantor under this Guaranty, Franchisor may, without notice to Guarantor, increase, renew, extend, modify, amend or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee.

Guarantor hereby waives all demands and notices of every kind with respect to this Guaranty and the Franchise Agreement, including, without limitation, notice of: the amendment or modification of the Franchise Agreement, the demand for payment or performance by Franchisee or Franchisor, any default by Franchisee or any guarantor, and any release of any other guarantor or other security for the Franchise Agreement or the obligations of Franchisee.

Franchisor may pursue its rights against Guarantor without first exhausting its remedies against Franchisee and without joining any other guarantor hereto and no delay on the part of Franchisor in the exercise of any right or remedy shall operate as a waiver of such right or remedy, and no single or partial exercise by Franchisor of any right or remedy shall preclude the further exercise of such right or remedy.

Upon receipt by Franchisor of notice of the death of an individual guarantor, the estate of such guarantor will be bound by this Guaranty but only for defaults and obligations hereunder existing at the time of death, and the obligations of the other guarantors hereunder will continue in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this Guaranty to be effective as of the Effective Date of the Franchise Agreement.

Acknowledged and Agreed by Guarantor:

\_\_\_\_\_

Name: \_\_\_\_\_  
(Signed as an Individual)

Date: \_\_\_\_\_

EXHIBIT B to FRANCHISE DISCLOSURE DOCUMENT

AGENTS FOR SERVICE OF PROCESS

Alabama – Northwest Registered Agent Service, Inc.  
212 W. Troy Street  
Suite B  
Dothan, AL 36303

Alaska - Northwest Registered Agent Inc.  
821 N. St. Ste 102  
Anchorage, AK 99501

Arizona – Northwest Registered Agents LLC  
1846 E. Innovation Park Dr., #100 Suite 106-128  
Oro Valley, AZ 85755

Arkansas – Northwest Registered Agent, LLC  
701 South Street, Suite 100  
Mountain Home, AR 72653

Colorado – Northwest Registered Agent LLC  
1942 Broadway Ste 314C  
Boulder, CO 80302

Georgia - Northwest Registered Agent, LLC  
8735 Dunwoody Place, Ste N  
Atlanta, GA 303050

Idaho – Northwest Registered Agent LLC  
784 South Clearwater Loop, Suite B  
Post Falls, ID 83854

Illinois – Northwest Registered Agent Service, Inc.  
2501 Chatham Road, Suite N  
Springfield, IL 62704

Indiana – Northwest Registered Agent, LLC  
5534 Saint Joe Road  
Fort Wayne, In 46835

Kentucky – Northwest Registered Agent, LLC  
212 North 2nd Street, Suite 100  
Richmond, Kentucky 40475

Maryland – Northwest Registered Agent Service, Inc.  
5000 Thayer Center, Suite C  
Oakland, CA 21550

Michigan – Northwest Registered Agent LLC  
2222 West Grand River., Ave. Ste A  
Okemos, MI 48864

Mississippi – Northwest Registered Agent Inc.  
270 Trace Colony Park, Suite B  
Ridgeland, Mississippi 39157

Missouri – Northwest Registered Agent Service, Inc.  
117 South Lexington Street, #100  
Harrisonville, Missouri 64701

North Carolina – Northwest Registered Agent Service, Inc.  
4030 Wake Forest Road, Ste 349  
Raleigh, NC 27609

Ohio – Northwest Registered Agent Service, Inc.  
6545 Market Avenue North  
Suite 100  
North Canton, OH 44721

Oregon – Northwest Registered Agent LLC  
2355 State St.  
Suite 101  
Salem, OR 97301

Pennsylvania – Northwest Registered Agent, LLC  
502 W. 7<sup>th</sup> St.  
Suite B  
Erie, PA 16502

South Carolina – Northwest Registered Agent LLC  
6650 Rivers Ave., STE 100  
Charleston, SC 29406

Tennessee – Northwest Registered Agent Inc.  
5810 Shelby Oaks Drive  
Suite B  
Memphis, TN 38134

Texas – Thein Aung  
14043 Distribution Way  
Farmers Branch, TX 75234

Utah – Northwest Registered Agent LLC  
7533 S Center View CT. STE N  
West Jordan, UT 84084

Virginia - Northwest Registered Agent LLC  
8401 Maryland Dr. STE A  
Richmond, VA 23294

Washington – Northwest Registered Agent, LLC  
522 W. Riverside Ave.  
Suite N  
Spokane, WA 99201

West Virigina – Northwest Registered Agent LLC  
110 Main ST.  
Beckley, WV 25801

EXHIBIT C to FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

[Attachments Follow]

**SUPREME SERVICE SOLUTIONS, INC.**  
**FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITORS' REPORT**  
**DECEMBER 31, 2023**



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HEXT & ASSOCIATES, P C  
*An Integrated Professional Services Firm*  
Certified Public Accountants  
Management Consultants

5001 Spring Valley Road, Ste. 850W  
Dallas, TX 75244-3946  
(972) 644-7112 Fax (972) 680-8685  
[www.hextfinancialgroup.com](http://www.hextfinancialgroup.com)

## **INDEPENDENT AUDITORS' REPORT**

To the Shareholders of  
Supreme Service Solutions, Inc.

### **Opinion**

We have audited the accompanying financial statements of Supreme Service Solutions, Inc. which comprise the balance sheet as of December 31, 2023, and the related statements of income, retained earnings, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Supreme Service Solutions, Inc. as of December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("GAAP").

### **Basis for Opinion**

We conducted our audit 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 Supreme Service Solutions, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 GAAP, 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 Supreme Service Solutions, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibility 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 Supreme Service Solutions, Inc.'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 Supreme Service Solutions, Inc.'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.

*Hext & Associates, P.C.*

Dallas, Texas  
September 4, 2024

**SUPREME SERVICE SOLUTIONS, INC.**  
**BALANCE SHEET**  
**DECEMBER 31, 2023**

**Assets**

Current Assets:

Cash and cash equivalents	\$ 907,891
Accounts receivable, net	3,447,239
Accounts receivable, intercompany	2,160,030
Inventories	366,029
Prepaid expenses and other current assets	27,545
Total Current Assets	<u>6,908,734</u>

Total Assets	<u><u>\$ 6,908,734</u></u>
--------------	----------------------------

**Liabilities and Shareholders' Equity**

Current Liabilities:

Accounts payable	\$ 4,450,478
Accrued tax	675,750
Other accrued expenses	24,905
Total current liabilities	<u>5,151,133</u>

Shareholders' Equity:

Common stock:

Voting; \$0.001 par value; 10,000 shares authorized;

10,000 shares issued and outstanding	10
Additional paid-in capital	44,990
Retained earnings	1,712,601
Total Shareholders' Equity	<u>1,757,601</u>

Total Liabilities and Shareholders' equity	<u><u>\$ 6,908,734</u></u>
--	----------------------------

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

**SUPREME SERVICE SOLUTIONS, INC.**  
**STATEMENT OF INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Revenues:	
Client royalty income	\$ 11,401,740
Fee income	1,777,881
Other income	<u>2,434,956</u>
Total revenues	15,614,577
 Cost of Goods Sold:	 <u>11,886,749</u>
 Gross Profit:	 3,727,828
 Operating Expenses:	
Salaries and wages	334,949
Advertising and marketing	142,775
Professional fees	269,922
Travel	527,180
Office expenses	5,238
Research and development	23,068
Bank fees	9,806
Training and development	11,101
Other	<u>57,068</u>
Total expenses	<u>1,381,107</u>
 Income from operations	 2,346,721
 Other income:	
Interest income	9,149
Other income	<u>3,000</u>
Total other income	<u>12,149</u>
 Net income before income tax expense	 2,358,870
Income tax expense	<u>675,750</u>
Net income	<u>\$ 1,683,120</u>

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

**SUPREME SERVICE SOLUTIONS, INC.**  
**STATEMENT OF RETAINED EARNINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022	\$	29,481
Net income		<u>1,683,120</u>
Balance, December 31, 2023	\$	<u><u>1,712,601</u></u>

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

**SUPREME SERVICE SOLUTIONS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

Operating Activities:

Net income	\$ 1,683,120
Changes in operating assets and liabilities:	
Accounts receivable	(3,410,183)
Inventories	(366,029)
Prepaid expenses	(29,490)
Accounts payable	4,424,401
Accrued expenses	700,654
Net cash provided by operating activities	<u>3,002,473</u>

Financing Activities:

Related party receivable	<u>(2,160,030)</u>
Net cash used in financing activities	(2,160,030)

Net increase in cash and cash equivalents	842,443
Cash and cash equivalents at the beginning of year	<u>65,448</u>
Cash and cash equivalents at the end of year	<u><u>\$ 907,891</u></u>

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

**SUPREME SERVICE SOLUTIONS, INC.**  
**NOTES TO**  
**FINANCIAL STATEMENTS**

**NOTE 1 – ORGANIZATION AND NATURE OF THE BUSINESS**

Supreme Service Solutions, Inc. (the “Company”) is a Texas Corporation formed on November 04, 2021, with headquarters in Farmers Branch, Texas. The Company began operations in June 2022 and operates under the DBAs Supreme Deli, Supreme Sandwich, and Supreme Produce. The Company is the proud supplier of fresh, high-quality produce and deli products. Partnered with upscale supermarkets nationwide, the Company provides highly trained, experienced chefs who prepare delicious ready to eat Boars Head deli sandwiches, pre-sliced Boars Head meats and cheeses, and pre-cut fruits and vegetables, which are then professionally displayed in ready-to-go containers for purchase via the supermarket checkout.

During 2023 the Company launched the Supreme Produce product line in partnership with Kroger which quickly became the Company’s fastest growing division.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The accompanying financial statements are presented in accordance with accounting principles generally accepted by the United States of America (“GAAP”).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Fair Value of Financial Instruments

The Company’s financial instruments consist primarily of cash and cash equivalents, trade accounts receivable, and accounts payable. The carrying amounts of cash and cash equivalents, trade accounts receivable, and accounts payable approximate their fair values because of the short-term maturities or expected settlement dates of these instruments.

Cash Equivalents

The Company considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. At times, cash and cash equivalents held at a financial institution may be in excess of the Federal Deposit Insurance Corporation (“FDIC”) coverage limit. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable, Net

Accounts receivables are carried at original invoice amount, less estimates made for doubtful accounts. Management determines the allowance for doubtful accounts by reviewing and identifying troubled accounts on a monthly basis and by using historical experience applied to an aging of account balances. Accounts receivable are written-off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. As of December 31, 2023, the Company estimated no allowance reserve for doubtful accounts.



**SUPREME SERVICE SOLUTIONS, INC.**  
**NOTES TO**  
**FINANCIAL STATEMENTS**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Inventories

Inventories consisting primarily of finished goods include food and related products held for resale. Inventories are valued at the lower of cost or net realizable value using the weighted average cost method. Management evaluates all inventories and estimates a reserve for excess or obsolete inventories based on historical trends. As of December 31, 2023, the Company had finished goods and estimated reserve for excess or obsolete inventory as follows:

Finished Goods	\$ 451,055
Inventory reserve	(85,026)
Net	<u>\$ 366,029</u>

Property and Equipment, Net

Property and equipment are stated at cost. The cost of the property and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed based upon the estimated useful lives of the assets using the straight-line method. The estimated useful lives of the related assets are three to seven years.

Long-lived assets are reviewed for potential write-downs when impairment indicators are present. If circumstances require a long-lived asset be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third party independent appraisals as considered necessary.

The Company had no capitalized property and equipment or long-lived assets as of December 31, 2023.

Lease Accounting

*Adoption of New Accounting Standards*

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)”. ASU 2016-02 requires lessees to recognize most leases on their balance sheets for the rights and obligations created by those leases. The guidance requires enhanced disclosures regarding the amount, timing, and uncertainty of cash flows arising from leases. The ASU was effective for private companies for annual reporting periods beginning after December 15, 2020.

In June 2020, the FASB issued a one-year delay, and the effective date for private companies was deferred until fiscal years beginning after December 15, 2021. The Company adopted the new standard effective January 1, 2022.

The Company had no leases outstanding as of December 31, 2023.

**SUPREME SERVICE SOLUTIONS, INC.**  
**NOTES TO**  
**FINANCIAL STATEMENTS**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Revenue Recognition

*Adoption of New Accounting Standards*

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, “Revenue from Contracts with Customers (Topic 606)” (“ASC 606”). The ASU and all subsequently issued clarifying ASUs replaced most existing revenue recognition guidance in U.S. GAAP. The ASU also required expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Company adopted the new standard effective June 1, 2022 upon beginning operation.

As part of the adoption of the ASU, the Company elected the following transition practical expedients: (i) to reflect the aggregate of all contract modifications that occurred prior to the date of initial application when identifying satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price; and (ii) to apply the standard only to contracts that are not completed at the initial date of application. Because contract modifications are minimal, there is not a significant impact as a result of electing these practical expedients.

*Revenue Recognition Policies*

The Company derives its revenues primarily as royalties from the sale of produce, deli, and other related products. Revenues are recognized when control of these products is transferred to its customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products. All performance obligations are satisfied at a point in time. The Company does not have any significant financing components as payment is received at or shortly after the point of sale.

Sales of ingredient products to franchisee operators represent a material component of revenue. Revenues are recognized and inventory relieved at the time of shipment.

The Company has adopted the practical expedient found in FASB ASC 952-606-25-2 that allows for the identification of certain pre-opening services as separate performance obligations with regards to the timing and amount of revenue recognition. The Company has identified that pre-opening services exist with regards to the Franchise Operating Manual and related Recipe Build Book, assistance with the preparation of facilities within the client host location, assistance obtaining relevant business licenses and permits, and stringent quality control programs performed by the Company. The value of these pre-opening services supports recognition of the full amount of the initial franchise fee upon store opening.

Initial franchise fees and other fees charged to franchisees represent a material component of revenue for the year presented.

**SUPREME SERVICE SOLUTIONS, INC.**  
**NOTES TO**  
**FINANCIAL STATEMENTS**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Advertising Expense

Advertising costs are expensed as incurred and are classified under operating expenses. Advertising expense for the year ended December 31, 2023 was \$142,775.

Income Taxes

The Company is a C-corporation and is required to pay federal and state income tax. Income tax expense for the year ended December 31, 2023 was \$675,750.

The Company applies FASB Accounting Standards Codification (“ASC”) 740-10 “Income Taxes” in establishing standards for accounting for uncertain tax positions. The Company evaluates uncertain tax positions with the presumption of audit detection and applies a “more likely than not” standard to evaluate the recognition of tax benefits or provisions. ASC 740-10 applies a two-step process to determine the amount of tax benefits or provisions to record in the financial statements. First, the Company determines whether any amount may be recognized and then determines how much of a tax benefit or provision should be recognized. As of December 31, 2023, the Company has no uncertain tax positions.

**NOTE 3 – Shareholder Equity**

On December 1, 2023 the Company’s Board of Directors executed a Resolution that authorized and approves a 10-1 Common Stock split effective that same day. As a result, the Company has 10,000 shares of Common Stock issued and outstanding.

**NOTE 4 – RELATED PARTY TRANSACTIONS**

In September 2023, the Company entered into a shared services agreement with GBC Food Services, LLC (“GBC”). The officers of the Company are also the sole members of GBC. In connection with the shared services agreement, GBC provides and manages certain direct costs including staff compensation and benefits, 3<sup>rd</sup> party professional fees, brand specific advertising and marketing expenses, and others. These direct costs are recorded on the Company’s books and settled via intercompany payables that are settled from time to time. The shared service also allows for the charging of indirect shared back-office expenses as an allocation of those costs based upon mutually agreed terms from GBC to the Company. No allocation of these costs was made for the year ended December 31, 2023.

During 2023, the Company provided funding for certain overhead expenses to GBC in excess of the amounts charged as direct expenses under the terms of the shared service agreement. The aggregate of this funding is maintained as an intercompany note receivable on the Company’s books and an intercompany note payable on GBC’s books. The total note payable owed to the Company at December 31, 2023 was \$2,160,030. Interest and principal on this note is deferred until December 31, 2024 when both are due in full.

**SUPREME SERVICE SOLUTIONS, INC.**  
**NOTES TO**  
**FINANCIAL STATEMENTS**

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

Legal Proceedings

The Company establishes accruals for lawsuits when it is probable that a loss has been or will be incurred and the Company can reasonably estimate its potential exposure, which may include a range of loss (referred to as a loss that is both “probable and estimable” in the discussion below). As to lawsuits in which the loss is not considered both probable and estimable, or is considered probable but not estimable, the Company does not establish an accrual in accordance with current accounting guidance. It is generally not possible to determine the exposure associated with the Company’s lawsuits for a number of reasons, including, without limitation, one or more of the following: liability appears to be remote; putative class action lawsuits generally pose immaterial exposure until a class is actually certified; class definitions are often indefinite and preclude detailed exposure analysis; and complaints rarely state an amount sought as relief, and when such amount is stated, it is often a function of pleading requirements and may be unrelated to the potential exposure.

As of December 31, 2023 there are no lawsuits filed or threatened which represent a loss that is probable and estimable.

**NOTE 6 – CONCENTRATIONS**

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of trade accounts receivable and cash. Management believes that its contract acceptance, billing and collection policies are adequate to minimize the potential risk related to customer credit and collectability. The Company continually evaluates the credit worthiness of its customers’ financial condition and generally does not require collateral.

Cash in bank accounts is at risk to the extent that it exceeds FDIC insured amounts. To minimize risk, the Company places its cash with high credit quality institutions.

At December 31, 2023, two customers accounted for 100% of the Company’s total trade accounts receivable from grocers. Management has evaluated trade accounts receivable at December 31, 2023, and has determined that no allowance for estimated uncollectible accounts is necessary.

For the year ended December 31, 2023, two customers accounted for approximately 72.9% of the Company’s net sales. The loss of one or more of the Company’s major customers would negatively impact the business, results of operations and financial condition.

**NOTE 7 – SUBSEQUENT EVENTS**

The Company evaluated all material events or transactions that occurred after December 31, 2023 through September 4, 2024, the date these financial statements were available to be issued, and determined that there were no additional events or transactions which would impact these financial statements.

**Supreme Service Solutions Inc**  
**Unaudited Balance Sheet**  
**As of December 31, 2022**

Financial Row	Amount
<b>ASSETS</b>	
Current Assets	
Bank	
1000 - Cash - Bank Accounts	\$65,447.90
Total Bank	\$65,447.90
Accounts Receivable	\$37,056.07
Other Current Asset	
1300 - Prepaid Expenses	\$2,837.50
Total Other Current Asset	\$2,837.50
Total Current Assets	\$105,341.47
Other Assets	(\$4,782.90)
Total ASSETS	\$100,558.57
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
2000 - Accounts Payable	\$25,662.60
Total Accounts Payable	\$25,662.60
Credit Card	
2100 - Credit Cards	\$413.92
Total Credit Card	\$413.92
Total Current Liabilities	\$26,076.52
Equity	\$74,482.05
Total Liabilities & Equity	\$100,558.57

**Supreme Service Solutions Inc**  
**Unaudited Income Statement**  
**For the Year Ended December 31, 2022**

Financial Row	Amount
<b>Ordinary Income/Expense</b>	
Income	
4000 - Client Royalty Remittance	\$248,237.06
4200 - Fee Revenue	\$47,400.00
<b>Total - Income</b>	<b>\$295,637.06</b>
Cost Of Sales	
5005 - Operator Royalties	\$221,753.54
5200 - Short-term Operators	\$13,870.00
5250 - COGS, Operator Expenses	\$465.38
5258 - Operator Inventory/Produce	(\$166.92)
5300 - HQ Product Cost of Sales	(\$620.39)
<b>Total - Cost Of Sales</b>	<b>\$235,301.61</b>
<b>Gross Profit</b>	<b>\$60,335.45</b>
Expense	
6110 - Bank Fees	\$301.57
6300 - Professional Fees	\$24,737.36
6400 - Employee Compensation	\$845.80
6500 - Office Expenses	\$760.59
7000 - Travel Expenses	\$4,157.08
7300 - Operational Taxes	\$51.00
<b>Total - Expense</b>	<b>\$30,853.40</b>
<b>Net Ordinary Income</b>	<b>\$29,482.05</b>
<b>Net Income</b>	<b>\$29,482.05</b>

EXHIBIT D to FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

State Administrators

<b>CALIFORNIA</b> Commissioner of Financial Protection and Innovation 2101 Arena Blvd. Sacramento, CA 95834 (866)-275-2677	<b>NEW YORK</b> New York State Department of Law Bureau of Investor Protection and Securities 28 Liberty Street New York, New York 10005 (212) 416-8236 Phone (212) 416-6042 Fax
<b>HAWAII</b> Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	<b>NORTH DAKOTA</b> North Dakota Securities Department 600 East Blvd., 5 <sup>th</sup> Floor Bismarck, ND 58505-0510 (701) 328-2910
<b>ILLINOIS</b> Franchise Bureau Office of Attorney General 500 S. Second Street Springfield, IL 62706 (217) 782-4465	<b>RHODE ISLAND</b> Division of Business Regulation Division of Securities John O. Pastore Complex 1511 Pontiac Avenue, Bldg. 69-1 Cranston, RI 02920 (401) 462-9527
<b>INDIANA</b> Franchise Section Indiana Securities Division Secretary of State, Room E-111 302 West Washington Street Indianapolis, IN 46204 (317) 232-6531	<b>SOUTH DAKOTA</b> Department of Labor and Regulation Division of Insurance Securities Regulation 124 S Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563
<b>MARYLAND</b> Office of the Attorney General Securities Division 200 St. Paul Place, 20 <sup>th</sup> Floor Baltimore, MD 21202 (410) 576-6360	<b>VIRGINIA</b> State Corporation Commission Department of Securities and Retail Franchising 1300 E. Main St., 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051
<b>MICHIGAN</b> Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street G. Mennen Williams Building, 1 <sup>st</sup> Floor Lansing, MI 48913 (517) 335-7567	<b>WASHINGTON</b> Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, WA 98501 (360) 902-8760
<b>MINNESOTA</b> Minnesota Department of Commerce Market Assurance Division 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101 (651) 539-1500	<b>WISCONSIN</b> Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703 (608) 266-3431

## EXHIBIT E to FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT AND FORMER FRANCHISEES

The names of all current franchisees, and the address and telephone number and address of each of their outlets are listed below:

#	Owner	Phone	Address	City	State	Zip
1	SOE SANDWICHES LLC	(717) 203-4815	755 N RESERVOIR ST	LANCASTER	PA	17602
2	AYE HOM KAEW	(215) 954-8731	2331 S MARSHALL ST	PHILADELPHIA	PA	19148
3	NGUN TIN DIM	(214) 422-2655	444 FITZGERALD ST	PHILADELPHIA	PA	19148
4	VAN LAL NUN MAWI	(513) 233-4400	11165 LEBANON AVE BLUE	BLUE ASH	OH	45242
5	SAW LAH BWE	(817) 820-9733	640 UPLAND ST	POTTSTOWN	PA	19464
6	MAI MAI MAKHA	(717) 724-1166	4743 BRIAN RD	MECHANICSBURG	PA	17050
7	HTOO LA	(507) 391-0366	1504 W FOUNTAIN ST	ALBERT LEA	MN	56007
8	KEI TIN THANG	(502) 408-1060	8214 SIESTA WAY	LOUISVILLE	KY	40219
9	SOLOMON BAWI THA CUNG LIAN	(270) 792-6246	3031 INDO ST	BOWLING GREEN	KY	42104
10	TU AUNG LAHPAI	(717) 909-7012	1612 MATTHEW RD	CAMP HILL	PA	17011
11	STANLEE NAWL THANG	(308) 250-2751	2710 VALLEY TRAILS DR	VILLA HILLS	KY	41017
12	CEU LIAN	(317) 935-6242	6817 EVERBLOOM LN	INDIANAPOLIS	IN	46217
13	CINZAH WELCOME JAY CHAN TLUANG	(270) 599-5093	3043 INDO ST	BOWLING GREEN	KY	42101
14	DAR NAWN	(317) 495-0191	937 ANGUS LN	INDIANAPOLIS	IN	46217
15	LIAN CI MANG	(317) 741-3165	18098 COUNTY RD 420A	PUXICO	MO	63960
16	SUI HLAWN IANG	(502)-309-0804	1321 LANCE DR	LOUISVILLE	KY	40216
17	RAM RUATI	(610) 657-9517	831 S HAYS ST	ALLENTOWN	PA	18103
18	TIN AUNG KO	(702) 477-5742	2429 GARRETT RD	DREXEL HILL	PA	19026
19	SAH BAUNEE	(717) 330-1955	729 EMERALD DR	LANCASTER	PA	17603
20	SAI TUN TUN THANT	(929) 235-3806	2110 S 8TH STREET APT 2	PHILADELPHIA	PA	19148
21	HNIN HTET HTET AUNG	(347) 856-4003	2501 OAKLEY PL	PENNSAUKEN	NJ	08109
22	SHAN LIN AUNG	(747) 955-9941	605 EAGLE CT	HAYWARD	CA	94541
23	HUNG LING	(803) 966-7031	2433 MERRY WOOD RD	COLUMBIA	SC	29210
24	SUI LEN SUNG HMUNG	(443) 858-3040	2 BRIARWOOD ROAD	CATONSVILLE	MD	21228



25	LU PA	(803) 546-5017	390 GARDNERS CIR	BLUFFTON	SC	29910
26	SHEN THANG	(470) 584-0433	823 SAINT JOSEPH ST	LANCASTER	PA	17603
27	THANG BIK	(269) 268-5485	11347 LIPPELMAN RD APT 149	CINCINNATI	OH	45246
28	FRANYER ELIECER HERNANDEZ BAUTISTA	(843) 227-3073	897 FORDING ISLAND RD APT 814	BLUFFTON	SC	29910
29	THEIN ZAW ZAW	(903) 815-7175	7225 FAIR OAKS AVE #1032	DALLAS	TX	75231
30	THAT AWI PHUNG THANG	(317) 652-9420	4009 BRANDYCHASE WAY 282	CINCINNATI	OH	45245
31	SOE SANDWICHES LLC	(717) 203-4815	755 N RESERVOIR ST	LANCASTER	PA	17602

Please note, certain of the above owners own more than one Deli Kiosk. Duplicates have been removed from the list above.

The name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee or independent contractor who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business with Franchisor during the most recently completed fiscal year or who has not communicated with the Franchisor within 10 weeks of the disclosure document issuance date is listed below:

#	Owner	Phone	City	State
1	MANG SUSHI BAR INC	(214) 980-8884	WYLIE	TX
2	KYAW FAMILY LLC	(717) 869-9139	READING	PA
3	J LEON INC	(469) 499-6937	COPPELL	TX
4	SIMON UK SUSHI INC	(469) 288-2726	RICHARDSON	TX
5	VAN NEI THANG	(484) 764-9988	ALLENTOWN	PA
6	PA THANG	(630) 997-2172	WARRENVILLE	IL
7	DUH CEU	(469) 735-2849	LEWISVILLE	TX
8	JACK LAL SANG LIAN	(817) 846-2893	FORT WORTH	TX
9	BAWI THAR LING	(469) 878-8834	LEWISVILLE	TX
10	THAWNG ZA THANG	(214) 672-3325	LEWISVILLE	TX
11	LYDIA FAM THLUAI CHIN	(469) 531-6901	DALLAS	TX
12	VAN BAWI CUNG	(214) 859-7646	RICHARDSON	TX
13	VAN LIAN HMUNG	(469) 438-1865	LEWISVILLE	TX
14	HTU SENG MARAN	(469) 235-3610	DALLAS	TX
15	REBECCA SHANGHTIN GRACELAND	(347) 832-9024	LANCASTER	PA
16	RUTHA MEE THONG	(972) 704-8593	HASLET	TX
17	ALH KHAN TUAN	615-403-0539	MURFREESBORO	TN
18	GIN KAP THANG	(615) 648-8500	MURFREESBORO	TX
19	SUNG SUNG	(432) 889-4532	MADISON	AL
20	EH KAW DOH	(717) 203-4815	LANCASTER	PA
21	NGUN TIN DIM	(214) 422-2655	PHILADELPHIA	PA
22	SAN PI	(832) 970-8353	LEWISVILLE	TX
23	LINDA BUAI	(972) 814-7227	BEDFORD	TX
24	RENGAWM THANG RENGTHLANG	(469) 612-4015	LEWISVILLE	TX
25	VAN CEU LIAN	(469) 837-3138	LEWISVILLE	TX

26	MOSES BIAK HMUN SANG	(319) 529-6494	WATERLOO	IA
27	HRANG CEUBIK	(214) 730-9655	LEWISVILLE	TX
28	THANG SIAN KHAI	(214) 723-8440	DALLAS	TX
29	MEN TUN	(817) 889-7120	FORT WORTH	TX
30	SIANG LIAN HMUNG	(972) 503-2224	AUBURN	WA
31	BERLY Y MORALES RAMOS	(859) 443-4632	FLORENCE	KY
32	CING KHWAM LUN	(210) 992-7237	GARLAND	TX

EXHIBIT F TO FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT AND FRANCHISE  
AGREEMENT

[Applicable State Addenda, if any, follows]

EXHIBIT G TO FRANCHISE DISCLOSURE DOCUMENT  
FORM OF GENERAL RELEASE

Dated: \_\_\_\_\_, 20\_\_

Reference is made to the Franchise Agreement, dated as of \_\_\_\_\_, 20\_\_ (the "Franchise Agreement"), between the undersigned ("Franchisee") and Supreme Service Solutions, Inc., a Texas corporation ("Franchisor"). Capitalized terms used herein but not otherwise defined shall have the meanings assigned to them in the Franchise Agreement.

1. **General Release.** Franchisee, for himself/herself and his/her family, heirs, spouse, agents, executors, administrators, legal representatives and their respective successors and assigns (each, a "Releasing Party"), in consideration for the opportunity to renew or transfer the Franchise Agreement, as applicable, does hereby irrevocably, fully, knowingly, voluntarily and unconditionally release and forever discharge (i) Franchisor, (ii) each current and former affiliate (including subsidiaries) of any person or entity referenced in the immediately preceding clause (i), each current and former direct or indirect shareholder, member or other equity holder of any person or entity referenced in the immediately preceding clauses (i), and each current and former affiliate (including subsidiaries) of each such shareholder, member and each such other equity holder; (iii) each predecessor, successor, heir, and assign of any person or entity referenced in any of the immediately preceding clauses (i) through (ii), whether or not acting in his, her or its representative or individual capacity; and (iv) each current and former attorney, agent, insurer, trustee, fiduciary, advisor, director, manager, principal, officer, benefit plan, benefit plan fiduciary, shareholder, member, general partner, limited partner, other equity holder, representative, control person or entity or employee of any persons or entities referenced in any of the immediately preceding clauses (i) through (iii) (and each other person or entity with a functionally equivalent role of a person or entity holding such titles notwithstanding the lack of such title or any other title) and each of their respective predecessors, successors, heirs, agents and assigns (all of the persons and entities referenced in the immediately preceding clauses (i) through (iv) are collectively referred to herein as the "Released Parties") from any and all actions, accounts, agreements, claims, contracts, covenants, debts, demands, obligations, suits, counter-claims, defenses, rights, omissions, promises, damages, losses, contingencies, judgments, fines, penalties, charges, costs (including, without limitation, attorneys' fees and costs of defense and investigation), expenses and liabilities of any kind and nature whatsoever, whether known or unknown, absolute or contingent, suspected or unsuspected, matured or unmatured, in contract, tort, by statute, at law in equity or otherwise (collectively, "Claims") which any Releasing Party may now own, hold, have or claim to have, in each case, against any of the Released Parties for, upon or by reason of any nature, cause, action or inaction or thing whatsoever which arises from the beginning of the world to time of the execution and delivery of this Agreement by the Franchisee (collectively, the "Released Claims"), it being expressly understood that the Released Claims include, without limitation, all Claims under the Franchise Agreement and all Claims under any applicable laws, whether for tort, breach of express or implied employment contract, wrongful discharge, intentional infliction of emotional distress, or defamation or injuries incurred on the job.

2. **Covenant Not to Sue.** Franchisee, on behalf of Franchisee and all of the other Releasing Parties, covenants that Franchisee will not (and that Franchisee will cause all other persons or entities who may seek to claim as, by, through or in relation to any of the Releasing Parties or any of the matters released by or on behalf of the Releasing Parties in this General Release of Claims not to) sue any of the Released Parties on the basis of or in any way relating to

any Released Claim (regardless of whether the release of any such Released Claim is enforceable under, or prohibited by, applicable law or otherwise).

3. **Rights Excluded from Release.** Notwithstanding anything in Section 1 of this Exhibit A to the contrary, this General Release of Claims shall not apply to any rights or claims that may arise as a result of events occurring after the date this General Release of Claims is executed. Franchisee understands and agrees that except for Franchisee's specific rights enumerated in the immediately preceding sentence, Franchisee's release in Section 1 of this Exhibit A above constitutes a general as well as a specific release of each of the Released Parties from all Released Claims.

4. **No Pending Actions.** Franchisee represents and warrants to Franchisor that the Releasing Parties are the sole owners of all of the Released Claims and have not sold, assigned, transferred or otherwise disposed of or encumbered any of the Released Claims. Franchisee further represents and warrants that Franchisee has not filed or initiated, or caused to be filed or initiated, any complaint, claim, charge, or cause of action of any type against any of Released Parties in any federal or state court or with any federal, state or local governmental agency. Franchisee agrees that Franchisee will not file or initiate, or cause to be filed or initiated, any complaint, claim, charge, or cause of action of any type against any of the Released Parties in any federal or state court or with any federal, state or local governmental agency. Franchisee further agrees not to be a member of any class action in any court or before any governmental agency or in any private forum seeking relief against any of the Released Parties based on or arising out of any of the Released Claims and waives any right to, and agrees that Franchisee will not accept, any monetary relief or any other form of relief as a result of any such class action. Franchisee shall indemnify and hold harmless all of the Released Parties against whom any such claim, charge, cause of action, or proceeding is brought from and against any and all reasonable attorneys' fees, costs, witness fees, expert witness fees and out-of-pocket expenses incurred by any of them in defending against such Released Claims or as a result of any judgment, order, or fine imposed or settlement made as to any such Released Claims in connection with any such charge, claim, cause of action or other proceeding.

5. **No Unpaid Compensation.** Franchisee acknowledges and agrees that, as of the date of execution of this General Release of Claims, Franchisee is not owed any Franchisee Payment or other compensation or payments by the Franchisor or any other Released Party.

6. **Recommendation to Seek Counsel.** Franchisee acknowledges that Franchisee has read this General Release of Claims, that Franchisee has been advised that he/she should consult with an attorney before he/she executes this general release of claims, and that Franchisee understands all of its terms and executes it voluntarily and with full knowledge of its significance and the consequences thereof.

7. **Misc.** Franchisee acknowledges that this General Release of Claims will be subject to the governing law, venue, jurisdiction, jury trial waiver, and other dispute resolution and interpretation provisions set forth in the Franchise Agreement, which are hereby incorporated by reference as if fully set forth herein. This General Release will inure to the benefit of and be binding upon the parties hereto, their heirs, administrators, successors, and assigns.

[Signature Page Follows]

FRANCHISEE:

\_\_\_\_\_  
Name:

\_\_\_\_\_, 20\_\_

### **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	
Hawaii	
Illinois	Pending
Indiana	
Maryland	Pending
Michigan	Approved December 21, 2024
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	Pending
Wisconsin	

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.

## **ITEM 23 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 SSS 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.

Indiana and Michigan require us to 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.

Hawaii, Minnesota, and North Dakota require us to provide you the disclosure document at least 7 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.

Maryland requires us to provide you the disclosure document at the earlier of your reasonable request to receive a copy of this Franchise Disclosure Document or 14 days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale.

New York requires 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 SSS 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. Please see Exhibit D for a list of state agencies. Exhibit B contains a list of our agents for service of process.

The name, principal business address, and telephone number of the franchise seller offering the franchise is:

<b>Name</b>	<b>Principal Business Address</b>	<b>Telephone Number</b>
Katie Aung	14043 Distribution Way Farmers Branch, TX, 75234	972-402-9498

Issuance Date: January 27, 2025

I received a disclosure document dated January 27, 2025. The disclosure document included the following Exhibits and their attachments:

- Exhibit A – Franchise Agreement
- Exhibit B – Agents for Service of Process
- Exhibit C – Unaudited Opening Balance Sheet
- Exhibit D – List of State Administrators
- Exhibit E – List of All Current and Former Franchisees
- Exhibit F – State Specific Addenda to Franchise Disclosure Document and Franchise Agreement
- Exhibit G – Form of General Release



Dated: \_\_\_\_\_

**PROSPECTIVE FRANCHISEE:**

If a corporation or other business entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name, Title)

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**[Keep these pages for your own records.]**

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Maryland requires us to provide you the disclosure document at the earlier of your reasonable request to receive a copy of this Franchise Disclosure Document or 14 days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale.

New York requires 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 SSS 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. (Please see Exhibit D for a list of state agencies.) Exhibit B contains a list of our agents for service of process.

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<b>Name</b>	<b>Principal Business Address</b>	<b>Telephone Number</b>
Katie Aung	14043 Distribution Way Farmers Branch, TX, 75234	972-402-9498

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- Exhibit G – Form of General Release

Dated: \_\_\_\_\_

**PROSPECTIVE FRANCHISEE:**

If a corporation or other business entity:

\_\_\_\_\_  
(Name of Entity)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name, Title)

**[Sign and return these pages to us.]**

If an individual:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)