FRANCHISE DISCLOSURE DOCUMENT

Roti Modern Franchising, LLC, a Delaware limited liability company
980 Hammond Drive, Suite 1000, Atlanta Georgia, 30328
(678) 992-2300
franchising@roti.com
www.roti.com

The franchise offered is to operate a fast-casual restaurant under the "Roti Modern Mediterranean®" name and other trademarks offering and selling Mediterranean fare, including harissa chicken, sumac steak, falafel, hummus, pita, and other food products and beverages.

The total investment necessary to begin operation of a new Roti Modern Mediterranean® franchise is \$509,800 to \$869,200. This includes \$36,500 to \$60,500 that must be paid to the franchisor or affiliate. If you want development rights, the total investment necessary to begin operation of the first of 2 Roti Restaurants is \$527,300 to \$886,700. This includes \$54,000 to \$78,000 that must be paid to the franchisor or affiliate.

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

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

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

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

Issuance date of this Franchise Disclosure Document: October 10, 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
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Roti® Restaurant business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Roti® Restaurant franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and the development rights agreement require you to resolve disputes with the franchisor by arbitration and/or litigation only in the franchisor's then-current home state (currently Georgia). Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in its then-current home state (currently Georgia) than in your own state.

2. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

3. **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.

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.

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Consumer Protection Division
Attn: Franchise
670 G. Mennen Williams Building
525 West Ottawa, Lansing, Michigan 48933
(517) 335-7567

Notwithstanding paragraph (f) above, we intend to enforce fully the provisions of the arbitration sections of our Franchise Agreement and Development Rights Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration provision. If you acquire a franchise, you acknowledge that we will seek to enforce that section as written, and that the terms of the Franchise Agreement and Development Rights Agreement will govern our relationship with you, including the specific requirements of the arbitration section.

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

The franchisor is Roti Modern Franchising, LLC (“we,” “us,” or “our”). “You” means the person or entity to whom we grant a franchise and, if applicable, development rights. If you are a legal entity, your owners must sign our “Guaranty and Assumption of Obligations” or “Owner’s Undertaking of Non-Monetary Obligations” (depending on the ownership percentage). This means all or some of our Franchise Agreement’s provisions (Exhibit B) also will apply to your owners.

We are a Delaware limited liability company formed on May 2, 2025. Our principal business address is 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328. We operate under our company name and the ROTI-related trademarks listed in Item 13, including “ROTI MODERN®” AND “ROTI MODERN MEDITERRANEAN®” (the “Marks”), and no other name. Except as described in this Item, we currently have no parent companies, predecessors, or affiliates disclosable in this Item. If we have an agent in your state for service of process, we disclose that agent in Exhibit A.

<u>Acquisition of Assets of Roti Restaurants, LLC</u>

In December 2024 and January 2025, our affiliate Broadpeak Group, LLC (“Broadpeak Group”) acquired 17 ROTI® restaurants operating in Illinois, Washington D.C., and Minnesota, as well as the Marks, the operating system, and other intellectual property, from Roti Restaurants LLC, whose principal business address was 600 West Fulton, Suite 101, Chicago, Illinois 60661, in the bankruptcy proceeding and sale described in Item 4 (the “Bankruptcy Sale”). Roti Restaurants LLC and its affiliates operated ROTI Restaurants from 2006 until the Bankruptcy Sale was completed. Besides acquiring those assets in the Bankruptcy Sale, we have no affiliation with Roti Restaurants LLC or its affiliates. Roti Restaurants LLC and its affiliates no longer operate any ROTI Restaurants and have never offered franchises in any business.

Our immediate parent company, Roti Holdings, LLC (“Roti Holdings”), is also the parent company of our affiliate, Roti Restaurant Group, LLC (“RRG”), both of which share our principal business address. RRG now owns and operates the 17 ROTI Restaurants originally acquired by Broadpeak Group in the Bankruptcy Sale; RRG started operating them in December 2024. Roti Holdings and RRG have never offered franchises in any line of business. Roti Holdings has never directly operated a ROTI Restaurant. Roti IP, LLC (“Roti IP”), another affiliate, now owns the Marks, operating systems, and other intellectual property associated with the ROTI brand (having acquired them from Broadpeak Group). Roti IP has never offered franchises in any line of business or operated a ROTI Restaurant.

On May 2, 2025, Broadpeak Group assigned its membership interest in Roti Holdings to Edible Brands, LLC (“Edible Brands”), the parent company of our affiliate, Edible Arrangements, LLC (“Edible Arrangements”). This means that Edible Brands is now our ultimate indirect parent company.

<u>Edible Brands, LLC and Other Affiliates</u>

Edible Arrangements offers franchises for businesses that sell sculpted fruit floral arrangements, floral bouquets, dessert boards, and other chocolate and fruit-related products. It has offered these franchises since 2001; as of December 31, 2024, there were 685 Edible Arrangements businesses open and operating. Edible Brands and Edible Arrangements, which share our principal business address, have never operated a ROTI Restaurant or offered franchises in any other line of business.

An affiliate that will be involved in your business operations is Netsolace, LLC, whose principal business address is 980 Hammond Drive, Suite 900, Atlanta, Georgia 30328 ("Netsolace"). Netsolace sells and leases computer hardware to our franchisees and licenses proprietary computer software, technology, and services that franchisees must use. Netsolace has never operated a ROTI Restaurant or offered franchises in any line of business.

A second affiliate that also will be involved in your business operations is BERRYDIRECT, LLC ("BerryDirect"), whose principal business address is the same as ours. BerryDirect manages our franchisees' supplier relationships and distributes containers, packaging supplies, processing equipment, and other items wholesale to franchisees from a third-party shipper's warehouses in Plainfield, Indiana and Conyers, Georgia. BerryDirect has never operated a ROTI Restaurant or offered franchises in any line of business.

The Franchise Offered

We grant franchises for fast-casual restaurants identified by the Marks that offer and sell customizable Eastern Mediterranean fare, including harissa chicken, sumac steak, falafel, hummus, pita, and other food products and beverages. While these restaurants are called ROTI MODERN MEDITERRANEAN® Restaurants, in this disclosure document we refer to them collectively as "ROTI Restaurants" and refer to your ROTI Restaurant as the "Restaurant." ROTI Restaurants operate under the Marks and the mandatory and suggested specifications, standards, operating procedures, and rules we periodically specify ("Brand Standards"). Your Restaurant must offer the products and services we specify.

We also grant multi-unit development rights to qualified franchisees, who then may develop a specific number of ROTI RESTAURANTS within a defined territory according to a predetermined development schedule. These franchisees may open and operate their ROTI Restaurants directly or through controlled affiliates. Our Development Rights Agreement (Exhibit C), which we also reference as "DRA," governs a franchisee's multi-unit development rights and obligations. A franchisee signing our DRA must sign our then-current form of Franchise Agreement for each additional ROTI Restaurant it develops under that DRA. While that form may differ substantially and materially year to year from the first Franchise Agreement it signs for its first ROTI Restaurant (our current version of Franchise Agreement is disclosed in this disclosure document), we commit to keep the Royalty, Tech Fee, Brand Fund contribution, and minimum required Market Introduction Program expense the same as in the first Franchise Agreement for each subsequent ROTI Restaurant developed under the same DRA, unless the franchisee is not then in full compliance with the DRA and all other franchise agreements then in effect with us. If that is the case, then the Royalty, Tech Fee, Brand Fund contribution, and minimum required Market Introduction Program expense specified under our then-current form of franchise agreement (if different) will not be modified for the initial franchise term for the franchisee's new ROTI Restaurants.

We began offering franchises and development rights for Roti Modern Mediterranean® in October 2025. We have no other business activities, have not offered franchises in other lines of business, and have never operated a ROTI Restaurant (although, as noted above, our affiliate RRG does).

Your Restaurant will offer products and services to the general public throughout the year. The restaurant industry is mature and competitive. You will face competition from numerous businesses, including national, regional, and local restaurant chains (both company-owned or franchised), independent restaurants, grocery and convenience stores serving prepared foods, and other foodservice businesses, whether or not they sell Mediterranean fare. Many competitors currently are larger and have greater name recognition.

No regulations apply specifically to the industry in which ROTI Restaurants operate. However, federal, state, and local food safety, sanitation, handling, labeling, storage, and other laws governing all foodservice operations might impact restaurant operations more than others. You must comply with these laws and with laws applying generally to all businesses.

Item 2
BUSINESS EXPERIENCE

Chief Executive Officer: Somia Farid Silber

Ms. Silber has been our Chief Executive Officer since May 2025. Ms. Silber also has been Chief Executive Officer of Edible Brands in Atlanta, Georgia since October 2024. Prior to October 2024, Ms. Silber held various positions with Edible Brands beginning in June 2017, including President, Vice President, eCommerce, Director, Canada, and Special Projects Manager. Ms. Silber also has been the Vice President and General Manager of Netsolace in Atlanta, Georgia since August 2018.

President, Chief Stores Officer: Matthew Walls

Mr. Walls has been our President and Chief Stores Officer since May 2025. Mr. Walls also has been President and Chief Stores Officer of Edible Brands in Atlanta, Georgia since May 2025. Mr. Walls served as Chief Development Officer for Caribou Coffee Development Company, Inc. in Brooklyn Center, Minnesota from April 2023 through May 2025 and its Chief Franchising Officer from July 2022 until April 2023. From May 2021 to June 2022, Mr. Walls was Chief Development Officer for CKE Restaurants, Inc. in Franklin, Tennessee. He was Global Senior Vice President of Franchising at Domino's Pizza in Ann Arbor, Michigan from January 2019 to May 2021 and its Vice President of Global Development from July 2014 to January 2019.

Chief Innovation Officer: Angela Johnson

Ms. Johnson has been our Chief Innovation Officer since May 2025. Ms. Johnson also has been Chief Innovation Officer of Edible Brands in Atlanta, Georgia since September 2022, having served as its Vice President of Innovation and Merchandising from June 2021 until September 2022. She held a number of positions at The Krystal Company in Atlanta, Georgia from September 2014 to May 2021, most recently Vice President of Marketing overseeing brand activations and innovation.

Vice President, Global Development: Sara Berthen

Ms. Berthen has been our Vice President, Global Development since May 2025. Ms. Berthen also has been Vice President, Global Development of Edible Brands in Atlanta, Georgia since September 2025, having served as Edible Brands' Chief of Staff from May 2024 to September 2025. She was Manager, Corporate Development and Strategy, at GoTo Foods (formerly Focus Brands) in Atlanta, Georgia from April 2022 to May 2024, held the same position with Oldcastle APG in Atlanta, Georgia from March 2021 to March 2022, and was a Senior Financial Analyst, Corporate Development, at Paradies Lagardere in Atlanta, Georgia from March 2019 to March 2021.

Chief Legal & Compliance Officer: Doug Knox

Mr. Knox has been our Chief Legal & Compliance Officer since May 2025. Mr. Knox also has been Edible Brands' Chief Legal & Compliance Officer in Atlanta, Georgia since February 2024, having served as its Senior Corporate Counsel, Franchise, from May 2023 until February 2024. Until joining Edible Brands, Mr. Knox practiced law in Tampa, Florida beginning in 2004, most recently as a solo practitioner from October 2022 through May 2023, and previously with the law firms Gray Robinson, P.A. (of counsel, September 2020 through October 2022) and Spencer Fane, LLP (partner, December 2018 through September 2020).

Item 3
LITIGATION

No litigation is required to be disclosed in this Item. (We are not aware of any disclosable litigation involving Roti Restaurants, LLC, our predecessor.)

Item 4
BANKRUPTCY

On August 23, 2024, Roti Restaurants, LLC and certain of its affiliates, the original owners of the ROTI brand whose address was 600 West Fulton, Suite 101, Chicago, Illinois 60661, filed a petition for reorganization under Chapter 11 of the U.S. Bankruptcy Code in the bankruptcy court for the Northern District of Illinois (*Roti Restaurants, LLC, et al.*, Case No. 24-12410, later renamed *R86 Liquidation* f/k/a *Roti Restaurants, LLC*). As noted in Item 1, our affiliate Broadpeak Group purchased 17 ROTI Restaurants operating in Illinois, Washington D.C., and Minnesota, as well as the Marks, operating system, and other intellectual property we license, in a bankruptcy sale administered by the bankruptcy court. On April 22, 2025, the bankruptcy court confirmed the Second Amended Subchapter V Plan, which became a final order on May 7, 2025, and effective on May 8, 2025. Other than for acquiring these assets, we and our affiliates have never been involved with Roti Restaurants, LLC. Following the sale and bankruptcy administration, Roti Restaurants, LLC and its affiliates ceased operating ROTI Restaurants.

Other than this one action, no bankruptcy is required to be disclosed in this Item.

Item 5
INITIAL FEES

Franchise Agreement

You must pay us a lump-sum $35,000 initial franchise fee when you sign the Franchise Agreement. It is not refundable under any circumstances.

You must develop the Restaurant at your expense. We will produce a "Test Fit" of the proposed Restaurant site for your review, which confirms that the space will accommodate a prototypical ROTI Restaurant. We then will produce a "Schematic" from the Test Fit for you and your architect to create construction drawings. Our current fee for this Schematic is $1,500. It is not refundable under any circumstances.

Before opening your Restaurant, you may acquire hardware for the required technology system from Netsolace at a cost ranging up to $14,000. This payment is not refundable.

You must spend at least $10,000 on a market introduction program for the Restaurant, which we expect to begin approximately one month before, and to continue for approximately one month after, the Restaurant opens (although we may specify a different timeframe). We will consult with you about the type of market introduction program that we believe is most suitable for your Restaurant's market. At our request, you must pay us for the program's anticipated costs, which we then will either spend for you in the Restaurant's market or re-pay you as you send us invoices or receipts confirming your commitment with vendors to move forward with the approved program. This payment is not refundable.

During the Restaurant build-out process, you must at our request send us pictures and images of the Restaurant's interior and exterior so we can assess your development of the Restaurant in compliance with our Brand Standards. If your general contractor does not send us the requested images/recordings by the specified deadline (but not more often than bi-weekly), we may require you to pay us $100 for each day they are late. This payment is not refundable.

<u>Development Rights Agreement</u>

If you sign our DRA because you commit to develop multiple ROTI Restaurants in a territory, we currently charge a development fee that you must pay in full when you sign the DRA. The development fee equals the full $35,000 initial franchise fee for the first Restaurant to be developed plus a $17,500 deposit for each additional Restaurant you commit to develop. You must pay the rest of the initial franchise fee for each Restaurant (that is, $17,500) when you sign the Franchise Agreement for that Restaurant. The initial franchise fee for each Restaurant you commit to develop is $35,000. We will identify the number of Restaurants you must develop, the deadlines for developing them, and the applicable development fee before signing the DRA. The development fee is not refundable under any circumstances, even if you cannot find sites for your Restaurants or choose for another reason not to perform.

If we, our affiliate, or another franchisee or licensee develops a ROTI Restaurant at or within a "Franchisor Permitted Venue" in the development Territory that is <u>not</u> a "Non-Traditional Venue" (which is a right we describe in Item 12), and you then choose to develop one less ROTI Restaurant under the development schedule, we will credit the deposit that you paid for that Restaurant as part of the development fee (i.e., the $17,500) toward the remainder of the initial franchise fee due to us for the subsequent ROTI Restaurant that you committed to develop under the DRA.

We will review potential Restaurant sites that you identify within your development Territory and may, but have no obligation to, visit the territory once (for no additional fee) to review and consider your potential sites for each ROTI Restaurant to be constructed and developed under the DRA. We may require you to reimburse our out-of-pocket expenses (up to $2,500) for each site visit after the first per-Restaurant visit or if you request that we visit a site. This payment is not refundable.

Item 6
OTHER FEES

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty [2,3, 4, and 5]	6% of Restaurant's Net Sales every 2 weeks	Due on or before Wednesday following the end of each 2 calendar-week period (Monday through Sunday)	
Brand Fund Contributions	Up to 5% of Restaurant's Net Sales every 2 weeks Currently, the Brand Fund contribution is 3%, but franchised ROTI Restaurants also are required to spend at least 2% of monthly Net Sales on local marketing efforts (including through an area advertising cooperative if one exists for the franchisee's market)	Due on or before Wednesday following the end of each 2 calendar-week period (Monday through Sunday)	See Item 11 for a detailed discussion of the advertising-related activities. We may increase Brand Fund contribution up to total of 5% of Net Sales if we concurrently and proportionately reduce your required minimum Local Marketing Spending Requirement. Your total minimum Brand Fund contribution (which we administer), Local Marketing Spending Requirement, and Cooperative contribution will not exceed 5% of your Restaurant's Net Sales. We may control the formation and operation of Advertising Cooperatives and specify your required contribution to the Cooperative, subject to the 5% cap. We also may require you to pay us (or debit from your account) the amounts you must spend for local marketing, which we then will spend for you in your market area.

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Technology	Currently $500 per month We may collect up $1,000 per month during franchise term but will not raise this fee by more than $250 per month in any 1 calendar year	Due by first Wednesday of each month	The Technology Fee is for technology products or services we determine to associate or use in connection with the Franchise System and to cover all or certain portions of the corresponding costs. The Technology Fee does not cover hardware or software subscriptions, license fees, or other amounts that you must pay directly to third parties for the Restaurant's Technology Suite or that we, as a matter of convenience or efficiency or because of a master agreement or other arrangement with a 3rd-party vendor, choose to collect from you for eventual payment to the 3rd-party vendor. If we collect any monies from you for eventual payment to a 3rd-party vendor, we will do so on a pass-through basis without upcharge.
Computer Software and Technology, Support, and Upgrades (Technology Suite)	Currently $500 (but not to exceed $1,000) per month for software services (depending on the number of users and locations); a subscription for hardware will cost an additional $300 to $600 per month above the $500 to $1,000 (depending on the number of users and locations and length of the hardware subscription)	As incurred	We and our affiliates, including Netsolace, may charge you up-front and ongoing (*e.g.*, weekly, monthly, or other) fees for any required or recommended proprietary software or technology created, developed, modified, and licensed to you (to the extent it is not in our judgment covered by the Technology Fee) and for other Technology Suite maintenance and support services and programs provided during the franchise term.

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Cooperative Contributions	An amount we specify up to 2% of monthly Net Sales [6]	As specified	We have not yet formed any Cooperatives and do not yet require Cooperative contributions. [6 and 7] Your total minimum Brand Fund contribution, Local Marketing Spending Requirement, and Cooperative contribution will not exceed 5% of your Net Sales.
Renewal Franchise Fee	50% of our then-current initial franchise fee for new franchisees	When you sign a renewal/successor franchise agreement (if you have that right)	
Transfer of Franchise Rights or Controlling Ownership Interest in Franchisee	50% of our then-current initial franchise fee for new franchisees	One-half due as deposit (and not refundable) when you request our approval of potential transfer; balance due before transfer's proposed effective date	Transfer fee is reduced to $5,000 if transfer is among your owners, your or their immediate family members, or an entity you control, or transferee either is a ROTI Restaurant franchisee in good standing for past 5 years or managed a ROTI Restaurant for at least 5 years.
Transfer of Non-Controlling Ownership Interest in Franchisee	$5,000	Upon transfer	Due upon transfer of non-controlling ownership interest in you.
Transfer of Franchise Agreement or Controlling Ownership Interest (transfer fee to Netsolace)	$1,200	Due to Netsolace (and non-refundable) for set-up of Netsolace system with buyer; generally charged to buyer	Due on transfer of Franchise Agreement or controlling ownership interest in you or your owners

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Additional Training or Assistance During Franchise Term	Our then-current fee for ongoing and supplemental training, plus our expenses, if at your Restaurant. Our current fee is $500 per trainer per day; we may charge up to $1,000 per trainer per day	In advance of additional training or assistance	For additional or special assistance or training you need or request, or that we otherwise require during the franchise term.
Insufficient Trained Managers	$1,000 per missing or untrained manager and additional $1,000 for each 30 days that the deficiency continues.	As incurred	If you operate Restaurant without required number of fully trained, certified managers 60 days after notice of deficiency.
Retraining of Operating Partner or Restaurant Manager / Training of Replacement Operating Partner or Restaurant Manager	Our then-current fee for training, plus our expenses, if at your Restaurant Our current fee is $500 per trainer per day; we may charge up to $1,000 per trainer per day	In advance of additional training	Due if we determine after inspection that Restaurant is not operating according to Brand Standards, or we must train Replacement Operating Partner or Restaurant Manager.
Product and Service Purchases	Item 8 discusses product and service purchases	As incurred	You will buy or lease products, supplies, and services from (i) us or our affiliates, (ii) designated and approved vendors whose items meet our standards and specifications, and (iii) other suppliers to the industry in which ROTI Restaurants operate.
Unapproved Product Testing	Costs of testing when you make request; costs depend on products or suppliers involved and the process we must complete.	When billed	This covers costs of testing new products or inspecting new suppliers you propose. We currently have no set fee for this because we have not done this testing.

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Convention	Will vary under circumstances (not to exceed $2,500 per person; does not include your actual out-of-pocket attendance costs)	As incurred	You (or your designated representative we approve) must attend our annual or biennial franchise conventions and pay an attendance fee. We will charge this fee even if you do not attend.
Franchise System Website/Intranet	Up to $100 per month	As incurred	We may require you to pay a separate fee to cover the costs of creating, developing, maintaining, and operating a Franchise System Website and Intranet. We currently do not charge this separate fee.
Relocation	Not to exceed $5,000 plus reasonable costs we incur	As incurred	Due only if you relocate Restaurant.
Quality Inspection Failure	Reimbursement amount varies depending on extent of your non-compliance	When billed	Due (at our option) if we reasonably suspect that you are not complying with a system standard or you fail any quality inspection, and we incur costs to complete one or more additional inspections; compensates us for the costs and expenses associated with those additional inspections, including any professional fees to external audit companies and internal or external incurred travel fees.
Non-Compliance Fee	$250	When billed	Due (at our option) if you deviate from contractual requirement, System Standard, or the Operating Manual; compensates us for administrative and management costs to assess your noncompliance.
Records Deficiency Fee	$100 per violation per day	When billed	Due (at our option) for each day a requested report, statement, or record is late; compensates us for administrative and management costs, not for our damages due to your default.

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Audit	Reimbursement of audit costs, including legal fees and independent accountants' fees, plus travel expenses, room and board, and compensation of our employees (amount depends on nature and extent of your non-compliance)	10 days after billing	Due if you do not give us reports, supporting records, or other required information or you understate Net Sales by more than 2%.
Inspection Fee	Actual costs of first follow-up audit (including our personnel's daily charges (i.e., wages) of $500 to $1,000 per day and travel, hotel, and living expenses) We may charge $1,500 fee plus actual costs (including our personnel's daily charges (i.e. wages) of $500 to $1,000 per day and travel, hotel, and living expenses, for the second and each follow-up evaluation we make and for each inspection you specifically request)	As incurred	Compensates our costs and expenses for each follow-up inspection to confirm your compliance with Franchise Agreement, Brand Standards, and food safety standards.
Interest	Lesser of 1.5% per month or highest commercial contract interest rate law allows	When invoiced	Due on past due amounts.

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Administrative Fee	$100	When invoiced	Due for each late or dishonored payment.
Costs and Attorneys' Fees	Reimbursement amount varies under circumstances and depends on nature of your noncompliance	As incurred	Due when you do not comply with Franchise Agreement or DRA.
Indemnification	Reimbursement amount varies under circumstances and depends on nature of third-party claim	As incurred	You must reimburse us for all third-party claims and losses arising out of (i) Restaurant's operation, (ii) the business you conduct under Franchise Agreement, (iii) your breach of the Franchise Agreement, (iv) your non-compliance or alleged non-compliance with any law, (v) any allegation that we are a joint employer or otherwise responsible for your acts or omissions relating to your employees, or (vi) a data security incident. You have the same indemnification obligations under the DRA.
Management Fee	Up to 10% of Net Sales, plus any out- of-pocket expenses incurred in connection with Restaurant's management	As incurred	Due if we assume Restaurant's management in certain situations, including your default.
Tax Reimbursement	Out-of-pocket cost reimbursement plus 15% administrative fee	As incurred	You must reimburse us for taxes we must pay any state taxing authority on account of either your operation or your payments to us (except for our income taxes).
Insurance Reimbursement	Out-of-pocket cost reimbursement plus 15% administrative fee	As incurred	You must reimburse our costs if we obtain insurance coverage for Restaurant because you fail to do so.

Column 1 Type of Fee[1]	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
De-Identification Fee	Cost reimbursement plus 15% administrative fee	As incurred	You must reimburse our costs of deidentifying your Restaurant if you fail to do so.
Training Cancellation Fees	One-half to full amount of training fee paid	As incurred	If your Operating Partner or Restaurant Manager cancels participation in any training program for which he or she pre-registered and paid a training fee, we will not refund the training fee. If the cancellation occurs more than 2 weeks before the scheduled training, we will apply one-half of the training fee as a credit towards future training fees. If the cancellation occurs less than 2 weeks before the scheduled training, you will receive no credit and we will retain the full training fee.
Liquidated Damages	An amount equal to the average monthly Royalties, Brand Fund contributions, and Tech Fees you were required to pay from the date the Restaurant opened through the date of the early termination multiplied by the lesser of (a) 36, or (b) the number of months remaining in the Franchise Agreement had it not been terminated, except that liquidated damages will not under any circumstances be less than $100,000) due when we terminate with cause or you terminate without cause.	On demand	

Notes:

1. Except as noted above and except for products and services you must buy from unaffiliated suppliers, all fees are imposed and collected by and payable only to us and our affiliates. Except as noted above, no fee is refundable. All fees currently are uniformly imposed.

2. We may increase the amount of any fixed fee, fixed payment, or fixed amount stated under the Franchise Agreement based on changes in the Index (defined below) ("Annual Increase"). An Annual Increase may occur only once per calendar year and may not exceed the corresponding cumulative increase in the Index since the Franchise Agreement's effective date or, as the case may be, since the date on which the last Annual Increase became effective for the particular fixed fee, payment, or amount being increased. Any and all Annual Increases will be made at the same time during the calendar year. "Index" refers to the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for all Items (1982 – 1984 = 100), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, or in a successor index. If any fixed fee, payment, or amount due from you under the Franchise Agreement encompasses any third-party charges we collect from you on a passthrough basis (*i.e.*, for ultimate payment to the third party), we may increase the fixed fee, payment, or amount beyond the Annual Increase to reflect increases in the third party's charges to us (without further mark-up).

3. "Net Sales" means the aggregate amount of all revenue and other consideration generated from any source, including the sale of products, services, and merchandise; other types of revenue you receive, including the proceeds of business interruption insurance; and (if we allow barter) the value of products, services, and merchandise bartered in exchange for the Restaurant's products, services, or merchandise. Net Sales are not reduced by the amount of any discounts on products or services sold to employees, family members, or other businesses you own or control or by the amount paid to, collected by, or shared with third-party food ordering and delivery systems with which we allow the Restaurant to do business. All of those transactions must be entered into the Technology Suite at the full, standard retail price for purposes of calculating Net Sales.

However, Net Sales exclude: (i) federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; (ii) proceeds from insurance, excluding business interruption insurance; (iii) proceeds from any civil forfeiture, condemnation, or seizure by government entities; and (iv) promotional or marketing discounts we allow. Net Sales also are reduced by the amount of any credits provided in compliance with our policies. Revenue from gift cards we approve for sale at ROTI Restaurants is included in Net Sales when the gift card is used to pay for products and services.

4. Each calendar week currently begins on Monday and ends on Sunday, although we may change the first and last days of each calendar week for Royalty (and other payment) calculation purposes.

Upon 30 days' prior written notice to you, we may begin calculating the Royalty (a) weekly on Monday for the preceding 7 days, in which event the payment day for the Royalty will be the immediately following Wednesday, or (b) on such other schedule we determine in our sole judgment, including as frequently as daily, in which event the payment day for the Royalty will be the day and time we communicate to you. The payment day will apply to all fees and other amounts payable under the Franchise Agreement.

You must take the action we require to authorize us to debit your business checking or other account automatically for the Royalty, Tech Fee, Brand Fund contribution, and other amounts due under the Franchise Agreement or otherwise. We will debit your account on or after the payment day for the amounts due.

5. If you fail to report the Restaurant's Net Sales when required, we may debit your account for 125% of the Royalty, Tech Fee, and Brand Fund contribution we debited for the previous payment period, plus a $100 administrative fee. If the amount we debit is less than the amount you actually owe us (once we determine the Restaurant's actual Net Sales), we will debit your account for the balance due on the day we specify. If the amount we debit is greater than the amount you actually owe us (once we determine the Restaurant's actual Net Sales), we will credit the excess, without interest, against the amount we may debit for the following payment period.

6. We may designate a geographic area for an advertising cooperative (a "Cooperative"). The Cooperative's members in any area are the owners of all ROTI Restaurants located and operating in that area (including us and our affiliates, if applicable). We may require you to contribute up to 2% of the Restaurant's monthly Net Sales to the Cooperative. Any Cooperative dues count toward your Local Marketing Spending Requirement for the Restaurant but not toward your market introduction program or required Advertising Fund contributions.

7. You must spend at least 2% of the Restaurant's monthly Net Sales on "Marketing Materials" (defined as advertising, marketing, and promotional formats and materials) and advertising, marketing, and promotional programs for the Restaurant (the "Local Marketing Spending Requirement"). We will credit your Cooperative contributions (see note 6 above) toward the Local Marketing Spending Requirement. However, we do not count the market introduction program or Advertising Fund contributions toward this minimum obligation. We may require you to pay us 2% of your Restaurant's monthly Net Sales—to spend on your behalf to fulfill your Local Marketing Spending Requirement—if you do not conduct the required local marketing.

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When due	Column 5 To whom payment is to be made
Initial Franchise Fee[(1)]	$35,000	Lump Sum	Upon signing Franchise Agreement and (if applicable) DRA	Us
One Month's Rent[(2)]	$5,500 – $15,500	As agreed	As incurred	Landlord

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When due	Column 5 To whom payment is to be made
Security Deposit[2]	$5,000 – $35,000	As agreed	As incurred	Landlord
Construction / Leasehold improvements [3]	$175,000 – $350,000	As incurred	As incurred	General contractor
Architect/Engineers/ Expeditor Fees	$12,000 – $32,000	As incurred	As incurred	Architect, Engineer, and Expeditor
Furniture, Fixtures, and Equipment[4]	$184,300– $225,000	Lump sum	As incurred	Suppliers
Exterior Signage[5]	$9,000 - $25,000	Lump sum	As incurred	Suppliers
Digital/Menu Boards	$9,400 – $12,100	Lump sum	As incurred	Suppliers
Opening inventory [6]	$8,300– $12,000	Lump sum	Before opening	Suppliers
Smallwares and Uniforms	$14,000 – $16,500	Lump sum	Before opening	Suppliers
Technology Suite[7]	$12,000 – $14,000	Lump sum	Before opening	Suppliers (including Netsolace)
Market Introduction Program[8]	$10,000	Lump sum	As incurred	Third party or Us
Training Expenses[9]	$6,800 – $12,100	Out of pocket travel-related expenses, as incurred	During training	Third party vendors
Insurance (Annual)[10]	$3,500 – $10,000	As incurred	As incurred	Insurance broker
Miscellaneous Opening Costs([11])	$10,000 – $25,000	As incurred	As incurred	Third party vendors

Column 1 Type of Expenditure	Column 2 Amount	Column 3 Method of Payment	Column 4 When due	Column 5 To whom payment is to be made
Additional funds – 3 months(12)	$10,000 – $40,000	As incurred	As incurred	Employees, suppliers, and other third parties
TOTAL ESTIMATED INITIAL INVESTMENT (including real estate costs)(13)	$509,800 - $869,200			

* Except for security and utility deposits, no expenditure in the table is refundable.

Notes:

1. The initial franchise fee is $35,000. No separate initial investment is required when you sign the DRA. You need only pay the development fee, which equals the full $35,000 initial franchise fee for the first Restaurant covered by the first Franchise Agreement, plus a $17,500 deposit for each additional Restaurant to be developed. For illustration purposes, if you sign a Franchise Agreement and a DRA to develop two additional Restaurants, you will pay us $70,000 when you sign the Franchise Agreement and DRA (comprised of the $35,000 initial franchise fee plus $17,500 deposit for each additional Restaurant). The total investment necessary to begin operation if you commit to develop a minimum of 2 ROTI Restaurants is $527,300 to $886,700.

2. A typical ROTI Restaurant occupies approximately 1,750 to 2,400 square feet of leased space in a strip shopping center, lifestyle center, or similar location. You may incur less or additional cost if you build a Restaurant outside of this range. The preferred trade area is a metropolitan market with a large working population or a densely-populated suburb. The site should be close to daytime traffic drivers (for example, dense urban office neighborhoods, suburban office parks or corporate campuses, and large entertainment, hospital, or transportation complexes). Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors. Rents vary from market to market and likely will be higher in large metropolitan areas than in suburban markets and smaller metropolitan areas. Your landlord likely will require you to pay a security deposit equal to 1 month's rent or more. Your lease negotiations with your landlord and the size and market area of the Restaurant's location will determine when your rental payments will begin. The initial investment table does not reflect the potential purchase cost of real estate or the costs of constructing a building suitable for the Restaurant. You will incur additional cost if you obtain a space outside this range.

3. The estimate includes amounts for construction, remodeling, fixed assets, leasehold improvements, and decorating costs. This figure is based on our expectation that you will lease the Restaurant's site from the landlord in good condition (a "Vanilla Box"). "Vanilla Box" refers to a commercial building with a minimally-

finished interior, i.e., usually with plumbing, heating and cooling (HVAC), interior walls (painted or unpainted), electrical outlets, and a concrete floor. We expect the Vanilla Box to have certain specifications detailed in the Operations Manual. Leasehold improvement costs— which could include floor and window covering, wall treatment, counters, ceilings, painting, electrical, carpentry, and similar work, and contractor's fees—depend on the site's condition, location, and size; the demand for the site among prospective lessees; the site's previous use; the build-out required to conform the site for your Restaurant; and any construction or other allowances the landlord grants. Your costs might be more or less than this estimate based on where you plan to operate your Restaurant.

4. This estimate includes dining room furniture, millwork, kitchen and serving line equipment (such as Pita oven), fryers, grills, refrigerators, freezers, hoods, preparation tables, and other items listed in our Operations Manual or Equipment list.

5. You must pay for exterior signage costs, including building signs and any monument or pylon signs.

6. You must purchase your opening food inventory (dry and perishable), as listed in our Operations Manual.

7. This includes total costs for "Technology Suite" and network infrastructure. This estimate includes initial Payment Card Industry (PCI) Data Security Standard compliance costs.

8. You must spend at least this amount for an initial market introduction program for your Restaurant, which we will help you develop. You must spend this amount generally between 30 days before through 30 days after opening your Restaurant. You are permitted to spend more. You must send us your proposed market introduction program showing how you intend to spend this money at least 30 days before its planned rollout date. We may collect this amount from you and spend it on your behalf.

9. This estimates the cost for your Operating Partner and Restaurant Managers (up to 4 people) to attend our required initial training program. Although we do not charge tuition, you must pay all attendance costs, which depend on point of origin, method of travel, class of accommodations, and living expenses (food, transportation, etc.). You should consider employee wage requirements and practices in your market area.

10. You must obtain and maintain certain required types and amounts of insurance coverage (described in Item 8). The estimate contemplates insurance costs for 12 months of required coverages.

11. This covers office supplies, alarm system, related items, and the costs of professional advisors (like an attorney and accountant) for initial advice relating to starting a franchised business.

12. This line-item estimates the funds needed to cover your initial expenses before you open and during the first 3 months of operation (other than the items identified separately in the table), including labor, supplies, rent, utilities, and music services. These expenses do not include any draw or salary for you. We relied on our affiliate's ROTI Restaurant operating experience since late 2024 and early 2025 to compile this Additional Funds estimate.

13. We do not offer financing directly or indirectly for any part of the initial investment. Availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. An estimated initial investment will be incurred for each Restaurant established under a DRA.

Item 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate the Restaurant according to our Brand Standards. Brand Standards may regulate, among other things, types, models, and brands of required furniture, fixtures, signs, and equipment (including components of and required software licenses for the Technology Suite) for the Restaurant (collectively, "Operating Assets"); required, authorized, and unauthorized products and services for the Restaurant; and designated and approved suppliers of items and services. You must buy or lease all Operating Assets and other products and services for the Restaurant only according to our Brand Standards and, if we require, only from suppliers we designate or approve (which may include or be limited to us, certain of our affiliates, and/or other restricted sources) at the prices the suppliers choose to charge.

Our Affiliates

Our affiliates currently are approved or designated suppliers of certain items and services you need for the Restaurant. BerryDirect is the designated supplier of containers, packaging supplies, processing equipment, and other items. Netsolace is the designated supplier of the required Technology Suite (hardware and software). If our affiliates sell you items they also buy for use by affiliate-owned ROTI Restaurants, or if they otherwise buy in bulk for resale, these affiliates will be operating as wholesalers in dealing with you and other franchisees and therefore might be charged prices on items for the affiliate-owned Restaurants that are lower than the prices you pay for your Restaurant. Any required or voluntary purchases you make from us or our affiliates, regardless of the role in which our affiliates sell the particular items to you, generally will be at prices exceeding our and their costs. Because they are affiliates, certain officers of ours own an interest in Netsolace, BerryDirect, and any other affiliated entity doing business with you. However, our officers currently do not own an interest in any unaffiliated suppliers.

Other Approved Suppliers

To maintain the quality of the goods and services that ROTI Restaurants sell and our system's reputation, we may condition your right to buy or lease Operating Assets, inventory, services, and other items (besides those described above that you may obtain only from us, our affiliates, and/or other specified exclusive sources) on their meeting our minimum standards and specifications and/or being acquired from approved suppliers. We will issue and modify standards and specifications based on our, our affiliates', and franchisees' experience with ROTI Restaurants. Our standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance. The media and materials comprising our Operations Manual and/or other communications will identify our standards and specifications. We will notify you and, where appropriate, the suppliers. There might be situations where you can obtain items and services from any supplier who can satisfy our requirements and, therefore, would be considered an approved supplier.

If you want to use any item or service we have not yet evaluated or to buy or lease from a supplier we have not yet approved or designated, you first must send us sufficient information and/or samples so we can determine whether the item or service complies with Brand Standards or the supplier meets approved supplier criteria. We may require you or the supplier to reimburse our costs for an inspection and evaluation and will decide within a reasonable time (no more than 90 days). We may periodically establish procedures for your requests and may limit the number of approved items, services, and/or suppliers as we think best. Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, and/or a supplier's willingness to pay us, our affiliates, and/or our system for the right to do business with our system. Supplier approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. We have no obligation to approve any request for a new supplier, product, or service, especially if we already have limited sources to certain unaffiliated designated vendors or to us and/or our affiliates.

Besides these purchases or leases, you must obtain and maintain, at your own expense, the insurance coverage we periodically require and satisfy other insurance-related obligations. You currently must have (i) general liability insurance: $1 million per occurrence, $1 million personal injury/advertising liability, $10,000 medical payments, $1 million Stop Gap coverage (certain states), and $2 million general aggregate; (ii) auto liability and physical damage coverage: $1 million combined single limit, $1 million hired/non-owned liability, $5,000 medical payments or Personal Injury Protection, and $1 million uninsured/underinsured motorists liability; (iii) workers' compensation insurance prescribed by us or state law, whichever is greater; (iv) employers liability insurance: $500,000/$500,000/$500,000; (v) property insurance (special form including wind and hail): 100% of the replacement cost of all business personal property ($100,000 minimum); (vi) business income/extra expense: 12 months of sales; (vii) umbrella liability insurance to extend over both general liability and auto liability insurance: $1 million; and (viii) employment practices liability insurance in an amount we specify with us named as the co-defendant. While you are not required to have more insurance than that listed above, we recommend that you increase the policy limits of your umbrella liability insurance to $5 million, have at least $1 million in employment practices liability insurance, and obtain trade restoration insurance with coverage for claims and losses arising from foodborne illnesses and products liability. Premiums depend on the insurance carrier's charges, terms of payment, and your history.

The general liability insurance policy must name us as an "Additional Insured—Grantor of Franchise per form CG2029 or equivalent," and similarly name our affiliates as additional insured parties, for claims arising from your Restaurant's operation. You should investigate the area in which you will operate to determine whether this insurance coverage is appropriate for your operations. You should consult with an insurance advisor to decide the coverage that is best for you. You must use an insurance company with an A.M. Best rating of not less than A-VII. We may require you to obtain insurance coverage through specific insurance brokers and companies. We may change the amounts and types of coverage as we think best. We may require you to participate in a master or group insurance policy we maintain for our system.

Store Development and Construction

You are responsible for developing your Restaurant location. We must approve the architect and general contractor you hire to construct or remodel your Restaurant. We may designate preferred architects and general contractors you must use. We will give you mandatory and suggested specifications and layouts for a ROTI Restaurant. We may review and approve all final plans and specifications before you begin constructing the Restaurant location and all revised or "as built" plans and specifications during construction. We may inspect the Restaurant location during the development process for compliance with our design requirements.

Your Restaurant location must be at a site we accept. We may review and approve the location's lease or sublease and require that it include (within its text or by rider or addendum) certain provisions regarding use of the site, permitted signage, your assignment only to us or our designee, build-out, and other terms we specify. We may refuse to approve a lease (and therefore the location) if the lease does not contain the minimum terms we specify, even if this refusal delays your Restaurant's opening because you must find another location and negotiate another lease for our review. We also may require you (and the landlord) to sign a conditional lease assignment (or similar document) (i) confirming our right to take over (or to assign to a designee the right to take over) possession of the location upon your uncured default under the lease and loss of possession, upon your failure to exercise any lease options or your decision to exercise lease options through different entities, or upon expiration or termination of the Franchise Agreement, (ii) confirming the landlord's willingness to turn over possession of the premises to us (or our designee) in these circumstances, and (iii) obligating the landlord to notify us if there is any change in lease status between you and the landlord, if you do not exercise your lease option rights, or if you seek to exercise lease options through different entities.

Other Limitations on Product Sourcing

You may not under any circumstances, without our prior written consent (which we need not grant), purchase, lease, transfer, or otherwise obtain any equipment, inventory, or Operating Assets from an existing or former ROTI franchisee, whether or not that other franchisee's Restaurant is operating or closed and whether or not such equipment, inventory, or Operating Assets meet our then-current standards and specifications.

You must participate in, and comply with the requirements of, our gift card and other customer loyalty programs.

Except as described above, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Restaurant that you currently must buy or lease from us (or our affiliates) or designated or approved suppliers. In the future, we may designate other products and services that you must buy only from us, certain of our affiliates, or designated or approved suppliers. To maintain the quality of ROTI Restaurant products and services and our franchise network's reputation, all Operating Assets and other products and services your Restaurant uses or sells (besides those described above that you may obtain only from us, certain of our affiliates, and/or approved suppliers) must meet our minimum standards and specifications, which we issue and modify based on our, our affiliates', and our franchisees' experience in operating ROTI Restaurants. Standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance. Our Operations Manual, other technical manuals, and written and on-line communications will identify our standards and specifications for you.

When appropriate, you may provide those standards and specifications to suppliers if they agree to maintain confidentiality.

We and/or certain of our affiliates may derive revenue based on your purchases and leases, including from charging you (at prices exceeding our and their costs) for products and services we or our affiliates sell you. We also may derive revenue—in the form of promotional allowances, volume discounts, commissions, other discounts, performance payments, signing bonuses, rebates, marketing and advertising allowances, free products, and other economic benefits and payments—from suppliers that we designate, approve, or recommend for some or all ROTI Restaurants on account of those suppliers' prospective or actual dealings with your Restaurant and other ROTI Restaurants. All such amounts may be used without restriction. As of this disclosure document's issuance date, no supplier payment arrangements are in effect. Because we began franchising in 2025, neither we nor our affiliates derived any revenue or other material consideration during 2024 on account of ROTI Restaurant franchisees' direct purchases or leases.

Collectively, your purchases and leases from us or our affiliates, from designated or approved suppliers, or according to our standards and specifications represent about 100% of your overall purchases and leases to establish and then to operate the Restaurant.

There currently are no purchasing or distribution cooperatives. We and certain of our affiliates currently negotiate purchase arrangements with suppliers (including price terms) for most of the products and services you need to operate the Restaurant. In doing so, we and those affiliates seek to promote the overall interests of the franchise system and affiliate-owned operations and our interests as the franchisor (and not for the benefit of a particular franchisee).

We do not provide material benefits to a franchisee (for example, renewal or granting additional franchises) for purchasing particular products or services or using particular suppliers.

The DRA does not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or comparable items related to establishing or operating your business under the DRA. However, each site proposed for a ROTI Restaurant must satisfy our site-selection criteria, is subject to our written acceptance, and must be established and operated in conformance with all purchasing requirements set forth in the Franchise Agreement under which it is established.

Item 9
FRANCHISEE'S OBLIGATIONS

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	4.A and B of Franchise Agreement 5 of Development Rights Agreement	7, 8, 11, and 12
b. Pre-opening purchases/leases	4.C and 7.E and F, and 13.A of Franchise Agreement Not applicable under Development Rights Agreement	5, 7, 8, and 11
c. Site development and other pre-opening requirements	4.C and D of Franchise Agreement 5 of Development Rights Agreement	7, 8, and 11
d. Initial and ongoing training	6 of Franchise Agreement Not applicable under Development Rights Agreement	6, 7, and 11
e. Opening	4.D of Franchise Agreement 2(a) and 5 of Development Rights Agreement	11 and 12
f. Fees	4.A and C, 5, 6.A, B, C, D, G, and H, 7.C, E, F, and G, 10, 13, 14, 15, 16.C, 17, 18.C, 19.A and B, 20.C, D, and E, and 21.C of Franchise Agreement 4 and 5(b) of Development Rights Agreement	5, 6, 7, and 8
g. Compliance with standards and policies/operating manual	6.H and 7 of Franchise Agreement Not applicable under Development Rights Agreement	8 and 11
h. Trademarks and proprietary information	8, 9, 10, and 11 of Franchise Agreement 3 of Development Rights Agreement	13 and 14

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
i. Restrictions on products/services offered	7 of Franchise Agreement Not applicable under Development Rights Agreement	8, 11, 12, and 16
j. Warranty and customer service requirements	7.C of Franchise Agreement Not applicable under Development Rights Agreement	Not Applicable
k. Territorial development and sales quotas	Not applicable under Franchise Agreement 1, 2(a), and 5 of Development Rights Agreement	11 and 12
l. On-going product/service purchases	7.A, C, E, and F of Franchise Agreement Not applicable under Development Rights Agreement	6 and 8
m. Maintenance, appearance and remodeling requirements	7.A and C, 16.C(ii)(h) and 17 of Franchise Agreement Not applicable under Development Rights Agreement	11 and 17
n. Insurance	20.D of Franchise Agreement Not applicable under Development Rights Agreement	6, 7, and 8
o. Advertising	13 of Franchise Agreement Not applicable under Development Rights Agreement	5, 6, 7, 8, and 11
p. Indemnification	20.E of Franchise Agreement 11 of Development Rights Agreement	6

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
q. Owner's participation/ management/staffing	6 and 7.C(iv) and D of Franchise Agreement Not applicable under Development Rights Agreement	11 and 15
r. Records and reports	14 of Franchise Agreement Not applicable under Development Rights Agreement	6
s. Inspections and audits	15 of Franchise Agreement Not applicable under Development Rights Agreement	6
t. Transfer	16 of Franchise Agreement 8 of Development Rights Agreement	6 and 17
u. Renewal	17 of Franchise Agreement Not applicable under Development Rights Agreement	6 and 17
v. Post-termination obligations	18.C and 19 of Franchise Agreement Not applicable under Development Rights Agreement	6 and 17
w. Non-competition covenants	12, 16.C(i), 16.C(ii)(c), 16.G, and 19.E and F of Franchise Agreement 11 of Development Rights Agreement	15 and 17
x. Dispute resolution	21.C, F, G, H, I, J, and L of Franchise Agreement 11 of Development Rights Agreement	17
y. Consumer Data and Data Security	10 of Franchise Agreement Not applicable under Development Rights Agreement	Not Applicable

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
z. Social Media Restrictions	7.C(xiii) of Franchise Agreement Not applicable under Development Rights Agreement	8
aa. Compliance with Customer Loyalty Programs	7.C(xvi) of Franchise Agreement Not applicable under Development Rights Agreement	8
bb. Compliance with Customer Complaint Resolution Procedures	7.C(v) of Franchise Agreement Not applicable under Development Rights Agreement	6
cc. Compliance with All Laws	7.B, 10, and 22 of Franchise Agreement Not applicable under Development Rights Agreement	Not Applicable
dd. Owner Guaranty	Owner's Guaranty and Assumption of Obligations and Undertaking of Non-Monetary Obligations (Exhibits B-1 and B-2 to Franchise Agreement)	15
ee. Handling Media Coverage and Inquiries and Crisis Situations	7.B and 7.C(vi) of Franchise Agreement	Not Applicable

Item 10
FINANCING

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

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

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

Pre-Opening Assistance

Before you begin operating the Restaurant, we will:

1. Review potential Restaurant sites you identify within the Site Selection Area. We may visit the Site Selection Area to review potential Restaurant sites. We may condition our proposed visit and acceptance of a proposed site on your first sending us complete site reports and other materials (including photographs and digital recordings) we request. We will give you our then-current criteria for ROTI Restaurant sites (including minimum site square footage, population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, ingress and egress, size, and other physical and commercial characteristics) to help you select and identify your site. We will use reasonable efforts to review and accept or reject each site you propose within 21 days after we receive all requested information and materials. If we do not accept the site in writing within 21 days, the site is deemed rejected. We will not unreasonably withhold our acceptance of a site. After we accept and you secure a proposed site, we will identify that site as the Restaurant's address in Exhibit A of the Franchise Agreement. (Franchise Agreement—Section 4.A; DRA — Section 5) We do not own locations for lease to franchisees. If you do not find and we do not accept, and you do not then secure, a Restaurant site within 6 months after the Franchise Agreement's effective date (or a different date specified in a DRA), then we may terminate the Franchise Agreement upon written notice. The initial franchise fee and development fee are not refundable. Under the DRA, we first must accept each new site you propose for each new ROTI Restaurant. After we accept and you secure a proposed site, we also will determine the Area of Protection for that Restaurant. Our then-current standards for sites and Areas of Protection will apply.

2. Accept or reject the Restaurant's proposed lease or sublease. You must send us the proposed lease or sublease at least 15 business days before you intend to sign it. The lease or sublease must either (i) include the lease rider attached as Exhibit D to the Franchise Agreement or (ii) include within its body the lease rider's terms and conditions. You may not sign any lease or sublease (or any renewal or amendment) we have not accepted in writing. We may (but have no obligation to) guide you in the leasing process but will not negotiate the lease or sublease for you or provide any legal advice. If we do not accept the proposed lease or sublease in writing within 15 business days after we receive it, the lease or sublease is deemed rejected. You must send us a copy of the fully executed lease or sublease no later than 10 days after it is signed by all parties. You must obtain our written acceptance of, and secure, the Restaurant's site within the Site Selection Area within 6 months after the Franchise Agreement's effective date. Otherwise, we may terminate the Franchise Agreement. The initial franchise fee and development fee are not refundable. (Franchise Agreement— Sections 4.A and 4.B)

3. Give you conceptual drawings and specifications for a prototypical ROTI Restaurant and a Test Fit to confirm whether your leased space will accommodate a prototypical ROTI Restaurant. We have the right to pre-approve the architect and general contractor you propose to use to develop the Restaurant before you hire them. You must adapt the conceptual drawings and specifications to your Restaurant (the "Adapted Plans"). You must send us the Adapted Plans for our written approval before

beginning Restaurant build-out and all revised or "as built" plans prepared during the Restaurant's construction and development. You may not begin Restaurant build-out until we approve the Adapted Plans in writing; you then must develop the Restaurant in compliance with the Adapted Plans. During Restaurant build-out, we may physically inspect the Restaurant or have you send us pictures and images (including recordings) of the Restaurant's interior and exterior so we can review your development of the Restaurant in compliance with our Brand Standards. (Franchise Agreement – Section 4.C) We may charge you a Development Images Deficiency Fee if your general contractor does not send us the images/recordings we require for the Restaurant by the specified deadline (but not more often than bi-weekly).

4. Provide initial training for up to 4 people, including your Operating Partner and the Restaurant's on-site managers (each, a "Restaurant Manager"). We describe this training later in this Item. (Franchise Agreement – Section 6.A)

5. Provide a 3 to 5 day Executive Training Program for your Operating Principal. (Franchise Agreement – Section 7.D)

6. Identify the Operating Assets, inventory, supplies, and other products and services you must use to develop and operate the Restaurant, the minimum standards and specifications you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease items and services (which may include or be limited to us and/or certain of our affiliates). (Franchise Agreement - Sections 4.C, 6.H, and 7.E) We and our affiliates currently are not involved in delivering or installing fixtures, equipment, or signs, although we will provide direction for you to comply with our Brand Standards.

7. Send an "opening team" to the Restaurant for up to 7 days to help you train your supervisory employees on our philosophy and Brand Standards and prepare the Restaurant for opening. (Franchise Agreement – Section 6.C).

8. Give you access to our operations manual and other technical manuals (collectively, the "Operations Manual"). The Operations Manual contains Brand Standards and information on your other obligations under the Franchise Agreement. The Operations Manual, which is accessible only electronically, currently contains the equivalent of approximately 117 total pages (plus specification sheets); its current table of contents is Exhibit E. (Franchise Agreement – Section 6.H)

9. Consult with you on a customizable market introduction program for the Restaurant. You must send us the proposed program at least 30 days before its planned rollout date. If we do not approve the program in writing within 15 days, it is deemed rejected. At our request, we will spend the required amounts on your behalf in the Restaurant's market. (Franchise Agreement – Section 13.A)

10. Designate a specific number of Restaurants that you (and your Approved Affiliates) must develop and open at accepted locations within your development Territory and the development deadlines (if we grant you development rights). (DRA – Sections 1 and 5) We will approve your Restaurants' proposed locations only if they meet our then-current standards for Restaurant sites.

Ongoing Assistance

During your Restaurant's operation, we will:

1. Advise you or make recommendations regarding the Restaurant's operation with respect to standards, specifications, operating procedures, and methods that ROTI Restaurants use; purchasing required or recommended Operating Assets and other products, supplies, and materials; supervisory employee training methods and procedures; and accounting, advertising, and marketing. We may guide you through our Operations Manual, in bulletins or other written materials, by electronic media, by telephone, and/or at our office or the Restaurant. (Franchise Agreement – Section 6.H)

2. Operate a System Website and Social Media Channels. (Franchise Agreement – Sections 7.F and G)

3. Give you, at your request and expense (and our option), additional or special guidance, assistance, and training. (Franchise Agreement – Section 6.H)

4. Continue giving you access to our Operations Manual. (Franchise Agreement – Section 6.H)

5. Issue and modify Brand Standards. Changes in Brand Standards may require you to invest additional capital in the Restaurant and/or incur higher operating costs. You must comply with those obligations within the timeframe we specify. Our Franchise Agreement describes certain time limitations on when we may require you to implement certain capital modifications. Brand Standards may regulate (to the maximum extent the law allows) price advertising policies and pricing requirements for products and services the Restaurant sells, including (a) maximum, minimum, tiered, bundled, or other prices you must or may charge for the Restaurant's products and services, (b) your obligation to participate in discounting, national or regional promotions, limited-time or special offers, and other marketing initiatives for ROTI Restaurants, and (c) your compliance with mandatory pricing review windows during which you must submit and obtain our approval of proposed pricing changes. Unless we require specific pricing from time to time, we will help you determine the prices you should charge for your products and services. (Franchise Agreement – Sections 7.A and 7.C)

6. Let you use our Marks. (Franchise Agreement – Section 8)

7. Let you use our confidential information, some of which constitutes trade secrets under applicable law (the "Confidential Information"). (Franchise Agreement – Section 9)

8. Maintain a Brand Fund for advertising, marketing, research and development, public relations, social media management, and customer relationship management programs, materials, and activities we deem appropriate to enhance, promote, and protect the ROTI Restaurant brand and franchise system. We describe the Brand Fund and other advertising activities below. (Franchise Agreement – Section 13.B)

9. Periodically inspect and monitor the Restaurant's operation. (Franchise Agreement – Section 15.A)

10. Periodically offer refresher training courses. (Franchise Agreement – Sections 6.B, D, and E)

11. Review advertising and promotional materials you want to use. (Franchise Agreement – Sections 13.C and D)

Advertising and Marketing Programs Fund

We have established a Brand Fund to which you must contribute the amounts we periodically specify. The Advertising Fund contribution rate currently is 3% of the Restaurant's bi-weekly Net Sales, which is generally the maximum rate we reserve the right to charge. However, we also have the right to increase your required Brand Fund contribution by up to an additional 2% of the Restaurant's Net Sales—for a total of up to 5% of the Restaurant's Net Sales—but only to the extent we concurrently and proportionately reduce your minimum required Local Marketing Spending Requirement. Your minimum required advertising and promotional expenditures will not exceed a total of 5% of the Restaurant's Net Sales. We may adjust the percentages among the various required expenditures throughout the franchise term. ROTI Restaurants that we and our affiliates own are not required to contribute to the Brand Fund.

We will direct all programs the Brand Fund finances, with sole control over and ownership of all creative and business aspects of the Fund's activities. The Brand Fund may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet, as we think best. We and/or an outside regional or national advertising agency will produce all advertising and marketing.

We will account for the Brand Fund separately from our other funds (although we need not keep Brand Fund contributions in a separate bank account) and not use the Brand Fund for any of our general operating expenses. We will not use the Brand Fund specifically to develop materials and programs to solicit franchisees. However, media, materials, and programs prepared using Brand Fund contributions may describe our franchise program, reference the availability of franchises and related information, and process franchise leads. The Brand Fund had no operating history during 2024.

The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year and roll over unspent monies to the following year. We may use new Brand Fund contributions to pay Brand Fund deficits incurred during previous years. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and allow you to review it upon reasonable request (i.e., at least 30 days' prior written notice). We may (but need not) have the Brand Fund audited annually, at the Brand Fund's expense, by a certified public accountant we designate.

The Brand Fund's principal purposes are to maximize recognition of the Marks, increase patronage of ROTI Restaurants, and enhance, promote, and protect the ROTI Restaurant brand and franchise system. Although we will try to use the Brand Fund in the aggregate to develop and implement Marketing Materials and programs benefiting all ROTI Restaurants, we need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund contributions by ROTI Restaurants operating in that geographic area or that any ROTI Restaurant benefits directly or in proportion to its Brand Fund contribution from the development of Marketing Materials or the implementation of programs. (In other words, neither we nor the Brand Fund must spend any specific amount in your market area.)

We may at any time defer or reduce the Brand Fund contributions of any ROTI Restaurant franchisee and, upon 30 days' prior written notice to you, reduce or suspend Brand Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will either (i) spend the remaining Fund balance on permitted programs and expenditures or (ii) distribute all unspent funds to our then-existing franchisees, and to us and our affiliates, in proportion to their and our respective Brand Fund contributions during the preceding 12 months. (Franchise Agreement – Section 13.B)

Local Marketing

Besides the Market Introduction Program described earlier, you must spend at least 2% of your Restaurant's monthly Net Sales on approved Marketing Materials and programs for the Restaurant. (Franchise Agreement – Section 13.D) You must share with us in advance your local marketing plans for pre-approval and then document that you spent the required 2% of your Restaurant's monthly Net Sales on the approved Marketing Materials and programs. Alternatively, you may choose to pay us 2% of your Restaurant's monthly Net Sales at the same time and in the same manner as the Royalty Fee, and we will spend the 2% Local Marketing funds for you in accordance with a marketing plan we will develop in cooperation with you. We may determine which expenses count or do not count toward your Local Marketing Spending Requirement. If you choose to create and execute your own local marketing plan, and we determine that you are not spending the required amount, that you are failing to create an effective plan, that you are not obtaining our pre-approval of your plan, or that you are not executing well on your plan, we may require that you pay us the 2% of your Restaurant's monthly Net Sales for us to spend in your local market.

Approval of Advertising

You must send us samples or proofs of all Marketing Materials we did not prepare or already approve or that we prepared or approved but you want to change in any way. If we do not approve those Marketing Materials in writing within 20 business days after we receive them, they are deemed approved for use. You may not use any Marketing Materials we have not approved or have disapproved. We may upon 30 days' prior written notice require you to stop using any previously approved Marketing Materials. (Franchise Agreement – Section 13.C)

Advertising Councils

There currently are no franchisee advertising councils advising us on advertising and marketing policies and programs. However, we may form, change, dissolve, or merge any franchisee advertising council.

Advertising Cooperatives

There currently are no advertising cooperatives (a "Cooperative"). However, we may designate a geographic area for a Cooperative. The Cooperative's members in any area are the owners of all ROTI Restaurants located and operating in that area (including us and our affiliates, if applicable). Each Cooperative will be organized and governed in a form and manner, and begin operating on a date, we determine. There need not be any formal agreements or bylaws to administer the Cooperative. We may change, dissolve, and merge Cooperatives. Each Cooperative's purpose is, with our approval, to administer advertising programs and develop Marketing Materials for the area the Cooperative covers. You automatically will become a member of any existing or new Cooperative formed in your market area and must participate in the Cooperative as we require. We may require you to contribute up to 2% of the Restaurant's monthly Net Sales to the Cooperative. ROTI Restaurants that we and our affiliates own in the Cooperative's area will contribute at the same rate. Your Cooperative dues will count toward the Local Marketing Spending Requirement but not toward the market introduction program or Advertising Fund contributions. The Cooperative will prepare annual, unaudited financial statements you may review. (Franchise Agreement – Section 13.E)

System Website and Electronic Advertising

We or our designees may establish a website or series of websites for the ROTI Restaurant network, (1) to advertise, market, and promote ROTI Restaurants, the products and services they offer, and/or the ROTI Restaurant franchise opportunity, (2) to function as the Intranet, and/or (3) for any other purposes we deem appropriate for ROTI Restaurants or other business activities in which we engage (collectively, the "System Website"). We may control, and may use the Brand Fund's assets or the Tech Fee to develop, maintain, operate, update, and market, the System Website, including any micro-site we allow you to have. You may not develop, maintain, or authorize another website, online presence, or electronic medium mentioning or describing the Restaurant or displaying any Marks without our prior written approval. (Franchise Agreement – Section 13.F)

Social Media Channels

We or our designees establish, manage, and own different current and upcoming social media channels for the ROTI Restaurant network to (1) advertise, market, and promote ROTI Restaurants, the products and services they offer, and/or the ROTI Restaurant franchise opportunity and (2) for any other purposes we deem appropriate for ROTI Restaurants (collectively, the "Social Media Channels"). We may, but need not, approve you to create a separate social media presence referencing your Restaurant for local purposes only. We may use the Brand Fund's assets or the Tech Fee to develop, maintain, operate, update, and market, the Social Media Channels. (Franchise Agreement – Section 13.G)

Computer System

You must acquire the computer hardware and software, firmware, network infrastructure, point-of-sale (POS) system, computer-related accessories and peripheral equipment, tablets, smart-phones, learning management systems, on-line and digital ordering systems, Apps, and other technology we periodically specify (collectively, the "Technology Suite"). (Franchise Agreement – Section 7.F). The Technology Suite includes (a) the approved POS system, at least one POS terminal, a firewall and associated license, at least one payment device and one cash drawer, 2 receipt printers, and a scanner, (b) 2 Apple iPads including cases and mounts, and (c) all required software consisting of POS, gift card, and credit card processing, online ordering, accounting and general office software, and may include an installation and service package, an annual 24/7 helpdesk support package, an annual software maintenance package, and various hosted solutions required by our merchant services provider.

The Technology Suite will manage the Restaurant's daily workflow and coordinate the customer ordering experience and other information for your Restaurant. You must record all sales in the Technology Suite and report data and information in the manner we specify. The Technology Suite will generate and maintain sales, menu mix, inventory, food cost, and other financial information. You must use any credit card and related vendors and accept all credit cards and debit cards that we determine. You must comply with the most current version of the Payment Card Industry Data Security Standards and with all laws governing the use, disclosure, and protection of Consumer Data. You must offer and accept ROTI gift cards and loyalty cards.

We estimate the cost of purchasing the Technology Suite to be between $12,000 and $14,000. We need not provide you with any ongoing maintenance, repairs, upgrades, updates, or support for the Technology Suite. You must arrange for installation, maintenance, and support of the Technology Suite at your cost. You must purchase maintenance contracts from our approved suppliers, including managed firewall, inventory, scheduling, helpdesk support, hardware maintenance, and hosted solutions (including online ordering, loyalty, and online learning) for approximately $500 to $1,000 per month. These ongoing expenses paid to third parties are separate from the monthly Tech Fee you must pay us (described in Item 6). Third parties whose computer-related products you buy have no contractual right or obligation to provide ongoing maintenance, repairs, or updates unless you obtain a service contract or the warranty covers the product. We have independent, unlimited access to the information the Technology Suite generates.

We and our affiliates may condition any license to you of required or recommended proprietary software, and/or your use of technology developed or maintained by or for us (including the Intranet), on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent in a click-through license agreement), we and our affiliates require to regulate your use of the software of technology. We and our affiliates may charge you up-front and ongoing fees for any required or recommended proprietary software or technology we or our affiliates choose to create, develop, modify, and license to you (to the extent not covered by the Tech Fee) and for other Technology Suite maintenance and support services and programs provided during the franchise term.

Opening

You must open the Restaurant for business within 15 months after the Franchise Agreement's effective date (or, if earlier, on or before the dates specified in the DRA). Your opening timetable depends on how quickly you find the Restaurant's site and finalize the Restaurant's lease; the Restaurant's condition and upgrading and remodeling requirements; the construction schedule and developing the Restaurant in compliance with our specifications and standards; obtaining licenses and permits; all required third-party certifications for the food industry have been completed; the delivery schedule for Operating Assets and supplies; hiring a sufficient number of employees and having all personnel attend and complete training; and complying with local laws and regulations. (Franchise Agreement—Sections 4.C and 4.D)

Training

Training Requirements for Your First Restaurant

At least 3 people, including your Operating Partner, must complete our initial training program to our satisfaction before opening the Restaurant for business (although we will train up to 4 people). (Franchise Agreement—Section 6.A) This training must occur at a Certified ROTI Training Store. For the first 90 days of operation, you must have 3 fully-trained, certified managers. Subsequently, you must always have one fully-trained, certified manager (which may be your Operating Partner) managing the Restaurant's day-to-day, on-site operations. All ROTI Restaurants must have 3 managers who have completed all positional training and the Shift Leader training modules. In addition, your Operating Principal, if he or she has not completed our initial training program, must complete our 3 to 5 day Executive Training Program. If we determine that you are operating your Restaurant without the required number of fully-trained, certified managers, we will give you 60 days to cure this default by hiring new manager(s) and having them successfully complete training at our facilities. If after 60 days you are still operating your Restaurant without the required number of fully-trained, certified managers, then you must pay us $1,000 per missing or untrained manager (in addition to any other fees incurred for Brand Standards violations, inspection fees, or otherwise), and an additional $1,000 for every 30 days after that you continue to operate without the required number of fully-trained, certified managers.

Training Requirements for Subsequent Restaurants

For the first 90 days of operation of any ROTI Restaurants after your first one, you must have 2 fully-trained, certified managers. You then must at all times have one fully-trained, certified manager (which may be your Operating Partner) managing the Restaurant's day-to-day, on-site operations. All ROTI Restaurants must have 3 managers who have completed all positional training and the Shift Leader training modules.

We will conduct the initial training program at our designated training location and/or through video and other electronic means. We expect training (which currently is approximately 4 weeks long) to occur after you sign the Franchise Agreement and while you develop the Restaurant. As a new franchisor, we plan to be flexible in scheduling training to accommodate our personnel, your Operating Partner, and the Restaurant's managers. There currently are no fixed (i.e., monthly or bi-monthly) training schedules. We use manuals, videos, and other training aids during the training program. Your training attendees must complete training 2 to 3 weeks before the Restaurant's scheduled opening date. We provide the initial training program for no additional fee. You must pay your employees' wages, benefits, and travel, hotel, and food expenses while they attend training.

If your Operating Partner or any Restaurant Manager cancels participation in any training program for which he or she pre-registers and pays us a training fee, we will not refund or reimburse the training fee you paid. If participation is cancelled more than 2 weeks before the class or program is scheduled to begin, we will apply one-half of the training fee as a credit toward the fees due for a future training class or program that your Operating Partner or Restaurant Manager attends. However, if participation is cancelled 2 weeks or less before the class or program is scheduled to begin, you will receive no credit at all toward future training fees due. (Franchise Agreement—Section 6.G)

The following chart describes our current initial training program, which we may modify for the particular trainees:

TRAINING PROGRAM

Column 1	Column 2		Column 3
Subject	Self-Study	On-the-job	Location of Training
Positional Training	5	67	Certified Training Store
Shift Running	10	48	Certified Training Store
Cost Control	5	5	Certified Training Store
Team Management	5	5	Certified Training Store
Scheduling	5	5	Certified Training Store
Total Hours	30	130	

Elyse Fuller, a Field Training Director who joined Edible Brands from the predecessor ROTI company in January 2025, will supervise franchisee training. Ms. Fuller has worked with the ROTI brand since December 2020 and therefore has experience in all aspects of operating ROTI Restaurants. The rest of our training team consists of managers at affiliate-owned ROTI Restaurants who have at least 3 years of experience in operating ROTI Restaurants and therefore have adequate training in, and the appropriate knowledge of, the ROTI Restaurant system to facilitate training in the areas they will teach.

We will send an "opening team" to the Restaurant for up to 7 days (typically starting before and continuing after opening) to help you train your employees on our philosophy and Brand Standards and prepare the Restaurant for opening. We will pay our opening team's wages and travel, hotel, and living expenses. We may delay the Restaurant's opening until all required training has been satisfactorily completed. (Franchise Agreement – Section 6.C)

Executive Training for Operating Principal

Your Operating Principal must complete an Executive Training Program for 3 to 5 days, which consists of high-level exposure to systems, business management practices and tools, food prep, cooking, and serving. (Franchise Agreement – Section 7. D)

Retraining

If your Operating Partner or a Restaurant Manager fails to complete initial training to our satisfaction, or we determine after an inspection that retraining is necessary because the Restaurant is not operating according to Brand Standards, we may require that he or she attend a retraining session at our training location. You must pay all employee compensation and expenses during retraining. We may terminate the Franchise Agreement if your Operating Partner fails to complete initial training to our satisfaction. (Franchise Agreement – Section 6.B) You may choose to have the retraining conducted at your Restaurant. Our fee for supplemental and ongoing training that takes place at your Restaurant ranges from $500 to $1,000 per trainer per day plus expenses.

Training for Replacement Restaurant Managers

If you no longer employ a Restaurant Manager or become aware that a Restaurant Manager intends to leave his or her position, you must immediately seek a new manager for the Restaurant (the "Replacement Manager") in order to protect the ROTI Restaurant brand. You must appoint the Replacement Manager within 60 days after the former Restaurant Manager's employment ends. The Replacement Manager must satisfactorily complete training appropriate for the position, including our standard initial training program. You must pay his or her compensation and expenses during training. (Franchise Agreement – Section 6.E) Our fee for supplemental and ongoing training ranges from $500 to $1,000 per trainer per day plus expenses.

Training for Restaurant Employees

Your Operating Partner or Restaurant Managers must properly train all Restaurant employees to perform the tasks for their respective positions using our required training materials and content in order to protect Brand Standards. We may develop and make available training tools and recommendations for you to use in training the Restaurant's employees to comply with Brand Standards. We may update these training materials to reflect changes in our training methods and procedures and changes in Brand Standards. (Franchise Agreement – Section 6.F)

Ongoing and Supplemental Training

We may require your Operating Partner and/or Restaurant Managers to attend and complete satisfactorily various training courses and programs that we or third parties periodically offer during the franchise term at the times and locations we designate. You must pay their compensation and expenses during training. We do not charge fees for training occurring at our designated training location. However, if you request training courses or programs to be provided locally, then subject to our training personnel's availability, you must pay our then-current training fee and the travel and living expenses of our training personnel. Our fee for supplemental and ongoing training ranges from $500 to $1,000 per trainer per day plus expenses. (Franchise Agreement – Section 6.D)

Item 12
TERRITORY

Franchise Agreement

You will operate the Restaurant at a specific location we first must accept. (We do not "approve" sites; we "accept" them under the circumstances described in Item 11). If the Restaurant's address is unknown when the Franchise Agreement is signed, you must find and obtain our written acceptance of, and secure, a site within 6 months afterward. In that case, we will identify in the Franchise Agreement a nonexclusive Site Selection Area in which you must search for a suitable site. We may terminate the Franchise Agreement if we do not accept, and you do not secure, the Restaurant's site within these 6 months. You may operate the Restaurant only at the accepted site and may not relocate without our prior written consent, which we may grant or deny as we deem best. Whether or not we will allow relocation depends on what is in the Restaurant's and our system's best interests at the time. Factors include, for example, the new site's market area, its proximity to other Restaurants in our system, whether you are in compliance with your Franchise Agreement, and how long it will take you to open at the new site.

Conditions for relocation approval are (1) the new site and its lease are acceptable to us, (2) you pay us a reasonable relocation fee, (3) you reimburse any costs we incur during the relocation process, (4) you confirm that your original Franchise Agreement remains in effect and governs the Restaurant's operation at the new site with no change in the franchise term or, at our option, sign our then-current form of franchise agreement to govern the Restaurant's operation at the new site for a new franchise term, (5) you sign a general release, in a form satisfactory to us, of any and all claims against us and our owners, affiliates, officers, directors, employees, and agents, (6) you continue operating the Restaurant at its original site until we authorize its closure, and (7) you de-brand and de-identify the Restaurant's former premises within our required timeframe and at your own cost so it no longer is associated in any manner (in our opinion) with our system and the Marks.

You will receive an Area of Protection around your Restaurant. We will identify and describe the Area of Protection in the Franchise Agreement before you sign it. However, if the Restaurant's address is unknown when the Franchise Agreement is signed, we will describe the Area of Protection on an amended and restated exhibit to the Franchise Agreement that we will send you after we accept and you secure the Restaurant's site.

We expect the Area of Protection to encompass a minimum day-time population of approximately 30,000 people. Typically, the Area of Protection for suburban restaurants will be a 2-mile radius around the restaurant but never more than a 3-mile radius. For urban restaurants, the Area of Protection will be determined on a case-by-case basis, typically being from several blocks to a ¼-mile radius around the restaurant.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. The Area of Protection always will be defined and deemed to exclude any and all Non-Traditional Venues physically located within the Area of Protection. This means there are no restrictions whatsoever on our and our affiliates' activities in or at Non-Traditional Venues physically located within the Area of Protection, including our and our affiliates' right to own and operate and grant others the right to own and operate ROTI Restaurants, and to engage in other foodservice operations under the Marks, in or at such Non-Traditional Venues. A "Non-Traditional Venue" means (i) any location within another primary business, corporate campus complexes, institutional venues, and any location to which the general public does not have unlimited access; (ii) mobile outlets or temporary or seasonal food service facilities; and/or (iii) commercial kitchen facilities that provide order and delivery-only services, which may include the associated online or mobile ordering and delivery services to and from locations in or outside of the Area of Protection. Examples of Non-Traditional Venues include mobile outlets (such as food trucks), "ghost" kitchens, grocery stores, concert venues, hospital or medical center, airport, public or private school, university or college campus, airport terminal, train or bus station, convention center, exhibition hall, amusement park, fairground, sports arena, military base, state or national park, hotel, lodge, country club, social club, resort, casino, theater, truck-stop, travel center, and other venues operated by a master concessionaire or contract food service provider.

Except for your "location protection" described above (which is subject only to our and our affiliates' rights at Non-Traditional Venues physically located within the Area of Protection), we and our affiliates retain all rights with respect to ROTI Restaurants, our intellectual property, and the offer and sale of products and services that are similar to, competitive with, or dissimilar from the products and services that your Restaurant offers and sells. This means there are no restrictions on our soliciting or accepting orders from consumers inside the Area of Protection. We and our affiliates may offer and sell, and allow others to offer and sell, inside and outside the Area of Protection, products and services that are identical or similar to and/or competitive with those offered and sold by Roti Restaurants, whether identified by the Marks or other trademarks or service marks, through any distribution channels (including the Internet) other than ROTI Restaurants physically located within the Area of Protection and on any terms and conditions we deem appropriate. We and our affiliates need not compensate you if we engage in these activities.

Your right to operate a ROTI Restaurant is limited to products prepared and sold, and services provided, at the Restaurant location; it does not include the right to distribute products and services over the Internet or to engage in other supply or distribution channels inside or outside your Area of Protection. You may not deliver products or cater away from the Restaurant's location unless and until we notify you in writing that you may do so. If we allow you to engage in these activities, you must comply with all related Brand Standards. Except for our System Website, you may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet.

Unless you acquire development rights (described below), you have no options, rights of first refusal, or similar rights to acquire additional franchises. Although we have the right to do so, we and our affiliates currently do not operate or franchise, or have current plans to operate or franchise, a business under a different trademark that sells or will sell goods or services similar to those your Restaurant will offer.

Development Rights Agreement

You may (if you qualify) develop and operate a number of ROTI Restaurants within a specific territory (the "Territory"). We and you will identify the Territory in the DRA before signing it. The Territory typically is a city, cities, or counties. We base the Territory's size primarily on the number of ROTI Restaurants we approve you to develop, demographics, and site availability. We will determine the number of Restaurants you must develop, and the deadlines for development, to keep your development rights. We and you then will complete the schedule in the DRA before signing it. Under the DRA, we first must accept each new site you propose for each new ROTI Restaurant. After we accept (and you secure lawful possession of) a proposed site, we also will determine the Area of Protection for that Restaurant. Our then-current standards for sites and Areas of Protection will apply. We may terminate the DRA if you do not satisfy your development obligations. You have no right to develop or operate ROTI Restaurants or to engage in other outside the Territory.

You will not receive an exclusive territory under the DRA. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. While the DRA is in effect, we (and our affiliates) will not—except as described below with respect to ROTI Restaurants proposed to be located at or within "Franchisor Permitted Venues"—establish and operate or grant others the right to establish and operate ROTI Restaurants having their physical locations within the Territory. If:

(1) there are one or more opportunities during the DRA’s term to develop one or more ROTI Restaurants at physical locations within the Territory that you cannot or choose not to pursue when the opportunity becomes available, no matter the reason (including if a location’s owner or manager sets financial, experience, or organizational standards for an acceptable operator that you cannot or do not then satisfy); or

(2) the location is at or within a Non-Traditional Venue (defined earlier in this Item),

(the locations referenced in (1) and (2) are referred to collectively as “Franchisor Permitted Venues”),

then we (or our affiliates) may pursue the particular Franchisor Permitted Venue opportunity and establish, or franchise or license another to establish, a ROTI Restaurant at or within that Restricted Venue.

Our, our affiliate’s, or another franchisee’s or licensee’s establishment and operation of any ROTI Restaurant at or within a Franchisor Permitted Venue in the Territory that is not a Non-Traditional Venue will count toward the total number of ROTI Restaurants that you must develop in the Territory during the DRA’s term, meaning that you may choose to develop one less ROTI Restaurant (based on the number of ROTI Restaurants remaining to be developed in the Territory under the development schedule) for each such Restaurant established by us, our affiliate, or another franchisee or licensee. If you make that choice, the then-final ROTI Restaurant appearing on the development schedule will be deemed to be removed from the schedule (and you will receive a certain fee credit, described in Item 5, toward a future initial franchise fee due).

However, our, our affiliate’s, or another franchisee’s or licensee’s establishment and operation of a ROTI Restaurant at or within a Franchisor Permitted Venue in the Territory that is a Non-Traditional Venue will not count toward your compliance with the development schedule. ROTI Restaurants that you or your Approved Affiliates are permitted to establish and operate at or within a Non-Traditional Venue physically located in the Territory likewise do not count toward your compliance with the development schedule.

There are no restrictions on our soliciting or accepting orders from consumers inside the Territory. We and our affiliates need not compensate you if we engage in these activities. You may not without our approval engage in any distribution channels outside the Territory.

Although we have the right to do so, we and our affiliates currently do not operate or franchise, or have current plans to operate or franchise, a business under a different trademark that sells or will sell goods or services similar to those your Restaurant will offer.

Item 13
TRADEMARKS

You may use certain Marks in operating the Restaurant. Roti IP, our affiliate, owns and has registered the following principal Marks on the Principal Register of the United States Patent and Trademark Office (the “USPTO”):

MARK	REGISTRATION (OR APPLICATION) NUMBER	REGISTRATION (OR APPLICATION) DATE
roti	6,910,681	11/29/2022
rōti	5,123,069	01/17/2017
rōti MEDITERRANEAN GRILL	3,801,333	06/08/2010
Food That Loves You Back	4,955,666	05/10/2016
rōti	6,910,421	11/29/2022
rōti	3,801,332	06/08/2010
ō	4,324,213	04/23/2013
ROTI REWARDS	4,208,492	09/18/2012
rōti MEDITERRANEAN GRILL	5123070	01/17/2017
Explōration Kitchen	6,255,571	01/26/2021

MARK	REGISTRATION (OR APPLICATION) NUMBER	REGISTRATION (OR APPLICATION) DATE
THE MEDITERRANEAN GOOD LIFE	5,746,400	05/07/2019
Roti Rewards	5,507,110	07/03/2018
ROTI MODERN	99085011 (Application Number)	03/14/2025 (Application Date)

Roti IP filed an application for the last Mark appearing in the table based on its intent to use the Mark in commerce. Roti IP does not have a federal registration for that Mark. Therefore, that Mark does not have many legal benefits and rights as a federally-registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Roti IP has filed, or will file when due, all required affidavits for its registered Marks. The registrations for the Marks in the table that were first registered before approximately 2015 have been renewed. Roti IP also intends to renew when due the registrations of all Marks that remain important to the ROTI Restaurant brand.

Roti IP licenses us to use the Marks and related intellectual property, and to authorize franchisees to use them in operating ROTI Restaurants, under a Trademark and Know-How License Agreement effective September 1, 2025 (the "License Agreement"). The License Agreement's initial term is 20 years; we have the right to renew the License Agreement for 3 successive 10-year terms. We may terminate the License Agreement at any time on 60 days' prior written notice. Roti IP may terminate the License Agreement immediately if we breach the License Agreement and fail to cure the breach within 30 days after receiving written notice from Roti IP. When the License Agreement terminates or expires, we must stop using and sublicensing the Marks and related intellectual property. However, any ROTI Restaurant franchisee that has been authorized to use the Marks in its franchise may continue using the Marks until that franchisee's franchise agreement, and any permitted successor franchise agreement, expire or are terminated, but only if the franchisee continues to comply with its obligations in the franchise agreement and any permitted successor franchise agreement during their remaining terms. No other agreement limits our right to use or sublicense any Mark.

There are no currently-effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the principal Marks. We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state where we currently intend to offer franchises.

You must follow our and Roti IP's rules and other Brand Standards when using the Marks. You may not use any Mark as part of your corporate or legal business name.

If we believe at any time that it is advisable for us and/or you to modify, discontinue using, and/or replace any Mark, and/or to use one or more additional or substitute trademarks or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse your expenses to comply with those directions (such as your costs to change signs or replace supplies for the Restaurant), any loss of revenue due to any modified or discontinued Mark, or your expenses to promote a modified or substitute trademark or service mark.

You must notify us immediately of any actual or apparent infringement or challenge to your use of any Mark, any person's claim of any rights in any Mark (or any identical or confusingly similar trademark), or unfair competition relating to any Mark. We and Roti Holdings may take the action we or it deems appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding or enforcement action arising from any infringement, challenge, or claim or otherwise concerning any Mark. The Franchise Agreement does not require us to take any particular affirmative action. You must sign any documents and take any other reasonable actions that we and our, and Roti IP's, attorneys deem necessary or advisable to protect and maintain our and Roti Holdings' interests in any litigation or USPTO or other proceeding or enforcement action or otherwise to protect and maintain our and Roti Holdings' interests in the Marks.

We will reimburse (i.e., indemnify) your damages and expenses incurred in any trademark infringement proceeding disputing your authorized use of any Mark (whether the proceeding is resolved favorably or unfavorably to you), provided your use has been consistent with the Franchise Agreement, the Operations Manual, and Brand Standards communicated to you and you have timely notified us of, and complied with our directions in responding to, the proceeding. At our option, we and/or our affiliates may defend and control the defense of any proceeding arising from or relating to your use of any Mark. However, the Franchise Agreement does not require us to participate in your defense.

The DRA does not grant you the right to use the Marks. These rights arise only under Franchise Agreements you sign with us.

Item 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or patent applications are material to the franchise. We and certain affiliates claim copyrights in the Operations Manual (containing our trade secrets and Confidential Information), Restaurant blueprints and other design features, signage, advertising and marketing materials, our System Website, and similar items used in operating ROTI Restaurants. We and our affiliates have not registered these copyrights with the United States Copyright Office but currently need not do so to protect them.

You may use copyrighted items only as we specify while operating your Restaurant (and must stop using them at our direction). Our right to use many copyrighted materials and Confidential Information arises from the License Agreement described in Item 13. You have no other rights under the Franchise Agreement to a copyrighted item if we require you to modify or discontinue using the subject matter covered by the copyright.

There currently are no effective adverse material determinations of the USPTO, the United States Copyright Office, or any court regarding the copyrighted materials. Except for our agreement with Roti Holdings, no agreement limits our right to use or allow others to use copyrighted materials.

We do not actually know of any infringing uses of our or Roti Holdings' copyrights that could materially affect your using them in any state. We and Roti Holdings need not protect or defend copyrights, although we intend to do so if in the system's best interests. We and Roti Holdings may control any action we choose to bring, even if you voluntarily bring the matter to our attention. You must follow any instructions we give you. However, we need not take affirmative action when notified of infringement. We and Roti Holdings need not participate in your defense of and/or indemnify you for damages or expenses incurred in a copyright proceeding.

Our Operations Manual and other materials contain our and our affiliates' Confidential Information, including layouts, designs, and other Plans for ROTI Restaurants; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating ROTI Restaurants; marketing research and promotional, marketing, and advertising programs for ROTI Restaurants; and strategic plans, including expansion strategies and targeted demographics. You may use Confidential Information only as we allow and must take reasonable steps to prevent its improper disclosure to others and use non-disclosure agreements with those having access to Confidential Information.

The DRA does not grant you rights to use any intellectual property. These rights arise only under Franchise Agreements you sign with us.

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

Brand Standards may require adequate staffing levels for the Restaurant to operate and address appearance of Restaurant personnel. You must designate an owner with at least a 20% ownership interest to be your Operating Principal. The Operating Principal will communicate directly with us on behalf of your franchise, and his or her decisions will bind you. The Operating Principal must attend a 3 to 5-day Executive Training program at our corporate training location.

You also must designate an owner with at least a 5% ownership interest to be your Operating Partner. The Operating Partner is responsible for managing your day-to-day operations on site. The Operating Partner will be the main point of contact for our operations support team. The Operating Principal and the Operating Partner may be the same person. We have the right to approve or disapprove the proposed Operating Principal and Operating Partner and any proposed change in the Operating Principal or Operating Partner.

You must at all times have 1 fully-trained, certified manager managing the Restaurant's day-to-day, on-site operations (this may be your Operating Partner). You must have at least 3 employees on staff (including the certified manager) who have completed all positional training and shift leader training modules. The Operating Partner is responsible for each Restaurant manager's performance. A Restaurant manager need not have an equity interest in you or the Restaurant. The Operating Partner and all Restaurant managers must successfully complete our initial training program before you open the Restaurant to the public. Restaurant managers (if not also the Operating Partner) and your officers and directors must sign confidentiality and other agreements we specify or pre-approve. There generally are no limits on whom you may hire as an on-site manager.

If you propose to change the Operating Partner, you must immediately seek a replacement Operating Partner and appoint him or her within 30 days after the former Operating Partner's last day. The replacement Operating Partner must satisfactorily complete our initial training program within 30 days after we approve him or her.

Each of your owners with at least a 20% ownership interest in you, or in an entity directly or indirectly holding at least a 20% ownership interest in you, and any other owner we designate, must personally guarantee all of your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is Exhibit B-1 of the Franchise Agreement. Each owner not holding at least a 20% ownership interest in you, or in an entity directly or indirectly holding at least a 20% ownership interest in you, must sign an "Owner's Undertaking of Non-Monetary Obligations" (Exhibit B-2 of the Franchise Agreement) undertaking to be bound personally by specific non-monetary provisions in the Franchise Agreement. An owner's spouse need not sign either document unless that spouse has an ownership interest in you.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The Restaurant must offer for sale all products and services we periodically specify. The Restaurant may not offer, sell, or otherwise distribute at the Restaurant or another location any products or services we have not authorized. There are no limits on our right to modify the products and services your Restaurant must or may offer and sell. Brand Standards may regulate (to the extent the law allows) price advertising policies and pricing requirements for products and services the Restaurant sells, including (a) maximum, minimum, tiered, bundled, or other prices you must or may charge for the Restaurant's products and services, (b) your obligation to participate in discounting, national or regional promotions, limited-time or special offers, and other marketing initiatives for ROTI Restaurants, and (c) your compliance with mandatory pricing review windows during which you must submit and obtain our approval of proposed pricing changes.

Your right to operate the Restaurant is limited to products prepared and sold, and services provided, at the Restaurant location and does not include the right to distribute products and services over the Internet or to engage in other supply or distribution channels. You may not engage in any product delivery or catering activities away from the Restaurant's location unless and until we notify you in writing that you may do so. If we allow you to engage in such activities, you must comply with all related Brand Standards, including your obligation to deliver products to customers, to engage with third-party food ordering and delivery systems, and to ring up and account for delivery and catering charges not included in the price of products only in the manner we permit. There are no limits on the customers to whom your Restaurant may sell goods and services at its premises. We may regulate the minimum number of days per week and minimum number of hours per day your Restaurant must be open for service to customers (which may be 7 days per week).

Item 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

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

Franchise Agreement

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a. Length of the franchise term	3.B of Franchise Agreement	Starts on date Franchise Agreement is signed and expires 10 years from day on which Restaurant first opens to the public for business.
b. Renewal or extension of the term	17 of Franchise Agreement	If you are in good standing, you may acquire a successor franchise for 10 years on our then-current terms.
c. Requirements for franchisee to renew or extend	17 of Franchise Agreement	You (i) timely request and conduct business review, (ii) formally notify us of your desire to acquire a successor franchise at least 3 months before the franchise term ends, (iii) substantially complied with contractual obligations and operated Restaurant in substantial compliance with Brand Standards, (iv) continue complying substantially with contractual obligations between time you notify us of your desire to acquire a successor franchise and the end of the franchise term, (v) retain right to occupy Restaurant at its original site, (vi) remodel/upgrade Restaurant, (vii) sign our then-current form of franchise agreement and releases (if applicable state law allows), and (viii) pay successor franchise fee. Terms of new franchise agreement you sign for successor franchise may differ materially

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		from any and all terms contained in your original expiring franchise agreement (including higher fees and a modified or smaller Area of Protection).
d. Termination by franchisee	18.A of Franchise Agreement	If we breach Franchise Agreement and do not cure default within applicable cure period after notice from you; you may not terminate without cause.
e. Termination by franchisor without cause	18.B of Franchise Agreement	We may not terminate your Franchise Agreement without cause.
f. Termination by franchisor with cause	18.B of Franchise Agreement	We may terminate your Franchise Agreement only if you or your owners commit one of several violations. While termination of DRA does not impact any then-effective franchise agreement, termination of a Franchise Agreement entitles us to terminate the DRA.
g. "Cause" defined — curable defaults	18.B of Franchise Agreement	You have 5 days to cure payment (to us and our designated and approved suppliers) and insurance defaults; 10 days to satisfy unpaid judgments of at least $25,000; 30 days to cure other defaults not listed in (h) below; and 60 days to vacate attachment, seizure, or levy of Restaurant or appointment of receiver, trustee, or liquidator. You must immediately begin correcting violations of material law and correct them within timeframe the law specifies. While termination of DRA does not impact any then-effective franchise agreement, termination of a Franchise Agreement entitles us to terminate DRA.
h. "Cause" defined — non-curable defaults	18.B of Franchise Agreement	Non-curable defaults include: material misrepresentation or omission; failure to find and secure acceptable Restaurant site

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		by deadlines; failure to develop and open Restaurant (with fully-trained staff) by deadline; abandonment of Restaurant or failure to operate Restaurant for at least 3 consecutive business days; unapproved transfer; felony conviction or guilty plea; dishonest, unethical, or immoral conduct adversely impacting our Marks; serious threat or danger to public health or safety from Restaurant's construction or operation; foreclosure on Restaurant's assets; misuse of confidential information; violation of non-compete; material underreporting of Net Sales; disabling Restaurant's Technology Suite; closing bank account from which we debit funds without first setting up new account; failure to pay taxes due; repeated defaults; assignment for benefit of creditors or admission of inability to pay debts when due; violation of antiterrorism laws; losing right to Restaurant premises; causing or contributing to a data security incident or failure to comply with requirements to protect Consumer Data; we send notice of termination under another franchise agreement with you or your affiliate; you or your affiliates terminate another franchise agreement with us without cause; you or your affiliate ceases operating a ROTI Restaurant without our approval; or your ability to continue operating the Restaurant in compliance with our Brand Standards is frustrated in purpose or materially impaired by any law or interpretation of a law. Termination of DRA does not impact any then-effective franchise agreement.
i. Franchisee's obligations on termination/nonrenewal	18.C and 19 of Franchise Agreement	Obligations include paying outstanding amounts (plus, if applicable, liquidated damages); complete de-identification; returning confidential information;

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		returning or destroying (at our option and at your own cost) branded materials and proprietary equipment and other items; assigning telephone numbers and directory listings; and assigning or cancelling any website or other online presence or electronic media associating you with us or the Marks (also see (o) and (r) below). We may control de-identification process if you do not voluntarily take required action. We may assume Restaurant's management while deciding whether to buy Restaurant's assets.
j. Assignment of contract by franchisor	16.A of Franchise Agreement	No restriction on our right to assign; we may assign without your approval.
k. "Transfer" by franchisee — defined	16.B of Franchise Agreement	Includes transfer of (i) Franchise Agreement, (ii) Restaurant's physical structure, (iii) Restaurant or its profits, losses, or capital appreciation, (iv) all or substantially all Operating Assets, or (v) ownership interest in you or controlling ownership interest in entity with ownership interest in you. Also includes pledge of Franchise Agreement or ownership interest.
l. Franchisor approval of transfer by franchisee	16.B of Franchise Agreement	We must approve all transfers; no transfer without our prior written consent.
m. Conditions for franchisor approval of transfer	16.C of Franchise Agreement	We will approve transfer of noncontrolling ownership interest in you if transferee (and each owner) qualifies and meets our then-applicable standards for non-controlling owners, is not (and has no affiliate) in a competitive business, signs our then-current form of Guaranty (or, if applicable, Owner's Undertaking of Non- Monetary Obligations), and pays transfer fee.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		When there is transfer of franchise rights or controlling ownership interest, we will not unreasonably withhold our approval if: transferee (and each owner) qualifies (including, if transferee is an existing franchisee, transferee is in substantial operational compliance under all other franchise agreements for ROTI Restaurants) and is not restricted by another agreement from moving forward with the transfer; you have paid us and our affiliates all amounts due, have submitted all reports, and are not then in breach; neither transferee nor its owners and affiliates are in a competitive business; training completed; transfer fee paid; transferee may occupy Restaurant's site for expected franchise term; transferee (at our option) assumes your Franchise Agreement or signs our then-current form of franchise agreement and other documents for unexpired portion of your original franchise term (then-current form may have materially different terms, except that your original Royalty, Tech Fee, and Brand Fund contribution levels and the definition of Area of Protection will remain the same for unexpired portion of your original franchise term); transferee agrees to repair and upgrade; you (and transferring owners) sign general release (if applicable state law allows); transferee satisfies all licensing and other legal requirements; we determine that sales terms and financing will not adversely affect Restaurant's operation post-transfer; you subordinate amounts due to you; and you stop using Marks and our other intellectual property (also see (r) below).
n. Franchisor's right of first refusal to acquire franchisee's business	16.G of Franchise Agreement	We may match any offer for your Restaurant or ownership interest in you or entity that controls you.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
o. Franchisor's option to purchase franchisee's business	19.F of Franchise Agreement	We may buy Restaurant's assets at fair market value and take over site under a lease after Franchise Agreement is terminated or expires (without renewal).
p. Death or disability of franchisee	16.E of Franchise Agreement	Must transfer to approved party (which may include immediate family member) within 6 months; we may operate Restaurant in interim if it is not then managed properly.
q. Non-competition covenants during the term of the franchise	12 of Franchise Agreement	No owning interest in, performing services for, or loaning money or guaranteeing loan to competitive business, wherever located or operating; no diverting business to competitive business; and no solicitation of other franchisees for other commercial purposes. "Competitive Business" means any (a) restaurant or other food-service business for which 30% or more of the food menu (excluding beverages) consists of Middle Eastern- and/or Mediterranean-style items or (b) business granting franchises or licenses to others to operate the type of business described in clause (a).
r. Non-competition covenants after the franchise is terminated or expires	19.E of Franchise Agreement	For 2 years after franchise term, no owning interest in or performing services for Competitive Business at Restaurant's site, within 10 miles of Restaurant's site, or within 5 miles of another ROTI Restaurant in operation or under construction on later of effective date of termination or expiration or date on which restricted person begins compliance (same restrictions apply after transfer).
s. Modification of the agreement	21.K of Franchise Agreement	No modifications generally, but we may change Operations Manual and Brand Standards.
t. Integration/merger clause	21.M of Franchise Agreement	Only terms of Franchise Agreement and other related written agreements are binding (subject to state and federal law). Any representations or promises outside of the Franchise Agreement or this franchise

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
		disclosure document may not be enforceable. However, nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in this franchise disclosure document, its exhibits, and amendments.
u. Dispute resolution by arbitration or mediation	21.F of Franchise Agreement	We and you must arbitrate all disputes within 10 miles of where we (or then-current franchisor) have our principal business address when the arbitration demand is filed (it currently is in Atlanta, Georgia).
v. Choice of forum	21.H of Franchise Agreement	Subject to arbitration requirements, litigation must be (with limited exceptions) in courts closest to where we (or then-current franchisor) have our principal business address when the action is commenced (it currently is in Atlanta, Georgia) (subject to applicable state law).
w. Choice of law	21.G of Franchise Agreement	Federal law and Georgia law govern (subject to applicable state law).

This table lists certain important provisions of the development rights agreement. You should read these provisions in the agreement attached to this disclosure document.

<u>Development Rights Agreement</u>

PROVISION	SECTION IN DEVELOPMENT RIGHTS AGREEMENT	SUMMARY
a. Length of the franchise term	6	Term expires on date when final ROTI Restaurant under Schedule opens for business (subject to earlier termination).

PROVISION	SECTION IN DEVELOPMENT RIGHTS AGREEMENT	SUMMARY
b. Renewal or extension of the term	Not Applicable	You have no right to renew or extend development rights.
c. Requirements for franchisee to renew or extend	Not Applicable	You have no right to renew or extend development rights.
d. Termination by franchisee	Not Applicable	You have no contractual right to terminate DRA (except as state law allows).
e. Termination by franchisor without cause	Not Applicable	We have no right to terminate DRA without cause.
f. Termination by franchisor with cause	7	We have right to terminate DRA if you commit one of several violations.
g. “Cause” defined – curable defaults	Not Applicable	No default under the DRA is curable.
h. “Cause” defined – non-curable defaults	7	Non-curable defaults are your failure to satisfy development Schedule, your breach of any other obligation, we terminate any franchise agreement with you or your Approved Affiliate in compliance with its terms, you (or an Approved Affiliate) terminate any franchise agreement with us for any (or no) reason, we deliver formal written notice of default to you (or your Approved Affiliate) under a franchise agreement and you (or your Approved Affiliate) fail to cure the default within the required timeframe, or you (or your Approved Affiliate) cease operating any ROTI Restaurant without our prior written approval.
i. Franchisee’s obligations on termination/nonrenewal	1 and 7	Upon termination or expiration of DRA, you will lose all rights to develop ROTI Restaurants in your Territory.
j. Assignment of contract by franchisor	8	No restriction on our right to sell or transfer DRA or our ownership interests without your approval.

PROVISION	SECTION IN DEVELOPMENT RIGHTS AGREEMENT	SUMMARY
k. "Transfer" by franchisee – defined	8	Includes transfer of DRA or any ownership interest in you or your owner (if that owner is an entity).
l. Franchisor approval of transfer by franchisee	8	No transfers without our prior written consent; development rights are not assignable.
m. Conditions for franchisor approval of transfer	8	Development rights are not assignable; we have the right to grant or withhold consent for any or no reason.
n. Franchisor's right of first refusal to acquire franchisee's business	Not Applicable	The DRA does not contain this provision.
o. Franchisor's option to purchase franchisee's business	Not Applicable	The DRA does not contain this provision.
p. Death or disability of franchisee	Not Applicable	The DRA does not contain this provision.
q. Non competition covenants during the term of the franchise	11	No owning interest in, performing services for, or loaning money or guaranteeing loan to competitive business, wherever located or operating; no diverting business to competitive business; and no solicitation of other franchisees for other commercial purposes. "Competitive Business" means any (a) restaurant or other food-service business for which 30% or more of the food menu (excluding beverages) consists of Middle Eastern- and/or Mediterranean-style items or (b) business granting franchises or licenses to others to operate the type of business described in clause (a).
r. Non competition covenants after the franchise is terminated or expires	Not Applicable	The DRA does not contain this provision. You and your owners will be bound by the restrictions under the Franchise Agreement.
s. Modification of the agreement	11	No modifications without signed writing.

PROVISION	SECTION IN DEVELOPMENT RIGHTS AGREEMENT	SUMMARY
t. Integration/merger clause	11	Only terms of DRA and other documents you sign with us are binding (subject to state and federal law). Any representations or promises outside of the disclosure document and DRA may not be enforceable. Despite the foregoing, nothing in the DRA or in any other related written agreement is intended to disclaim representations made in this franchise disclosure document, its exhibits, and amendments.
u. Dispute resolution by arbitration or mediation	11	We and you must arbitrate all disputes within 10 miles of where we (or then-current franchisor) have our principal business address when the arbitration demand is filed (it currently is in Atlanta, Georgia).
v. Choice of forum	11	Subject to arbitration requirements, litigation must be (with limited exceptions) in courts closest to where we (or then-current franchisor) have our principal business address when the action is commenced (it currently is in Atlanta, Georgia) (subject to applicable state law).
w. Choice of law	11	Federal law and Georgia law govern (subject to applicable state law).

Item 18
PUBLIC FIGURES

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

Item 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

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 Doug Knox, Chief Legal & Compliance Officer, 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328, (470) 947-8886, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

All figures in the tables below are as of December 31 of each year. The "Company Owned" outlets referenced in tables 1 and 4 below are owned by one or more of our affiliates.

Table No. 1

Systemwide Outlet Summary
For years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	10	10
Total Outlets	2022	0	0	0
	2023	0	0	0
	2024	0	10	10

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022 to 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0

Table No. 3

Status of Franchised Outlets
For years 2022 to 2024

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
All States	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

Table No. 4

Status of Company-Owned Outlets
For years 2022 to 2024

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Illinois	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	10	0	0	0	10

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Totals	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
	2024	0	10	0	0	0	10

Table No. 5

Projected Openings as of December 31, 2024

Column 1 State	Column 2 Franchise Agreements Signed But Outlets Not Opened	Column 3 Projected New Franchised Outlets In the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets In the Next Fiscal Year
Minnesota	0	0	3
Washington, DC	0	0	4
Total	0	0	7

Because we began offering franchises with this disclosure document, we have no franchisees as of this disclosure document's issuance date. During our last fiscal year, there were no franchisees that had ROTI Restaurants terminated, canceled, or not renewed or that otherwise voluntarily or involuntarily ceased doing business under our Franchise Agreement or DRA. There are no franchisees who have not communicated with us within 10 weeks of this disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses restricting them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the ROTI Restaurant franchise system.

Item 21
FINANCIAL STATEMENTS

We are a start-up franchisor formed on May 2, 2025. Exhibit D contains our audited opening balance sheet as of October 7, 2025. We had no operations before October 7, 2025. Because we have not been in existence for at least 3 years, we do not have available and cannot yet include in this disclosure document 3 full years of audited financial statements.

Item 22
CONTRACTS

The following contracts/documents are exhibits to this disclosure document:

1. Franchise Agreement (Exhibit B)
2. Development Rights Agreement (Exhibit C)
3. State-specific Riders to Franchise Agreement and Development Rights Agreement (Exhibit G)
4. Franchise Representations (Exhibit H)
5. Form of General Release (Exhibit I)

Item 23
RECEIPTS

Our and your copies of the Franchise Disclosure Document Receipt are the last 2 pages of this disclosure document.

EXHIBIT A

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS
FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

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

There also may be additional agents appointed in some of the states listed.

CALIFORNIA

Website: www.dfpi.ca.gov
Email: ask.DFPI@dfpi.ca.gov

(for service of process)
Commissioner of Department of Financial Protection & Innovation

(state franchise administrator)
Department of Financial Protection & Innovation

Toll Free: 1 (866) 275-2677

Los Angeles
320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500

Sacramento
651 Bannon Street, Suite 300
Sacramento, California 95811
(916) 576-4941

San Diego
1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 525-4233

San Francisco
One Sansome Street, Suite 600
San Francisco, California 94104-4428
(415) 972-8559

HAWAII

(for service of process)

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

(for other matters)

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state agency)

Indiana Secretary of State
Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

(for service of process)

Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(state agency)

Office of the Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
(517) 335-7567

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

NEW YORK

(for service of process)

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

(Administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8236

NORTH DAKOTA

(for service of process)

Insurance Commissioner
North Dakota Insurance & Securities Department
600 East Boulevard Avenue
Bismarck, North Dakota 58505-0510
(701) 328-2910

(state agency)

North Dakota Insurance & Securities Department
600 East Boulevard Avenue
Bismarck, North Dakota 58505-0510
(701) 328-2910

OREGON

Oregon Division of Financial Regulation
350 Winter Street NE, Suite 410
Salem, Oregon 97301
(503) 378-4140

RHODE ISLAND

Securities Division
Department of Business Regulations
1511 Pontiac Avenue
John O. Pastore Complex-Building 69-1
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(for service of process)

Clerk, State Corporation Commission
1300 East Main Street
First Floor
Richmond, Virginia 23219
(804) 371-9733

(for other matters)

State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, 9th Floor
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

(for service of process)

Director Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501
(360) 902-8760

(for other matters)

Department of Financial Institutions
Securities Division
P. O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

WISCONSIN

(for service of process)

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-2139

(state administrator)

Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-9555

EXHIBIT B

FRANCHISE AGREEMENT

ROTI MODERN FRANCHISING, LLC

FRANCHISE AGREEMENT

____

FRANCHISEE NAME

____

____

____

RESTAURANT

TABLE OF CONTENTS

EXHIBITS

ROTI MODERN FRANCHISING, LLC

FRANCHISE AGREEMENT

This Franchise Agreement (this "**Agreement**") is made by and between **Roti Modern Franchising LLC**, a Delaware limited liability company whose principal business address is 980 Hammond Dr., Suite 1000, Atlanta, Georgia 30328 ("**we**," "**us**," or "**our**"), and ___________________________, a(n) ___________________________ ("**you**" or "**your**"), and is effective as of the date we sign it, which is set forth next to our signature at the end of this Agreement (the "**Effective Date**").

1. **Preambles**

We and certain of our affiliates currently own and operate a fast-casual restaurant brand identified by the Marks (defined below) that currently offers and sells Eastern Mediterranean fare, including harissa chicken, sumac steak, falafel, hummus, pita, and other food products and beverages.

We and such affiliates currently use, promote, and license certain trademarks, service marks, and other commercial symbols for our restaurant brand, including "Roti Modern® Mediterranean" and "Roti®," and from time to time may create, use, and license new trademarks, service marks, and commercial symbols (collectively, the "**Marks**"). One of our affiliates currently owns the Marks, the Confidential Information (defined in Section 9 below), and all aspects of our branded system (the Marks, the Confidential Information, and our branded system, collectively, the "**Intellectual Property**") and licenses that Intellectual Property to us for use in our franchise program for Roti Modern® Mediterranean restaurants ("**ROTI Restaurants**").

We offer and grant franchises to operate a ROTI Restaurant using the ROTI business system, business formats, methods, procedures, designs, layouts, trade dress, standards, specifications, marketing programs and practices, and Intellectual Property, all of which we and our affiliates periodically may improve, further develop, and otherwise modify (collectively, the "**Franchise System**").

You have applied for a franchise to operate a ROTI Restaurant, and we are willing to grant you the franchise on the terms and conditions contained in this Agreement.

2. **Acknowledgments**

You acknowledge that:

i. Attracting customers for your ROTI Restaurant Location will require you to make consistent marketing efforts in your local community, including through permitted media and on-line advertising and social-media marketing and networking.

ii. Retaining customers for your ROTI Restaurant will require you to provide high-quality products and services and adhere strictly to the Franchise System and Brand Standards (defined in Section 6(H) below and categorized in Section 7(C) below).

iii. You are committed to maintaining Brand Standards.

iv. Our officers, directors, employees, consultants, lawyers, and agents act only in a representative, and not in an individual, capacity when dealing with you, and their business dealings with you as a result of this Agreement therefore are considered to be only between you and us.

v. All application and qualification materials you gave us about you and your owners to acquire this franchise were accurate and complete.

vi. This Agreement's terms and covenants are reasonably necessary for us to maintain our high service-quality and product standards (and the uniformity of those standards at each ROTI Restaurant) and to protect and preserve the goodwill of the Intellectual Property.

vii. We make no commitment about the extent to which we and our affiliates will continue developing and expanding the ROTI Restaurant network.

The acknowledgments in clauses (viii) through (xiv) below apply to all franchisees and franchises except not to any franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

viii. You independently investigated the ROTI Restaurant franchise opportunity and recognize that the nature of the business will evolve and change over time.

ix. Investing in a ROTI Restaurant involves business risks that could result in your losing a significant portion or all of your investment.

x. Your business abilities and efforts are vital to your success.

xi. Other than disclosures appearing in our franchise disclosure document, if any, you have not received from us or our affiliates any representations or guarantees, express or implied, of a ROTI Restaurant's potential volume, sales, income, or profits.

xii. You independently evaluated this opportunity (including by using your business professionals and advisors) and relied upon those evaluations in deciding to sign this Agreement.

xiii. You had an opportunity to ask questions and to review materials of interest to you concerning the ROTI Restaurant franchise opportunity.

xiv. You had an opportunity, and we encouraged you, to have an attorney or other professional advisor review this Agreement and all other materials we gave or made available to you.

3. **Grant of Franchise**

A. Grant of Franchise

Subject to this Agreement's terms, we grant you the right, and you commit, to operate a ROTI Restaurant at the address identified on Exhibit A (the "**Restaurant**") using the Franchise System. (If the

Restaurant's address is unknown as of the Effective Date, the address will be determined as provided in Section 4.A and then listed on an amended and restated Exhibit A we will give you.) Except as provided in this Agreement, your right to operate the Restaurant is limited to products prepared and sold, and services provided, at the Restaurant location and does not include the right to distribute products and services over the Internet or to engage in other supply or distribution channels. You may not engage in any product delivery or catering activities away from the Restaurant's location unless and until we notify you in writing that you may do so (although we have no obligation to allow such activities by a certain date or at all). If we allow you to engage in such activities, you must comply with all related Brand Standards.

B. Term

The franchise term (the "**Term**") begins on the Effective Date and expires ten (10) years from the day on which the Restaurant first opens to the public for business. The Term is subject to earlier termination under Section 18. You agree to operate the Restaurant in compliance with this Agreement for the entire Term unless this Agreement is properly terminated under Section 18.

C. Territorial Rights

During the Term, we and our affiliates will not, except as provided in this Section and in Section 3.D, own or operate, or allow another franchisee or licensee to own or operate, another ROTI Restaurant that has its physical location within the geographic area described on Exhibit A (the "**Area of Protection**"). We may modify the Area of Protection only as provided in Exhibit A. If the Restaurant's address is unknown as of the Effective Date, we will describe the Area of Protection on an amended and restated Exhibit A that we will send you after we accept the Restaurant's site as provided in Section 4.A. The Area of Protection will always be defined and deemed to exclude any and all Non-Traditional Venues physically located within the Area of Protection. This means there are no restrictions whatsoever on our and our affiliates' activities in or at Non-Traditional Venues physically located within the Area of Protection, including, but not limited to, our and our affiliates' right to own and operate and grant others the right to own and operate ROTI Restaurants, and to engage in other foodservice operations under the Marks, in or at such Nontraditional Venues. A "**Non-Traditional Venue**" means (i) any location within another primary business, corporate campus complexes, institutional venues, and any location to which the general public does not have unlimited access; (ii) mobile outlets, temporary or seasonal food service facilities; and/or (iii) commercial kitchen facilities that provide order and delivery-only services, which may include the associated online or mobile ordering and delivery services to and from locations in or outside of the Area of Protection. Examples of Non-Traditional Venues include mobile outlets (such as food trucks), "ghost" kitchens, grocery stores, concert venues, hospital or medical center, airport, public or private school, university or college campus, airport terminal, train or bus station, convention center, exhibition hall, amusement park, fairground, sports arena, military base, state or national park, hotel, lodge, country club, social club, resort, casino, theater, truck-stop, travel center, and other venues operated by a master concessionaire or contract food service provider.

D. Reservation of Rights

Except for your location exclusivity described in Section 3.C above (which is subject to our and our affiliates' various rights with respect to Non-Traditional Venues physically located within the Area of Protection), we and our affiliates retain all rights with respect to ROTI Restaurants, the Intellectual Property, the offer and sale of products and services that are similar to, competitive with, or dissimilar from the products and services that your Restaurant offers and sells, and any other activities we and they deem appropriate, whenever and wherever we and they desire, whether inside or outside the Area of Protection. We and you agree that our rights will be as broad as possible inside and outside the Area of Protection. Specifically, but without limitation, we and our affiliates reserve the following rights:

i. to own and operate, and to allow other franchisees and licensees to own and operate, ROTI Restaurants at any physical locations (and in any geographic markets) outside the Area of Protection (including at the boundary of the Area of Protection) and on any terms and conditions we and they deem appropriate;

ii. to offer and sell, and to allow others to offer and sell, inside and outside the Area of Protection, products and services that are identical or similar to and/or competitive with those offered and sold by ROTI Restaurants, whether identified by the Marks or other trademarks or service marks, through any distribution channels (including the Internet)—other than ROTI Restaurants physically located within the Area of Protection—and on any terms and conditions we deem appropriate;

iii. to establish and operate, and to allow others to establish and operate, anywhere (including inside or outside the Area of Protection) businesses (whether or not operated at a set physical location) offering identical, similar, and/or competitive products and services under trademarks and service marks other than the Marks;

iv. to acquire the assets or ownership interests of one or more businesses offering and selling products and services similar to those offered and sold at ROTI Restaurants (even if such a business operates, franchises, or licenses Competitive Businesses (defined in Section 12 below)), and operate, franchise, license, or create similar arrangements for those businesses once acquired, wherever those businesses (or the franchisees or licensees of those businesses) are located or operating, including within the Area of Protection;

v. to be acquired (whether through acquisition of assets, ownership interests, or otherwise, regardless of the transaction form) by a business offering and selling products and services similar to those offered and sold at ROTI Restaurants, or by another business, even if such business operates, franchises, or licenses Competitive Businesses inside or outside the Area of Protection; and

vi. to engage in all other activities this Agreement does not expressly prohibit.

No compensation is due to you if we or our affiliates engage, or allow others to engage, in any of these activities.

E. Guaranty

The Guarantors must fully guarantee all of your financial and other obligations to us under this Agreement or otherwise arising from our franchise relationship with you, and agree personally to comply with this Agreement's terms, by executing the form of Guaranty attached as Exhibit B1. "**Guarantors**" means each person holding at least a twenty percent (20%) ownership interest in you, or in an entity directly or indirectly holding at least a twenty percent (20%) ownership interest in you, and any other owner we designate as a Guarantor in Exhibit B. Each owner not holding at least a twenty percent (20%)

ownership interest in you, or in an entity directly or indirectly holding at least a twenty percent (20%) ownership interest in you, must sign an Owner's Undertaking of Non-Monetary Obligations, in the form attached as Exhibit B-2, undertaking to be bound personally by specific non-monetary provisions in this Agreement. Each owner's name and his, her, or its percentage ownership interest in you are set forth in Exhibit C. Subject to our rights and your obligations in Section 16, you must notify us of any change in the information in Exhibit C within ten (10) days after the change occurs.

F. Your Form and Structure

As a corporation, limited liability company, or general, limited, or limited liability partnership (each, an "**Entity**"), you agree and represent that:

i. You have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly exist in good standing under the laws of the state of your incorporation or formation;

ii. Your organizational documents, operating agreement, or partnership agreement, as applicable, will, at our request, recite that this Agreement restricts the issuance and transfer of any direct or indirect ownership interests in you, and all certificates and other documents representing ownership interests in you will, at our request, bear a legend (the wording of which we may prescribe) referring to this Agreement's restrictions;

iii. Your organizational documents, operating agreement, or partnership agreement, as applicable, will, at our request, contain a provision requiring any dissenting or non-voting interest-holders to execute all documents necessary to effectuate any action that is properly authorized under the organizational documents, operating agreement, or partnership agreement, as applicable;

iv. Exhibit C to this Agreement completely and accurately describes all of your owners and their interests (direct or indirect) in you as of the Effective Date;

v. Your (and your owners') execution and delivery of this Agreement and any related agreement with us (or our affiliates), and performance of your (and their) obligations under this Agreement and such other related agreements, (a) have not violated and will not violate any other agreement or commitment to which you (or they) are a party or by which you (or they) are otherwise bound, and (b) have not violated and will not violate the rights of, or duties owed to, any third party; and

vi. You may not use any Mark (in whole or in part) in, or as part of, your legal business name or email address (unless we have provided you that email address) or use any name that is the same as or similar to, or an acronym or abbreviation of, the ROTI name (although you may register the "assumed name" or "doing business as" name "ROTI" in the jurisdictions where you are formed and qualify to do business).

4. **<u>Site Selection, Lease, and Developing the Restaurant</u>**

A. <u>Site Selection and Acceptance</u>

If the Restaurant's address is unknown as of the Effective Date, this Section 4.A will govern the site selection and acceptance process. Within six (6) months after the Effective Date (unless a different date is specified in a Development Rights Agreement to which you (or your affiliate) and we are parties), you must find and obtain our written acceptance of, and secure, a site within the nonexclusive geographical area described in <u>Exhibit A</u> (the "**Site Selection Area**") at which to operate your Restaurant. You must use an experienced local real estate broker to manage the site selection process. The broker must complete and submit to us a trade area map and market plan for your Site Selection Area. The timeframe during which you must search for, propose, obtain our written acceptance of, and secure the Restaurant's site within the Site Selection Area (the "**Site Selection Period**") will expire upon the earliest of (i) our acceptance of the Restaurant's site and lease and giving you an amended and restated <u>Exhibit A</u>, (ii) this Agreement's termination, or (iii) six (6) months after the Effective Date. (If we and you (or your affiliate) are parties to a Development Rights Agreement. The applicable deadlines specified in that Development Rights Agreement will supersede the deadlines specified in this Section 4.)

It is your responsibility to locate, evaluate, and select the Restaurant's site. We and our affiliates will not search for or select the site for you. We will review potential Restaurant sites you identify within the Site Selection Area and may visit the Site Selection Area to review potential Restaurant sites. We may condition our proposed visit and acceptance of a proposed site on your first sending us complete site reports and other materials (including, without limitation, photographs and digital recordings) we request. We will give you our then-current criteria for ROTI Restaurant sites (including, without limitation, minimum site square footage, population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, ingress and egress, size, and other physical and commercial characteristics) to help you select and identify your site. However, even if we recommend or give you information regarding a potential site or site criteria, you acknowledge that we have made, and will make, no representations or warranties of any kind, express or implied, about the site's suitability for a ROTI Restaurant or any other purpose or the likelihood that we ultimately will accept that site for the Restaurant's location.

You must submit all information we request when you propose a site, including a signed letter of intent specifying the key terms of the proposed lease or purchase transaction. We will use reasonable efforts to review and accept or reject each site you propose within twenty-one (21) days after we receive all requested information and materials. If we do not accept the site in writing within twenty-one (21) days, the site will be deemed rejected. We will not unreasonably withhold our acceptance of a site if, in our and our affiliates' experience and based on the factors outlined above, the proposed site is not inconsistent with sites that we and our affiliates regard as favorable or that otherwise have been successful sites for ROTI Restaurants in the past. However, we have the absolute right to reject any site not meeting our criteria or to require you to acknowledge in writing that a site you have chosen is accepted but not recommended due to its incompatibility with certain factors that bear on a site's suitability as a location for a ROTI Restaurant.

Our recommendation or acceptance of a site that you ultimately select for your Farm indicates only that we believe the site is not inconsistent with sites that we regard as favorable or that otherwise have been successful sites for ROTI Restaurants in the past. Applying criteria appearing effective with other sites might not accurately reflect the potential of all sites, and demographic or other factors included in or excluded from our criteria could change, altering a site's potential. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a particular site fails to meet your expectations. Once a proposed site is accepted and secured, we will list the accepted site's location as the Restaurant's address in Exhibit A. If you do not find and we do not accept, and you do not then secure, a Restaurant site within six (6) months after the Effective Date (or a different date specified in a Development Rights Agreement), then we may terminate this Agreement upon written notice. We will not return to you any portion of the Initial Franchise Fee.

You may not relocate the Restaurant to a new site without our prior written consent, which we may grant or deny as we deem best. We may condition relocation approval on (1) the new site and its lease being acceptable to us, (2) your paying us a relocation fee (before the relocation process begins), (3) your reimbursing any costs we incur during the relocation process, (4) your confirming that this Agreement remains in effect and governs the Restaurant's operation at the new site with no change in the Term or, at our option, your signing our then-current form of franchise agreement to govern the Restaurant's operation at the new site for a new franchise term, (5) your signing a general release, in a form satisfactory to us, of any and all claims against us and our owners, affiliates, officers, directors, employees, and agents, (6) your continuing to operate the Restaurant at its original site until we authorize its closure, and (7) your taking, within the timeframe we specify and at your own expense, all action we require to de-brand and de-identify the Restaurant's former premises so it no longer is associated in any manner (in our opinion) with the Franchise System and the Marks.

B. Lease Acceptance

You must send us for our review and written acceptance, which we will not unreasonably withhold, any lease or sublease (and any renewals and amendments of the lease or sublease) that will govern your occupancy and lawful possession of the Restaurant's site at least fifteen (15) business days before you intend to sign it. The lease or sublease must either (i) include the lease rider attached to this Agreement as Exhibit D or (ii) provide within its body the terms and conditions found in the lease rider. You may not sign any lease or sublease (or any renewal or amendment of the lease or sublease) we have not accepted in writing. We may (but have no obligation to) guide or assist you with the leasing process but will not negotiate the lease or sublease for you or provide any legal advice. If we do not accept the proposed lease or sublease in writing within fifteen (15) business days after we receive a complete copy, the lease or sublease will be deemed rejected. Our guidance or assistance and written acceptance of the lease or sublease (or renewal or amendment) are not a guarantee or warranty, express or implied, of the Restaurant's success or profitability or of the suitability of the lease or sublease for your business purposes. Our acceptance indicates only that we believe the site and the terms of the lease or sublease adequately protect our interests and/or the interests of other franchisees in the ROTI system, to the extent those interests are implicated in the lease or sublease. You must have a signed lease or sublease by the end of the Site Selection Period. You must send us a copy of the fully executed lease or sublease no later than ten (10) days after it is signed by all parties. After your lease or sublease is executed, you must send us prior notice of any revisions to its terms that you or your landlord might propose, and we have the right to accept or reject those proposed revisions before they become effective.

C. Development of Restaurant

Besides the deadline for obtaining site acceptance and signing an accepted lease or sublease, you must within fifteen (15) months after the Effective Date (or, if earlier, on or before the date specified in any Development Rights Agreement to which we and you (or your affiliate) are parties) (the "**Opening**

Deadline") (i) secure all financing required to develop and operate the Restaurant, (ii) obtain all permits and licenses required to construct and operate the Restaurant, (iii) construct all required improvements to the site and decorate the Restaurant in compliance with our approved plans and specifications, (iv) purchase or lease and install all required Operating Assets (defined below), (v) purchase an opening inventory of required, authorized, and approved products, materials, and supplies, (vi) complete all required training, and (vii) open your Restaurant for business in accordance with all requirements of this Agreement.

You must develop the Restaurant at your expense. Once a site has been accepted by us, you must provide a Lease Outline Drawing **("LOD")** in PDF and DWG format, from your landlord or architect. The LOD should include deck heights, any anomalies or encumbrances, as well as any items existing in the space. Once we receive this information, we will produce a Test Fit of the site for your review. The Test Fit should not be considered a final layout of the space, but rather a confirmation that the space will accommodate a prototypical ROTI Restaurant. Subsequent to your review and our approval, we will produce, for a fee set by us and subject to change from time to time, a Schematic from the Test Fit for you and your architect to create construction drawings. Our current fee for the Schematic is One Thousand Five Hundred Dollars ($1,500). Along with the Schematic, we will provide you and your architect conceptual drawings and specifications for a ROTI Restaurant (collectively, "**Concept Specifications**"), including requirements or recommendations (as applicable) for dimensions, design, interior layout, improvements, décor, signage, and Operating Assets. All decisions regarding the Restaurant's development and layout, design, color scheme, finishes, improvements, décor, and Operating Assets are subject to our review and prior written approval. Once you receive our approval, you may not make any changes without our prior written approval. Our Concept Specifications will not reflect the requirements of any federal, state, or local laws, codes, ordinances, or regulations (collectively, "**Laws**"), including those arising under the Americans with Disabilities Act, or any lease requirements or restrictions. You are solely responsible for complying with all Laws and must inform us of any changes to the Restaurant's specifications that you believe are necessary to ensure such compliance. We have the right to preapprove the architect and general contractor you propose to use to develop the Restaurant before you hire them.

You agree at your expense to construct, install all trade dress and Operating Assets in, and otherwise develop the Restaurant according to our standards, specifications, and directions. The Restaurant must contain all Operating Assets, and only those Operating Assets, we specify or preapprove. You agree to place or display at the Restaurant (interior and exterior), according to our guidelines, only the signs, emblems, lettering, logos, and display materials we approve from time to time.

You agree to purchase or lease from time to time only approved brands, types, and models of Operating Assets according to our standards and specifications and, if we specify, only from one or more suppliers we designate or approve (which may include or be limited to us and/or certain of our affiliates). "**Operating Assets**" means all required furniture, fixtures, signs, equipment (including components of and required software licenses for the Technology Suite (defined in Section 7.F)), and branded vehicles (if any) we periodically require for the Restaurant and the business you operate under this Agreement.

You must adapt the Concept Specifications for the Restaurant (the "**Adapted Plans**") and make sure they comply with all Laws and lease requirements and restrictions. You must send us the Adapted Plans for our written approval before beginning the Restaurant's build-out and all revised or "as built" plans and specifications prepared during the Restaurant's construction and development. You may not begin the Restaurant's build-out until we approve the Adapted Plans in writing and may not make any changes to the approved Adapted Plans without our prior written approval. Our review of the Adapted

Plans is limited to reviewing your compliance with our Concept Specifications. Our review is not intended or designed to assess your compliance with Laws or lease requirements and restrictions; compliance in those areas is your responsibility.

You must develop the Restaurant in accordance with the Adapted Plans we have approved in writing. We own the Concept Specifications and all Adapted Plans. During the Restaurant's build-out, we may physically inspect the Restaurant or require you to send us pictures and images (including recordings) of the Restaurant's interior and exterior so we can review your development of the Restaurant in accordance with our Brand Standards. If your general contractor fails to send us the images/recordings we require for the Restaurant by the specified deadline (but not more often than bi-weekly), we may require you to pay us One Hundred Dollars ($100) for each day the requested images/recordings are late (the "Development Images Deficiency Fee"). The Development Images Deficiency Fee, should one be charged, is deemed by us and you to be a reasonable estimate of our administrative and management costs to address your failure to submit the required images/recordings by their due date. The Development Images Deficiency Fee is not a penalty. We may debit your account for the Development Images Deficiency Fee or set off monies otherwise due and payable to you to cover the payment of the Development Images Deficiency Fee. You also must correct your deficiency, which is a default under this Agreement, whether or not we charge the Development Images Deficiency Fee.

D. <u>Opening</u>

You must open the Restaurant for business on or before the Opening Deadline, provided, however, you may not do so until:

i. we inspect and approve in writing the Restaurant as having been developed in accordance with our specifications and standards. You must give us at least sixty (60) business days' prior written notice of the Restaurant's planned opening date and also notify us in writing when the Restaurant is ready for inspection or review. If we do not inspect or review the Restaurant within sixty (60) business days after you deliver notice that the Restaurant is ready for inspection or review, or if we do not comment in writing within seven (7) business days after our inspection or review, then the Restaurant is deemed approved to open. Our inspection and approval are limited to ensuring your compliance with our standards and specifications; our approval is not a waiver of our right to enforce any provision of this Agreement. Our inspection and approval likewise are not intended or designed to assess compliance with Laws; compliance with Laws is your responsibility. We will not unreasonably withhold our approval of the Restaurant;

ii. your Operating Partner and the Restaurant's Managers, as applicable, have completed to our satisfaction the initial training program described in Section 6.A;

iii. the Restaurant has sufficient employees, trained by you, to manage and operate the Restaurant on a day-to-day basis in compliance with Brand Standards (you must at all times have two (2) fully-trained, certified Restaurant Managers managing the Restaurant's day-to-day, on-site operations, one of whom may be your Operating Partner);

iv. your Operating Partner, the Restaurant Managers, and the Restaurant's employees have completed all required third-party certifications for the food industry (including certifications required under Laws);

v. you have satisfied all state and federal permitting, licensing, and other legal requirements for the Restaurant's lawful operation;

vi. all amounts due to us, our affiliates, and principal suppliers have been paid;

vii. you are not in default under any agreement with us, our affiliates, or principal suppliers;

viii. we have received copies of all permits, licenses, insurance policies, and executed leases or subleases required by this Agreement; and

ix. you have met all other opening requirements we have established in our Operations Manual (defined in Section 6.H).

5. **Fees**

A. Initial Franchise Fee

You must pay us a Thirty-Five Thousand Dollar ($35,000) initial franchise fee in a lump sum when you sign this Agreement (the "**Initial Franchise Fee**"). The Initial Franchise Fee is not refundable under any circumstances. We will credit toward the Initial Franchise Fee any deposit you (or an affiliate) paid us under a Development Rights Agreement.

B. Royalty

You agree to pay us, on or before the Wednesday following the end of each two (2) calendar-week period (the "**Payment Day**"), a royalty ("**Royalty**") equal to six percent (6%) of the Restaurant's Net Sales during the preceding two (2) calendar-week period. Each calendar week currently begins on Monday and ends on Sunday, although upon notice to you we may change the first and last days of each calendar week for Royalty (and other payment) calculation purposes.

In this Agreement, "**Net Sales**" means the aggregate amount of all revenue and other consideration generated from any source, including, without limitation, the sale of products, services, and merchandise; other types of revenue you receive, including the proceeds of business interruption insurance; and (if barter is permitted by us) the value of products, services, and merchandise bartered in exchange for the Restaurant's products, services, or merchandise. Net Sales are not reduced by the amount of any discounts on products or services sold to employees, family members, or other businesses you own or control or by the amount paid to, collected by, or shared with third-party food ordering and delivery systems with which we allow the Restaurant to do business. All of those transactions must be entered into the Technology Suite at the full, standard retail price for purposes of calculating Net Sales.

However, Net Sales exclude: (i) federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; (ii) proceeds from insurance, excluding business interruption insurance; (iii) proceeds from any civil forfeiture, condemnation, or seizure by government entities; and (iv) promotional or marketing discounts we permit. In addition, Net Sales are reduced by the amount of any credits the Restaurant provides in accordance with the terms and conditions set forth in the Operations Manual. Each charge or sale upon credit will be treated as a sale for the full price on the day the charge or sale is made, irrespective of when you receive payment (whether full or partial, or at all) on that sale. Revenue from gift cards we approve for offer and sale at ROTI Restaurants is included in Net Sales when the gift card is used to pay for products and services. Your Restaurant may not issue or redeem any gift certificates, coupons, or gift, loyalty, or similar cards unless we first approve in writing their form and content and your proposed issuing and honoring/redemption procedures. We may grant or withhold our approval as we deem best.

Upon thirty (30) days' prior written notice to you, we have the right to begin calculating the Royalty (a) weekly on Monday for the preceding seven (7) days, in which event the Payment Day for the Royalty will be the immediately following Wednesday, or (b) on such other schedule we determine in our sole judgment, including as frequently as daily, in which event the Payment Day for the Royalty will be the day and time we communicate to you. The Payment Day, and any changes in the Payment Day, will apply to all fees and other amounts payable under this Agreement on or before the Payment Day.

C. Technology Fee

You agree to pay us, or our designated affiliate, a technology fee ("**Tech Fee**") in the amount we periodically specify, but not to exceed One Thousand Dollars ($1,000) per month. The current Tech Fee is Five Hundred Dollars ($500) per month. We agree that we will not raise the Tech Fee by more than Two Hundred Fifty Dollars ($250) per month in any one calendar year. The Tech Fee is due and payable at the same time and in the same manner as the Royalty, unless we otherwise specify. ROTI Restaurants that we or our affiliates own are not required to pay the Tech Fee.

The Tech Fee is (1) for technology products or services we determine to associate or utilize in connection with the Franchise System and (2) to cover all or certain portions of the corresponding costs. We have the right to use the Tech Fee to cover, among other things, learning-management platforms, Restaurant management software development, operational-data analytics, website development, point-of-sale system development, and data input/storage. The Tech Fee does not cover hardware or software subscriptions, license fees, or other amounts that you must pay directly to third parties for the Restaurant's Technology Suite or that we, as a matter of convenience or efficiency or because of a master agreement or other arrangement with a third-party vendor, choose to collect from you for eventual payment to the third-party vendor. This means that, despite payment of the Techn Fees to us, you must pay third-party vendors for the costs of and support services for your Restaurant's Technology Suite. We have no obligation to account to you or other franchisees for our use of Tech Fees or to ensure that you or the Restaurant benefits directly or pro rata based on your payments of Tech Fees.

D. Payment Method and Timing

You agree to sign and send us the documents we periodically require, or enable the electronic mechanism, authorizing us to debit your business checking or other account automatically for the Royalty, Tech Fee, Brand Fund contribution, and other amounts due under this Agreement and any related agreement between us (or our affiliates) and you. We will debit your account on or after the Payment Day for the Royalty, Tech Fee, Brand Fund contribution, and other amounts due. Funds must be available in the account by the Payment Day for withdrawal by electronic transfer. We may require you to obtain, at your expense, overdraft protection for your bank account in an amount we specify. You must reimburse any "insufficient funds" charges and related expenses we incur due to your failure to maintain sufficient funds in your bank account. You may not close this account without first establishing, and notifying us of, a new account that we are authorized to debit as provided in this Section.

If you fail to report the Restaurant's Net Sales when required, we may debit your account for one hundred twenty-five percent (125%) of the Royalty, Tech Fee, and Brand Fund contribution we debited for the previous payment period. If the amount we debit from your account is less than the amount you actually owe us for the payment period (once we determine the Restaurant's actual Net Sales), we will debit your account for the balance due on the day we specify. If the amount we debit from your account is greater than the amount you actually owe us for the payment period (once we determine the Restaurant's actual Net Sales), we will credit the excess, without interest, against the amount we may debit from your account for the following payment period.

We have the right, at our sole option upon notice to you, to change from time to time the timing and terms for payment of Royalties, Tech Fees, Brand Fund contributions, and other amounts due to us under this Agreement. You may not subordinate to any other obligation your obligation to pay us Royalties, Tech Fees, Brand Fund contributions, or any other amount due under this Agreement.

E. Administrative Fee and Interest on Late Payments

In addition to our other remedies, including, without limitation, the right to terminate this Agreement under Section 18, if you fail to pay (or make available for withdrawal from your account) when due any amounts you owe us or our affiliates relating to this Agreement or the Restaurant, those amounts will bear interest, accruing as of their original due dates, at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the Law allows, whichever is less. In addition, you must pay us a One Hundred Dollar ($100) administrative fee for each payment not made to us or our affiliate when due (or for each dishonored payment) to cover the increased costs and expenses incurred due to your failure to pay the amounts when due.

F. Application of Payments and Right of Set-Off

Notwithstanding any designation you make, we may apply any of your payments (whether made by debit or otherwise) to any of your past due indebtedness to us or our affiliates relating to this Agreement or the Restaurant. We may set off any amounts you or your owners owe us or our affiliates against any amounts that we or our affiliates owe you or your owners, whether in connection with this Agreement or otherwise.

G. Annual Increase in Fixed Fees and Amounts

We reserve the right to increase the amount of any fixed fee, fixed payment, or fixed amount stated under this Agreement based on changes in the Index (defined below) ("**Annual Increase**"). An Annual Increase to such fees, payments, and amounts may occur only once during any calendar year and may not exceed the corresponding cumulative increase in the Index since the Effective Date or, as the case may be, the date on which the last Annual Increase became effective for the particular fixed fee, payment, or amount being increased. Any and all Annual Increases will be made at the same time during the calendar year. "Index" refers to the Consumer Price Index for All Urban Consumers (CPI-U) for the U.S. City Average for all Items (1982 – 1984 = 100), not seasonally adjusted, as published by the United States Department of Labor, Bureau of Labor Statistics, or in a successor index. Notwithstanding this Section, if any fixed fee, payment, or amount due under this Agreement encompasses any third-party charges we collect from you on a pass-through basis (i.e., for ultimate payment to the third party), we also reserve the right to increase the fixed fee, fixed payment, or fixed amount beyond the Annual Increase to reflect increases in the third party's charges to us.

6. <u>Training, Guidance, and Assistance</u>

A. <u>Initial Training</u>

We will furnish without additional charge, at a designated training location of our choice (which may be our corporate headquarters, an operating ROTI Restaurant, and/or your Restaurant) and/or through virtual and distance learning and other electronic means, an initial training program ("**Initial Training**") on operating a ROTI Restaurant for up to four (4) people, including your Operating Partner and the Restaurant's on-site managers (each, a "**Restaurant Manager**"). Initial Training will last for approximately four (4) weeks and focuses on our philosophy, Brand Standards, and the material aspects of operating a ROTI Restaurant, excluding aspects relating to labor relations and employment practices. Before you open the Restaurant to the public, at least three (3) people (or at least two (2) people if this is your second or subsequent ROTI Restaurant), including your Operating Partner, must complete Initial Training to our satisfaction and pass applicable operations and proficiency tests. For the first ninety (90) days of operation, you must have three (3) fully trained, certified managers (or two (2) if this is your second or subsequent ROTI Restaurant). You must at all times have one (1) fully-trained, certified Restaurant Manager (which may be your Operating Partner) managing the Restaurant's day-to-day, on-site operations. You must maintain three (3) managers who have completed all positional training and the Shift Leader training module. If at any time we determine that you are operating your Restaurant without the required number of fully trained, certified managers, we will give you sixty (60) days to cure this default by hiring new manager(s) and having them successfully complete training at our facilities. If, after sixty (60) days, you are still operating your Restaurant without the required number of fully trained, certified managers, then you will owe us a fee of One Thousand Dollars ($1,000) per missing or untrained manager (in addition to any other fees incurred for Brand Standards violations, inspection fees, or otherwise and an additional One Thousand Dollars ($1,000) for every thirty (30) days thereafter that you continue to operate without the required number of fully trained, certified managers.

You are responsible for paying your employees' wages, benefits, and travel, hotel, and food expenses while they attend training. We will give you information about the number of hours your employees are actively involved in classroom and in-restaurant training, and you are responsible for evaluating any other information you believe you need to ensure your employees are accurately paid during training. You also are responsible for maintaining workers' compensation insurance over your employees during training and must send us proof of that insurance two (2) weeks prior to the outset of the training program. Everyone attending training must have a state health certificate.

B. <u>Retraining</u>

If your Operating Partner or a Restaurant Manager fails to complete Initial Training to our satisfaction, or we determine after an inspection that retraining is necessary because the Restaurant is not operating according to Brand Standards, we may require that he or she attend a retraining session at our designated training location, and we may charge our then-current training fee if we mandate the retraining as the result of an uncured failure to operate the Restaurant in accordance with Brand Standards. You are responsible for all employee compensation and expenses during retraining. We may terminate this Agreement if your Operating Partner fails to complete Initial Training to our satisfaction. The Initial Franchise Fee is not refundable under any circumstances.

You may request additional or repeat training for the Operating Partner and your Restaurant Managers at the end of Initial Training if they do not feel sufficiently trained to operate a ROTI Restaurant. We and you will jointly determine the duration of any additional training, which is subject to our personnel's availability. You must pay our then-current training fee for additional or repeat training conducted at your Restaurant or in your market area. No fee is due for training at our own designated training location. However, if you do not expressly inform us that your Operating Partner or Restaurant Managers do not feel sufficiently trained to operate a ROTI Restaurant, they will be deemed to have been trained sufficiently to operate a ROTI Restaurant.

C. Opening Set-Up and Support

If this is the first Restaurant you or you affiliate has developed, we will send an "opening team" (involving the number of people we determine) to the Restaurant in connection with its opening to the public for business for up to seven (7) days (typically starting before and continuing after opening), as we deem best under the circumstances, to help you train your employees on our philosophy and Brand Standards (but not matters relating to labor relations and employment practices) and prepare the Restaurant for opening. We will pay for our opening team's wages and travel, hotel, and living expenses. We require photographs of the Restaurant set-up prior to sending the opening team to travel to your location. These photographs will show equipment setup, smallwares organization, receipt and organization of all dry goods and chemicals, and general organization and readiness of all areas of the Restaurant. If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase (excluding training relating to labor relations and employment practices), you must pay our personnel's daily charges (including wages) and travel, hotel, and living expenses. We may delay the Restaurant's opening until all required training has been satisfactorily completed.

D. Ongoing and Supplemental Training/Convention

We may require your Operating Partner and/or Restaurant Managers to attend and complete satisfactorily various training courses and programs offered periodically during the Term by us or third parties at the times and locations we designate. You are responsible for all compensation and expenses during their attendance. If you request any training courses and programs to be provided locally, then subject to our training personnel's availability, you must pay our then-current training fee and the travel and living expenses for our training personnel.

Besides attending and/or participating in various training courses and programs, at least one of your representatives (an owner or another designated representative we approve) must at our request (in our sole discretion) attend an annual meeting of all ROTI Restaurant franchisees at a location we designate. You must pay all costs to attend. You must pay any meeting fee we charge even if your representative does not attend (whether or not we excuse that nonattendance).

E. Training for Replacement Restaurant Managers

If you no longer employ a Restaurant Manager or become aware that a Restaurant Manager intends to leave his or her position, you must immediately seek a new manager for the Restaurant (the "**Replacement Manager**") in order to protect the ROTI Restaurant brand. You must appoint the Replacement Manager within sixty (60) days after the last day of the former Restaurant Manager's employment. The Replacement Manager must satisfactorily complete training appropriate for the position, including our standard Initial Training at a Certified Training Store or other location we approve. You are responsible for the cost of training as well as compensation and expenses of training attendees.

F. Training for Restaurant Employees

Your Operating Partner or Restaurant Managers must properly train all Restaurant employees to perform the tasks required of their positions. We may develop and make available training tools and recommendations for you to use in training the Restaurant's employees to comply with Brand Standards. We may update these training materials periodically to reflect changes in our training methods and procedures and changes in Brand Standards.

We may periodically and without prior notice review the Restaurant's performance to determine if the Restaurant meets our Brand Standards. If we determine that the Restaurant is not operating according to Brand Standards, we may, in addition to our other rights under this Agreement, recommend that your Operating Partner or a Restaurant Manager retrain one or more Restaurant employees.

G. Training Cancellation Fees

If your Operating Partner or any Restaurant Manager cancels participation in any training program for which he or she pre-registers and pays us a training fee, we will not refund or reimburse the training fee you paid. If participation is cancelled more than two (2) weeks before the class or program is scheduled to begin, we will apply one-half (½) of the training fee as a credit toward the fees due for a future training class or program that your Operating Principal or Restaurant Manager attends. However, if participation is cancelled two (2) weeks or less before the class or program is scheduled to begin, you will receive no credit at all toward future training fees due.

H. General Guidance and the Operations Manual

We periodically will advise you or make recommendations regarding the Restaurant's operation with respect to:

i. standards, specifications, operating procedures, and methods that ROTI Restaurants use;

ii. purchasing required or recommended Operating Assets and other products, services, supplies, and materials;

iii. supervisory employee training methods and procedures (although you are solely responsible for the employment terms and conditions of all Restaurant employees); and

iv. accounting, advertising, and marketing.

We may guide you through our operations manual and other technical manuals ("**Operations Manual**"), in bulletins or other written materials, by electronic media, by telephone consultation, and/or at our office or the Restaurant. If you request and we agree to provide, or we determine that you need, additional or special guidance, assistance, or training, you agree to pay our then-applicable charges, including reasonable training fees and our personnel's daily charges and travel and living expenses. Any specific ongoing training, conventions, advice, or assistance we provide does not obligate us to continue providing that training, convention, advice, or assistance, all of which we may discontinue and modify at any time.

We will give you access to our Operations Manual, which will be made available to you through the Intranet (defined in Section 7.G below) or another restricted website to which you will have password access. Any passwords or digital identifications necessary to access the Operations Manual are considered part of Confidential Information. The Operations Manual may consist of and is defined to include audio, video, computer software, other electronic and digital media, and/or written and other tangible materials. The Operations Manual contains mandatory and suggested specifications, standards, operating procedures, and rules we periodically issue for developing and operating a ROTI Restaurant ("**Brand Standards**") and information on your other obligations under this Agreement. We may modify the Operations Manual periodically to reflect changes in Brand Standards, but those modifications will not alter your fundamental rights or status under this Agreement.

You agree to communicate to your employees, in a timely fashion, all updates to the Operations Manual. You must monitor the website weekly for updates to the Operations Manual or Brand Standards. You agree to keep all parts of the Operations Manual secure and restrict access to any passwords for accessing the Operations Manual. If there is a dispute over its contents, our master copy of the Operations Manual controls. You agree that the Operations Manual's contents are confidential and not to disclose any part of the Operations Manual to any person other than Restaurant employees and others needing access in order to perform their duties, but only if they agree to maintain its confidentiality by signing a form of confidentiality agreement. We have the right to pre-approve the form used (an acceptable sample of which is attached as Exhibit E). You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Operations Manual, except for certain forms specified in the Operations Manual, without our permission.

While we have the right to pre-approve the form of confidentiality agreement you use with Restaurant employees and others having access to our Confidential Information in order to protect that Confidential Information, under no circumstances will we control the forms or terms of employment agreements you use with Restaurant employees or otherwise be responsible for your labor relations.

In addition, Brand Standards do not include any personnel policies or procedures, or any Restaurant security-related policies or procedures, that we (at our option) may make available to you in the Operations Manual or otherwise for your optional use. You will determine to what extent, if any, these policies and procedures might apply to your Restaurant's operation. You and we agree that we do not dictate or control labor or employment matters for franchisees and ROTI Restaurant employees. You are solely responsible for obtaining, installing, and maintaining the security and safety procedures, measures, devices, and systems reasonably necessary to protect employees, the public, guests, and customers of your Restaurant from foreseeable harm during and after business hours.

I. Delegation

We have the right from time to time to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether they are our affiliates, agents, or independent contractors with which we contract to perform such obligations.

7. **Restaurant Operation and Brand Standards**

A. Condition and Appearance of Restaurant

You may not use, or allow another to use, any part of the Restaurant for any purpose other than operating a ROTI Restaurant in compliance with this Agreement. You must place or display at the Restaurant (interior and exterior), according to our guidelines, only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials we periodically specify. You agree to maintain the condition and appearance of the Restaurant, the site, and the Operating Assets in accordance with Brand Standards. Without limiting that obligation, you must take the following actions during the Term at your own expense: (i) thorough cleaning, repainting, and redecorating of the Restaurant's interior and exterior at intervals and within the timeframe we periodically specify and at our direction; (ii) interior and exterior repair of the Restaurant and the site as needed within the timeframe we specify; and (iii) repair or replacement, at our direction, of damaged, worn-out, unsafe, non-functioning, or obsolete Operating Assets, or Operating Assets no longer meeting our Brand Standards, at intervals and within the timeframe we periodically specify (or, if we do not specify an interval for replacing an Operating Asset, as that Operating Asset needs to be repaired or replaced).

In addition to your obligations described above, we periodically may modify Brand Standards, which may accommodate regional or local variations, and those modifications may obligate you to invest additional capital in the Restaurant and/or incur higher operating costs. You agree to implement any changes in mandatory Brand Standards within the time period we request as if they were part of this Agreement on the Effective Date. However, except for changes in the Technology Suite and signage and logo (i.e., Restaurant exterior and interior graphics), the timing and amounts for which are not limited, and except for changes provided in Sections 16.C.ii.(f) and (h) in connection with a transfer, the timing and amounts for which also are not limited, we will not obligate you, unless the expenditure is required by a lease or applicable Law, to make any capital modifications:

i. during the first two (2) years of the Term (unless we also then require all other ROTI Restaurants, including ROTI Restaurants owned by us or our affiliates, to make the particular capital modifications, in which case you must take the action required of all other ROTI Restaurants); or

ii. during the last two (2) years of the Term, unless the proposed capital modifications during those last two (2) years (the amounts for which are not limited) are in connection with Restaurant upgrades, remodeling, refurbishing, and similar activities for your acquisition of a successor franchise (as provided in Section 17.iv).

This means that, besides the rights we reserve above, we may from time to time, but not more than once during the Term by the end of the seventh (7th) year after the Restaurant commences operation (and unrelated to your potential acquisition of a successor franchise), require you substantially to alter the Restaurant's appearance, layout and/or design, and/or replace a material portion of the Operating Assets, in order to meet our then-current requirements and then-current Brand Standards for new ROTI Restaurants. You acknowledge that this could obligate you to make extensive structural changes to, and significantly remodel and renovate, the Restaurant and/or to spend substantial amounts for new Operating Assets. You agree to spend any sums required in order to comply with this obligation and our requirements (even if such expenditures cannot be amortized over the remaining Term). Within sixty (60) days after receiving written notice from us, you must prepare plans according to the standards and specifications we prescribe and, if we require, using architects and contractors we designate or approve, and you must submit those plans to us for written approval. You agree to complete all work according to the plans we approve within the time period we reasonably specify and in accordance with this Agreement.

We also have the right from time to time to require you to participate in certain test programs and consumer surveys for new products, services, and/or Operating Assets. This could obligate you to spend money for new Operating Assets and to incur other operating costs for the Restaurant. While we need not reimburse those costs, we will not require you to spend unreasonable amounts to participate in test programs and consumer surveys. Alternatively, we have the right to use the Brand Fund to pay for these costs. You agree to maintain and timely send us any records and reports we require related to the test programs. We have the right to discontinue any test programs before their scheduled completion dates and to choose not to implement any changes to the Franchise System.

B. Compliance with Applicable Laws and Good Business Practices

You must secure and maintain all licenses, permits, and certificates required for the Restaurant's operation and operate the Restaurant in full compliance with all Laws, including government regulations relating to occupational hazards, advertising, health, environment, employment, workers' compensation and unemployment insurance, and withholding and payment of federal and state income taxes, social security taxes, and sales and service taxes. Your advertising and promotion must be completely factual and conform to the highest standards of ethical advertising. The Restaurant must in all dealings with its customers, suppliers, us, and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You may not engage in any business or advertising practice that could injure our business and the goodwill associated with the Intellectual Property and other ROTI Restaurants. However, nothing in this Section 7.B or elsewhere in this Agreement restricts or is intended to restrict your or your owners' communications with any state or federal law regulator or enforcement authority about potential violations of Law.

You must immediately notify us in writing if (1) there is any incident at the Restaurant involving the health, safety, or well-being of any customer, (2) any legal charge is asserted against you or the Restaurant (even if there is no formal proceeding), (3) any action, suit, investigation, or other proceeding is commenced against you or the Restaurant, (4) you receive any report, citation, notice, or warning regarding the Restaurant's failure (or alleged failure) to comply with any licensing, health, cleanliness, or safety Law or standard, or (5) any bankruptcy or insolvency proceeding or an assignment for the benefit of creditors is commenced by or against you, your owners, or the Restaurant. Without limiting the foregoing, you must alert us to any potential crisis situation relating to the Restaurant. A potential crisis situation includes (but is not limited to) any occurrence of unlawful conduct in the Restaurant; any allegation or discovery of any hazardous or unlawful substance associated with the Restaurant; any outbreak of serious illness associated with the Restaurant; or any allegation or discovery of any breach of computer or camera systems or loss of data, files, or personally identifiable information.

C. Compliance with Brand Standards

You agree to comply with all Brand Standards, as we may periodically modify them, as if they were part of this Agreement. You may not offer, sell, or provide at or from the Restaurant any products or services that are not authorized in the Operations Manual. You must offer, sell, and provide all products and services we prescribe from time to time. We have the right to change such products and services from time to time and from market to market based on numerous considerations. Brand Standards may direct any aspect of the Restaurant's operation and maintenance, including any one or more of the following:

i. required and/or authorized food products, beverages, recipes, ingredients, and food-handling and preparation procedures; required and/or authorized services; unauthorized and prohibited food products, beverages, and services (which the Restaurant is not allowed to offer and sell under any circumstances); storage, cooking, baking, and packaging procedures and techniques; and inventory requirements so the Restaurant may operate at full capacity. We always have the right to approve or disapprove in advance all items and services to be used or sold by the Restaurant. We may withdraw our approval of previously-authorized products and services upon notice to you based on what we think is best for ROTI Restaurants;

ii. protecting Consumer Data, including following any privacy, artificial intelligence, or data protection and breach response policies we establish from time to time;

iii. sales, marketing, advertising, and promotional programs and the materials and media used in those programs, including participating in and complying with the requirements of any special advertising, marketing, and promotional programs we periodically specify;

iv. adequate staffing levels for the Restaurant to operate the Restaurant in compliance with Brand Standards, conducting criminal background checks and due diligence on the Restaurant's employees (although you alone will review the results and make employment decisions on the basis of those results), appearance of Restaurant personnel, and courteous service to customers. However, you have sole responsibility and authority for your labor relations and employment practices, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. Restaurant employees are exclusively under your control at the Restaurant. You must communicate clearly with Restaurant employees in your employment agreements, human resources manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of ROTI Restaurants, and our affiliates are not their employer or joint employer and do not engage in any employer-type activities (including those described above) for which only franchisees are responsible. You must obtain an acknowledgment (in the form we specify or approve) from all Restaurant employees that you (and not we or our affiliates) are their employer;

v. standards, procedures, and requirements for responding to customer complaints, including reimbursing us promptly if we resolve a customer complaint because you fail to do so as or when required;

vi. standards, procedures, and requirements for engaging in press or media coverage; responding to media inquiries made to you or the Restaurant, including directing media inquiries to us no later than twenty-four (24) hours after the inquiry is made; refraining from representing that you are an authorized spokesperson or media representative for the ROTI Restaurant brand; and complying with our Public Relations policies and procedures;

vii. to the maximum extent the Law allows, price advertising policies and pricing requirements for products and services the Restaurant sells, including (a) maximum, minimum, tiered, bundled, or other prices you must or may charge for the Restaurant's products and services, (b) your obligation to participate in discounting, national or regional promotions, limited-time or special offers, and other marketing initiatives for ROTI Restaurants, and (c) your compliance with mandatory pricing review windows during which you must submit and obtain our approval of proposed pricing changes;

viii. standards and recommendations for training your Restaurant's supervisory personnel to follow Brand Standards;

ix. use and display of the Marks at the Restaurant and on napkins, boxes, bags, wrapping paper, labels, forms, paper and plastic products, and other supplies;

x. delivery and catering services, including your obligation to deliver products to customers, to engage with third-party food ordering and delivery systems, and to ring up and account for delivery and catering charges not included in the price of products only in the manner we permit;

xi. quality-assurance, food-safety audit, guest-satisfaction, "mystery-shop," and in-Restaurant music programs, including your using and paying directly our designated third-party service providers;

xii. minimum number of days per week and minimum number of hours per day to be open for service to customers, which we have the right to vary depending on the Restaurant's location and market area (and which we have the right to require be seven (7) days per week);

xiii. use of various electronic, cloud-based, digital, and other payment systems (including cryptocurrency);

xiv. use of mobile and Franchise System applications and other digital channels ("Apps") for which we or a third-party provider (including our affiliate) has the right to charge fees;

xv. issuing and honoring/redeeming gift certificates, coupons, and gift and loyalty cards and administering customer loyalty and similar programs. You must participate in, and comply with the requirements of, our gift card and other customer loyalty programs. You agree that we may draft from your bank account all monies paid to you for gift cards and similar customer loyalty initiatives and hold those monies until the gift cards and similar customer loyalty initiatives are redeemed at a ROTI Restaurant. However, we may keep any prepaid amounts that are not used by customers to the extent allowed by Law. We also may cap the amounts we reimburse you when a gift card is used to pay for the Restaurant's products and services if that gift card was purchased at a discounted price at a retailer other than a ROTI Restaurant. We have no obligation to reimburse you for any costs you incur in participating in our various customer loyalty and similar programs, including for providing products or services to customers without compensation;

xvi. standards, platforms, requirements, and procedures for (a) communications among you, us, and other franchisees, (b) accessing and using various aspects of the System Website (including an intranet), (c) using blogs, common social networks like Facebook and Instagram, professional networks like LinkedIn, live-blogging tools like X (f/k/a Twitter), file, audio, and video-sharing sites, and other similar social-networking media or tools (collectively, "**Social Media**") that in any way reference the Marks or involve the Restaurant, and (d) using the Marks as part of any domain name, homepage, electronic address, metatag, or otherwise in connection with any website or other online presence, including on or through Social Media and display ads (collectively, "**Digital Marketing**") (except to the extent our standards, procedures, or requirements are prohibited under Law);

xvii. communicating with the Restaurant's customers only through branded mobile Apps, branded email domains, online brand-reputation-management sites, or other channels we expressly designate and only for purposes related to the Restaurant's operation; and

xviii. any other aspects of operating and maintaining the Restaurant that we determine are useful to preserve or enhance the efficient operation, image, or goodwill of the Intellectual Property and ROTI Restaurants.

Brand Standards will not include any employment-related policies or procedures or dictate or regulate the employment terms and conditions for the Restaurant's employees. Any information we provide (in the Operations Manual or otherwise) concerning employment-related policies or procedures, or relating to employment terms and conditions for Restaurant employees, is only a recommendation, and not a requirement, for your optional use.

As described in Section 7.A above, we have the right periodically to modify and supplement Brand Standards, which may require you to invest additional capital in the Restaurant and incur higher operating costs. Those Brand Standards will constitute legally binding obligations on you when we communicate them. Although we retain the right to establish and modify periodically the Brand Standards you have agreed to follow, you retain complete responsibility and authority for the Restaurant's management and operation and for implementing and maintaining Brand Standards at the Restaurant.

You acknowledge the importance of operating the Restaurant in full compliance with this Agreement and Brand Standards. Your deviation from any contractual requirement, including any Brand Standard, is a violation of this Agreement and will trigger incalculable administrative and management costs for us to address the violation (separate and apart from any damages your violation might cause to the Franchise System, our business opportunities, or the goodwill associated with the Intellectual Property). Therefore, you agree to compensate us for our incalculable administrative and management costs by paying us Two Hundred Fifty Dollars ($250) for each deviation from a contractual requirement, including any Brand Standard, cited by us (**the** "**Non-Compliance Fee**"). (The Non-Compliance Fee does not apply to payment defaults for which we may charge late fees and interest under Section 5.E above.) We and you deem the Non-Compliance Fee to be a reasonable estimate of our administrative and management costs and not a penalty. We may debit your bank account for Non-Compliance Fees or set off monies otherwise due and payable to you to cover the payment of Non-Compliance Fees. We must receive the Non-Compliance Fee within five (5) days after we notify you that we are charging it due to your violation. We need not give you a cure opportunity before charging the Non-Compliance Fee. Charging the Non-Compliance Fee does not prevent us from seeking to recover damages to the Franchise System, our business opportunities, or the goodwill associated with the Marks due to your violation, seeking injunctive relief to restrain any subsequent or continuing violation, and/or formally defaulting you and terminating this Agreement under Section 18.B.

D. <u>Operating Principal</u>

Upon signing this Agreement, you must designate an owner owning at least twenty percent (20%) of your ownership interests to serve as your operating principal (the "**Operating Principal**"). The Operating Principal will communicate directly with us on behalf of your franchise. Your Operating Principal's decisions will be final and binding on you, we may rely solely on the Operating Principal's decisions without discussing the matter with another person or entity, and we will not be liable for actions we take based on your Operating Principal's decisions or actions. The Operating Principal is required to attend a three to five-day Executive Training at a ROTI Corporate training location.

You must also designate an owner owning at least five percent (5%) of your ownership interests to serve as your operating partner (the **"Operating Partner"**). At all times during the Term, there must be an Operating Principal and an Operating Partner in place. An Operating Principal may also serve as Operating Partner.

The Operating Partner must meet the following qualifications and any other standards we set forth from time to time in the Operations Manual or otherwise communicate to you:

i. We must approve the proposed Operating Partner in writing before the Effective Date. We have the right, as we deem best, to approve or disapprove the proposed Operating Partner or any proposed change in the individual designated as the Operating Partner.

ii. The Operating Partner is responsible for managing your day-to-day business. The Operating Partner must have sufficient decision-making authority to make decisions on your behalf that are essential to the Restaurant's effective and efficient operation. The Operating Partner must communicate directly with us regarding any Restaurant-related matters (excluding matters relating to labor relations and employment practices).

iii. The Operating Partner may be a Restaurant Manager or may designate other individuals to serve as Restaurant Managers, provided the Operating Partner ensures that the designees fulfill all obligations in accordance with this Agreement's terms. The Operating Partner remains fully responsible for each Restaurant Manager's performance.

iv. The Operating Partner must successfully complete Initial Training before you open the Restaurant to the public. If the Operating Partner fails to complete Initial Training to our satisfaction, we may terminate this Agreement in accordance with Section 18. The Initial Franchise Fee is not refundable.

v. If you want or need to change the individual designated as the Operating Partner, you must immediately seek a new individual (the "Replacement Operating Partner") for that role in order to protect our brand. You must appoint the Replacement Operating Partner within thirty (30) days after the former Operating Partner no longer occupies that position. One of your other owners must serve as the operating partner until you designate, and we approve in writing, the Replacement Operating Partner. The Replacement Operating Partner must satisfactorily complete Initial Training within thirty (30) days after we approve the individual. No fee is due for training at our own designated training location. However, you are responsible for the Replacement Operating Partner's compensation and travel and living expenses during training.

E. Approved Products, Services, and Suppliers

We may periodically designate and approve standards, specifications, brands, models, manufacturers, suppliers, and/or distributors for the Operating Assets and other products and services we periodically authorize for use or sale by ROTI Restaurants. You must purchase or lease all Operating Assets and other products and services you use or sell at the Restaurant only according to our Brand Standards and, if we require, only from suppliers or distributors we designate or approve (which may include or be limited to us, certain of our affiliates, and/or other restricted sources). We and/or our affiliates have the right to derive revenue—in the form of promotional allowances, volume discounts, commissions, other discounts, performance payments, signing bonuses, rebates, marketing and advertising allowances, free products, and other economic benefits and payments—from suppliers that we designate, approve, or recommend for some or all ROTI Restaurants on account of those suppliers' prospective or actual dealings with your Restaurant and other ROTI Restaurants. That revenue may or may not be related to services we and our affiliates perform. All amounts received from suppliers, whether or not based on your or other franchisees' purchases from those suppliers, will be our and our affiliates' exclusive property, which we and our affiliates have the right to retain and use without restriction for any purposes we and our affiliates deem appropriate. Any products or services that we or our affiliates sell you directly may be sold to you at prices exceeding our and their costs.

If you want to purchase or lease any Operating Assets or other products or services from a supplier or distributor we have not then approved (if we require you to buy or lease the asset, product, or service only from an approved supplier or distributor), then you must establish to our reasonable satisfaction that the asset, product, or service is of equivalent quality and functionality to the asset, product, or service it replaces and the supplier or distributor is, among other things, reputable, financially responsible, and adequately insured for product liability claims. You must pay upon request any actual expenses we incur to determine whether or not the products, services, suppliers, or distributors meet our requirements and specifications. We may condition our written approval of a supplier or distributor on requirements relating to product quality and safety, third-party lab testing, prices, consistency, warranty, supply-chain reliability and integrity, financial capability, customer relations, frequency, economy, and efficiency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), and other criteria. We have the right to inspect the proposed supplier's or distributor's facilities and to require the proposed supplier or distributor to deliver product samples or items, at our option, either directly to us or to any third party we designate for testing. If we approve a supplier or distributor you recommend, you agree that we may allow other ROTI Restaurants to purchase or lease the Operating Assets or other products or services from those suppliers or distributors without limitation and without compensation to you.

Despite the foregoing, we may limit the number of approved suppliers and distributors with which you may deal, designate sources you must use, and refuse any of your requests for any reason, including, without limitation, because we have already designated an exclusive source (which might be us or one of our affiliates) for a particular item or service or believe that doing so is in the ROTI Restaurant network's best interests. You acknowledge that it might be disadvantageous from a cost and service basis to have more than one supplier in a given market area, and that we have the right to consider the impact of any supplier approval on our and our franchisees' ability to obtain the lowest distribution costs and best service. However, we make no guaranty, warranty, or promise that we will obtain the best pricing or most advantageous terms on behalf of ROTI Restaurants. We also do not guaranty the performance of suppliers and distributors to ROTI Restaurants. We are not responsible or liable if the products or services provided by a supplier or distributor fail to conform to or perform in compliance with Brand Standards or our contractual terms with the supplier or distributor.

We have the right (without liability) to consult with your suppliers about the status of your account with them and to advise your suppliers and others with whom you, we, our affiliates, and other franchisees deal that you are in default under any agreement with us or our affiliates (but only if we or our affiliate has notified you of such default).

F. <u>Technology Suite</u>

You agree to obtain and use the computer hardware and software, firmware, network infrastructure, point-of-sale system, computer-related accessories and peripheral equipment, tablets, smart-phones, learning management systems, on-line and digital ordering systems, Apps, and other technology we periodically specify (collectively, the "**Technology Suite**"). You must use the Technology Suite to access the System Website and to input and access information about your sales and operations. The Technology Suite must operate continuously. We will have continuous, unlimited access to all information maintained on the Technology Suite (excluding matters relating to labor relations and employment practices) and to the content of any ROTI Restaurant e-mail accounts we provide you.

We have the right periodically to modify the Technology Suite's specifications and components. Our modification of Technology Suite specifications and/or other technological developments or events may require you to purchase, lease, or license new or modified computer components, software, and peripherals and to obtain service and support for the Technology Suite. Although we cannot estimate the future costs of the Technology Suite or required service or support, you must incur the costs to obtain the computer components, software, and peripherals comprising the Technology Suite (and additions and modifications) and required service or support. These costs are not covered by the Tech Fee you must pay us under Section 5.C above. Within sixty (60) days after we deliver notice to you, you must obtain the Technology Suite components we designate and ensure that your Technology Suite, as modified, is functioning properly.

We and our affiliates may condition any license of required or recommended proprietary software to you, and/or your use of technology developed or maintained by or for us (including the Intranet), on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent to and accepting the terms of a click-through license agreement), that we and our affiliates periodically prescribe to regulate your use of, and our (or our affiliates') and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates have the right to charge you upfront and ongoing fees for any required or recommended proprietary software or technology we or our affiliates choose to create, develop, modify, and license to you (to the extent not in our judgment covered by the Tech Fee) and for other Technology Suite maintenance and support services and programs provided during the Term.

Despite your obligation to buy, use, and maintain the Technology Suite according to our standards and specifications, you have sole and complete responsibility for: (1) acquiring, operating, maintaining, and upgrading the Technology Suite; (2) the manner in which your Technology Suite interfaces with our and any third party's Technology Suite; (3) any and all consequences if the Technology Suite is not properly operated, maintained, and upgraded; and (4) independently determining what is required for you to comply (and then complying) at all times with the most current version of the Payment Card Industry Data Security Standards, and with all Laws (including data privacy laws) governing the use, disclosure, security, and protection of Consumer Data (defined in Section 10) and the Technology Suite, and validating compliance with those standards and Laws as may be periodically required. The Technology Suite must permit twenty-four (24) hours per day, seven (7) days per week electronic communications between you and us, including access to the Internet and Intranet (but excluding matters relating to labor relations and employment practices).

G. Intranet

We have established and may maintain an Intranet. We will issue Brand Standards for the Intranet's use. Those Brand Standards will address, among other things, (1) restrictions on using abusive, slanderous, or otherwise offensive language in electronic communications, (2) restrictions on communications among franchisees endorsing or encouraging breach of any franchisee's franchise agreement, (3) confidential treatment of materials we transmit via the Intranet, (4) password protocols and other data security precautions, (5) grounds and procedures for our suspending or revoking a franchisee's access to the Intranet, (6) a privacy policy governing our access to and use of electronic communications that franchisees post on the Intranet, and (7) our right to remove any posts we consider to be inconsistent with our Brand Standards for the Intranet's use. We expect to adopt and adhere to a reasonable privacy policy. However, as the Intranet's administrator, we have the right to access and view any communication posted on the Intranet. We will own all intellectual property and other rights in the Intranet and all information it contains, including its domain name or URL, the log of "hits" by visitors, any personal or business data visitors supply, and all information relating to the Restaurant's customers, whether that information is contained on your Technology Suite or our (or our designee's) Technology Suite (collectively, the "**Data**").

You must establish and continually maintain electronic connection with the Intranet allowing us to send messages to and receive messages from you. Your obligation to maintain connection with the Intranet applies during the entire Term (unless we dismantle the Intranet or suspend your access). You must pay our then-current monthly or other fee to participate in the Intranet or as we otherwise require to maintain and operate the Intranet. We do not currently charge a fee for the Intranet. If you fail to pay when due any required amount, or fail to comply with any Intranet Brand Standard, we may (in addition to our other rights under this Agreement) temporarily suspend your access to any chat room, bulletin board, list-serve, or similar feature the Intranet includes until you fully cure the breach.

8. **Marks and Intellectual Property**

A. Ownership and Goodwill of Marks and Intellectual Property

Your right to use the Intellectual Property is derived only from this Agreement and is limited to your operating the Restaurant according to this Agreement and all mandatory Brand Standards we prescribe during the Term. Your unauthorized use of the Intellectual Property is a breach of this Agreement and infringes our (and our licensor's) rights in the Intellectual Property. Any use of the Intellectual Property relating to the Restaurant, and any goodwill that use establishes, are for our (and our licensor's) exclusive benefit. We (and our licensor) may take the action necessary to enforce all trademark use obligations under this Agreement. This Agreement does not confer any goodwill or other interests in the Intellectual Property upon you, other than the right to operate the Restaurant according to this Agreement. All provisions in this Agreement relating to the Marks apply to any additional and substitute trademarks and service marks we periodically authorize you to use. You may not at any time during or after the Term contest or assist any other person to contest the validity, or our (or our licensor's) ownership, of the Intellectual Property.

B. Limitations on Use of Marks and Intellectual Property

You agree to use the Marks as the Restaurant's sole identification, subject to the notices of independent ownership we periodically designate. You may not use any Mark (i) as part of any corporate or legal business name, (ii) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we license to you), (iii) in selling any unauthorized products or services, (iv) as part of any domain name, homepage, electronic address, metatag, or otherwise in connection with any website or other online presence without our consent, (v) in any user name, screen name, or profile in connection with any Social Media sites, except in compliance with our guidelines set forth in the Operations Manual or otherwise communicated to you, (vi) in connection with any Digital Marketing (other than Social Media) without our consent or, if applicable, without complying with our Brand Standards communicated to you, or (vii) in any other manner we have not expressly authorized in writing. You may not use any Mark to advertise the transfer, sale, or other disposition of the Restaurant or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You must give the notices of trademark and service mark registrations we periodically specify and obtain any fictitious or assumed name registrations that applicable Law requires. You may not pledge, hypothecate, or grant a security interest in any property that bears or displays the Marks (unless the Marks are readily removable from such property) and must advise your proposed lenders of this restriction.

You must include a clear disclaimer in all of the Restaurant's employee-facing materials that you (and only you) are the employer of Restaurant employees and that we, as the franchisor of ROTI Restaurants, and our affiliates are not their employer or joint employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You also must obtain an acknowledgment (in the form we specify or approve) from all Restaurant employees that you (and not we or our affiliates) are their employer.

C. Notification of Infringements and Claims

You agree to notify us immediately of any actual or apparent infringement or challenge to your use of any Mark, any person's claim of any rights in any Mark (or any identical or confusingly similar trademark), or unfair competition relating to any Mark. You may not communicate with any person other than us and our licensor, our respective attorneys, and your attorneys regarding any infringement, challenge, or claim. We and our licensor may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding or enforcement action arising from any infringement, challenge, or claim or otherwise concerning any Mark. You must sign any documents and take any other reasonable actions we and our, and our licensor's, attorneys deem necessary or advisable to protect and maintain our (and our licensor's) interests in any litigation or Patent and Trademark Office or other proceeding or enforcement action or otherwise to protect and maintain our (and our licensor's) interests in the Marks.

D. Discontinuance of Use of Marks

If we believe at any time that it is advisable for us and/or you to modify, discontinue using, and/or replace any Mark, and/or to use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse your expenses to comply with those directions (such as your costs to change signs or to replace supplies for the Restaurant), any loss of revenue due to any modified or discontinued Mark, or your expenses to promote a modified or substitute trademark or service mark.

E. Indemnification for Use of Marks

We agree to reimburse your damages and expenses incurred in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement, provided your use has been consistent with this Agreement, the Operations Manual, and Brand Standards communicated to you and you have timely notified us of, and complied with our directions in responding to, the proceeding. At our option, we and/or our affiliate(s) may defend and control the defense of any proceeding arising from or relating to your use of any Mark under this Agreement.

9. **Confidential Information**

We and certain of our affiliates possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable Law, relating to developing and operating ROTI Restaurants (the "**Confidential Information**"), which includes, but is not limited to:

i. the Intellectual Property;

ii. information in the Operations Manual and our Brand Standards;

iii. layouts, designs, and other Plans for ROTI Restaurants;

iv. methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating ROTI Restaurants;

v. marketing research and promotional, marketing, and advertising programs for ROTI Restaurants;

vi. the standards, processes, information, and technologies involved in creating, developing, operating, maintaining, and enhancing digital and other sales platforms and Apps;

vii. strategic plans, including expansion strategies and targeted demographics;

viii. knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, products, services, materials, and supplies that ROTI Restaurants use and sell;

ix. knowledge of the operating results and financial performance of ROTI Restaurants other than the Restaurant;

x. customer solicitation, communication, and retention programs, along with Data used or generated in connection with those programs;

xi. all Data and other information generated by, or used or developed in, operating the Restaurant, including Consumer Data, and any other information contained from time to time in the Technology Suite or that visitors (including you) provide to the System Website; and

xii. any other information we reasonably designate as confidential or proprietary.

You will not acquire any interest in any Confidential Information, other than the right to use certain Confidential Information as we specify in operating the Restaurant during the Term according to Brand Standards and this Agreement's other terms and conditions. Using any Confidential Information in another business would constitute an unfair method of competition with us and our affiliates, suppliers, and franchisees. You acknowledge and agree that Confidential Information is proprietary, includes our and our affiliates' trade secrets, and is disclosed to you only on the condition that you, your owners, your Operating Principal, and your employees agree, and you and they do agree:

i. not to use any Confidential Information in another business or capacity and at all times to keep Confidential Information absolutely confidential, both during and after the Term (afterward for as long as the information is not generally known in the restaurant industry);

ii. not to make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;

iii. to adopt and implement all reasonable procedures we periodically specify to prevent unauthorized use or disclosure of Confidential Information, including disclosing it only to Restaurant personnel and others needing to know the Confidential Information in order to operate the Restaurant and using confidentiality and non-disclosure agreements with those having access to Confidential Information. (We have the right to pre-approve the forms of agreements you use solely to ensure that you adequately protect Confidential

Information and the competitiveness of ROTI Restaurants. Under no circumstances will we control the forms or terms of employment agreements you use with Restaurant employees or otherwise be responsible for your labor relations or employment practices); and

iv. not to sell, trade, or otherwise profit in any way from the Confidential Information (including by selling or assigning any Consumer Data or related information or Data), except during the Term using methods we have approved.

"Confidential Information" does not include information, knowledge, or know-how that lawfully is or becomes generally known in the restaurant industry or that you knew from previous business experience before we gave you access to it (directly or indirectly) or before you began training or operating the Restaurant. If we include any matter in Confidential Information, anyone claiming it is not Confidential Information must prove that the exclusion in this paragraph applies.

10. **Consumer Data**

You must comply with our reasonable instructions regarding the organizational, physical, administrative, and technical measures and security procedures to safeguard the confidentiality and security of the names, addresses, telephone numbers, e-mail addresses, dates of birth, demographic or related information, buying habits, preferences, credit-card information, and other personally-identifiable information of customers ("**Consumer Data**") and, in any event, employ reasonable means to safeguard the confidentiality and security of Consumer Data, including following any privacy, artificial intelligence, or data protection and breach response policies we may establish from time to time. You must comply with all Laws governing the use, protection, and disclosure of Consumer Data.

If there is a Data Security Incident at the Restaurant, you must notify us immediately after becoming aware of the actual or suspected occurrence, specify the extent to which Consumer Data was compromised or disclosed, and comply and cooperate with our instructions for addressing the Data Security Incident in order to protect Consumer Data and the ROTI Restaurant brand (including giving us or our designee access to your Technology Suite, whether remotely or at the Restaurant). We (and our designated affiliates) have the right, but no obligation, to take any action or pursue any proceeding or litigation with respect to the Data Security Incident, control the direction and handling of such action, proceeding, or litigation, and control any remediation efforts.

"**Data Security Incident**" means any act that initiates either internally or from outside the Restaurant's computers, point-of-sale terminals, and other technology or networked environment and violates the Law or explicit or implied security policies, including attempts (either failed or successful) to gain unauthorized access (or to exceed authorized access) to the Franchise System, ROTI Restaurants, or their Data or to view, copy, or use Consumer Data or Confidential Information without authorization or in excess of authorization; unwanted disruption or denial or service; unauthorized use of a system for processing or storage of Data; and changes to system hardware, firmware, or software characteristics without our knowledge, instruction, or consent.

If we determine that any Data Security Incident results from your failure to comply with this Agreement or any requirements for protecting the Technology Suite and Consumer Data, you must indemnify us under Section 20.E and compensate us for all other damages we incur as a result of your breach of this Agreement.

11. **Innovations**

All ideas, concepts, techniques, or materials relating to a ROTI Restaurant, whether or not protectable intellectual property and whether created by or for you or your owners, employees, or contractors ("**Innovations**"), must be promptly disclosed to us and will be deemed to be our sole and exclusive property and works made-for-hire for us. To the extent any Innovation does not qualify as a "work made-for-hire" for us, by this paragraph you assign ownership of and all related rights to that Innovation to us and agree to sign (and to cause your owners, employees, and contractors to sign) whatever assignment or other documents we periodically request to evidence our ownership and to help us obtain intellectual property rights in the Innovation. You may not use any Innovation in operating the Restaurant or otherwise without our prior written approval.

12. **Exclusive Relationship**

You acknowledge that we granted you the rights under this Agreement in consideration of and reliance upon your and your owners' agreement to deal exclusively with us with respect to the products and services that ROTI Restaurants offer and sell. You therefore agree that, during the Term, neither you, your owners, nor any members of your or their Immediate Families (defined below) will:

i. have any direct or indirect, controlling or non-controlling interest as an owner—whether of record, beneficial, or otherwise—in a Competitive Business (defined below), wherever located or operating, provided that this restriction will not prohibit ownership of shares of a class of securities publicly-traded on a United States stock exchange and representing less than three percent (3%) of the number of shares of that class of securities issued and outstanding;

ii. perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

iii. directly or indirectly loan any money or other thing of value, or guarantee any other person's loan, to any Competitive Business or any owner, director, officer, manager, employee, or agent of any Competitive Business, wherever located or operating;

iv. divert or attempt to divert any actual or potential business or customer of the Restaurant to a Competitive Business; or

v. solicit other franchisees, or use available lists of franchisees, for any commercial purpose other than purposes directly related to the Restaurant's operation.

The term "**Competitive Business**," as used in this Agreement, means any (a) restaurant or other food-service business for which thirty percent (30%) or more of the food menu (i.e., excluding beverages) consists of Middle Eastern- and/or Mediterranean-style items, or (b) business granting franchises or licenses to others to operate the type of business described in clause (a), other than a ROTI Restaurant operated under a franchise agreement with us. The term "**Immediate Family**" includes the named individual, his or her spouse or domestic partner, and all children of the named individual or his or her spouse or domestic partner. You agree to obtain similar covenants from your senior personnel whom we specify, including the Restaurant Manager and officers and directors, by having them sign the form of agreement we specify or pre-approve. We may pre-approve the forms of agreements you use solely to ensure that you adequately protect Confidential Information and the competitiveness of ROTI Restaurants. Under no circumstances will we control the forms or terms of employment agreements you use with Restaurant employees or otherwise be responsible for your labor relations or employment practices.

13. **<u>Advertising and Marketing</u>**

A. <u>Market Introduction Program</u>

You must spend at least Ten-Thousand Dollars ($10,000) on a market introduction program for the Restaurant. We expect this program to begin approximately one (1) month before and to continue for approximately one (1) month after the Restaurant opens (although we may specify a different timeframe). We will consult with you about the type of market introduction program that we believe is most suitable for your Restaurant's market. We must pre-approve in writing your proposed market introduction program, and you must send it to us for review at least thirty (30) days, before its planned rollout date. If we do not accept the market introduction program in writing within fifteen (15) days after receiving it, it will be deemed rejected. You agree to implement the approved program according to Brand Standards and our other requirements. At our request, you must pay us for the program's anticipated costs, which we then will either spend on your behalf in the Restaurant's market or re-pay you as you send us invoices or receipts confirming your commitment with vendors to move forward with the approved program.

B. <u>Brand Fund</u>

We have established a fund ("**Brand Fund**" or "**Fund**") for advertising, marketing, research and development, public relations, Social Media management, and customer relationship management programs, materials, and activities, the purpose of which is to enhance, promote, and protect the ROTI Restaurant brand and Franchise System. You agree to contribute to the Brand Fund the amounts we periodically specify, but not to exceed three percent (3%) of the Restaurant's Net Sales during each two (2) calendar-week period (except as provided below). Your Brand Fund contribution is due and payable at the same time and in the same manner as the Royalty or in such other manner we periodically specify. ROTI Restaurants that we and our affiliates own are not required to contribute to the Brand Fund.

We have the right to increase your required Brand Fund contribution by up to an additional two percent (2%) of the Restaurant's Net Sales (for a total of up to five percent (5%) of the Restaurant's Net Sales) to the extent we concurrently and proportionately reduce your minimum required Local Marketing Spending Requirement under Section 13.D below. (Your minimum required expenditures under this Section 13.B and under Sections 13.D and 13.E below will not exceed, in the aggregate, five percent (5%) of the Restaurant's Net Sales. We may adjust the percentages among the various required expenditures throughout the Term.)

We will direct all programs the Brand Fund finances, with sole control over and ownership of all creative and business aspects of the Fund's activities. We have the right to use the Brand Fund to pay for, among other things (and without limitation), creating, preparing, producing, and/or placing (in media and through other venues) video, audio, written, and other tangible materials, Social Media and other Digital Marketing, and premium samples and give-aways; creating, developing, maintaining, and administering one or more System Websites and other e-commerce strategies (including an Intranet); creating and administering national, regional, multi-regional, local, and multi-local marketing, advertising, and customer lead-generation programs (which may include spending Brand Fund contributions in specific geographic markets or directing Brand Fund contributions to individual or groups of franchisees to spend on marketing, advertising, and lead-generation programs in their own markets); using advertising, public relations, and marketing agencies and other advisors to provide assistance (including paying retainer and management fees); establishing regional and national promotions and partnerships and hiring spokespersons and digital influencers to promote the ROTI Restaurant brand; engaging in reputation-management activities; establishing on-line systems and other vehicles for centralized customer interaction; supporting public relations, market research and development, and other advertising, promotion, marketing, and brand-related activities; creating and implementing customer-satisfaction surveys; organizing and hosting franchisee conferences, conventions, and meetings; supporting and hosting charitable or nonprofit events and community-based activities; and funding Apps. The Brand Fund periodically may give you samples of advertising, marketing, and promotional formats and materials (collectively, "**Marketing Materials**") at no cost. We may sell you multiple copies of Marketing Materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Brand Fund separately from our other funds (although we need not keep Brand Fund contributions in a separate bank account) and not use the Brand Fund for any of our general operating expenses. However, the Brand Fund may reimburse us and our affiliates for the reasonable salaries and benefits of personnel who manage and administer, or otherwise provide assistance or services to, the Brand Fund (including, without limitation, our culinary, creative, public relations, marketing, and Social Media personnel); the Brand Fund's administrative costs; travel expenses of personnel while they are on Brand Fund business; meeting costs; overhead relating to Brand Fund business; and other expenses we and our affiliates incur administering or directing the Brand Fund and its programs, including conducting market research, preparing Marketing Materials, collecting and accounting for Brand Fund contributions, paying taxes due on Brand Fund contributions we receive, and any other costs or expenses we incur operating or as a consequence of the Fund.

The Brand Fund is not a trust, and we do not owe you fiduciary obligations because we maintain, direct, or administer the Brand Fund or for any other reason.

The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, invest any surplus for future use, and roll over unspent monies to the following year. We may use new Brand Fund contributions to pay Brand Fund deficits incurred during previous years. We will use all interest earned on Brand Fund contributions to pay costs before using the Brand Fund's other assets. We will prepare an annual, unaudited statement of Brand Fund collections and expenses and allow you to review it upon reasonable request. We may (but need not) have the Brand Fund audited annually, at the Brand Fund's expense, by a certified public accountant we designate. We may incorporate the Brand Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 13.B.

The Brand Fund's principal purposes are to maximize recognition of the Marks, increase patronage of ROTI Restaurants, and enhance, promote, and protect the ROTI Restaurant brand and Franchise System. Although we will try to use the Brand Fund in the aggregate to develop and implement Marketing Materials and programs benefiting all ROTI Restaurants, we need not ensure that Brand Fund expenditures in or affecting any geographic area are proportionate or equivalent to Brand Fund contributions by ROTI Restaurants operating in that geographic area or that any ROTI Restaurant benefits directly or in proportion to its Brand Fund contribution from the development of Marketing Materials or the implementation of programs. The Brand Fund will not be used principally to develop materials and programs to solicit franchisees. However, media, materials, and programs (including the System Website) prepared using Brand Fund contributions may describe our franchise program, reference the availability of franchises and related information, and process franchise leads. We have the right, but no obligation, to use collection agents and institute legal proceedings at the Brand Fund's expense to collect unpaid Brand Fund contributions. We also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in this Section 13.B, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

We may at any time defer or reduce the Brand Fund contributions of any ROTI Restaurant franchisee and, upon thirty (30) days' prior written notice to you, reduce or suspend Brand Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will either (i) spend the remaining Fund balance on permitted programs and expenditures or (ii) distribute all unspent funds to our then-existing franchisees, and to us and our affiliates, in proportion to their and our respective Brand Fund contributions during the preceding twelve (12) month period.

C. Approval of Marketing and Other External Communications

All advertising, promotion, marketing, and public relations activities you conduct and Marketing Materials you prepare must not be misleading, must conform to the policies set forth in the Operations Manual or that we otherwise prescribe from time to time, and must comply with all laws. To protect the goodwill that we and certain of our affiliates have accumulated in the "ROTI MODERN" name and other Marks, at least thirty (30) days before you intend to use them, you must send us samples or proofs of (a) all Marketing Materials we have not prepared or already approved, and (b) all Marketing Materials we have prepared or already approved which you propose to change in any way. However, you need not send us any Marketing Materials in which you have simply completed the missing Restaurant-specific or pricing information based on templates we sent you. If we do not approve your Marketing Materials in writing within twenty (20) business days after we actually receive them, they will be deemed approved for use. We will not unreasonably withhold our approval. You may not use any Marketing Materials we have not approved or have disapproved. We reserve the right upon thirty (30) days' prior written notice to require you to discontinue using any previously-approved Marketing Materials.

D. Local Marketing

You agree to spend at least two percent (2%) of the Restaurant's monthly Net Sales on approved Marketing Materials and advertising, marketing, and promotional programs for the Restaurant (the "**Local Marketing Spending Requirement**"). We will not count any of the following expenditures towards your Local Marketing Spending Requirement: Brand Fund contributions, price discounts or reductions you provide as a promotion, permanent on-premises signs, lighting, personnel salaries, administrative costs, transportation vehicles (even if they display the Marks), employee incentive programs, and other amounts that we, in our reasonable judgment, deem inappropriate to satisfy the Local Marketing Spending Requirement. You must share with us periodically (every two to three months) your local marketing plan, and obtain our pre-approval of that plan. Then, after executing the marketing plan, you must provide us with copies of receipts documenting that you spent the required 2% of your Restaurant's monthly Net Sales on approved Marketing Materials and programs. Alternatively, you may pay us the Local Marketing Spending Requirement at the same time and in the same manner as the Royalty, or in such other manner as we periodically specify, and we will spend the amounts that you pay us as the Local Marketing Spending

Requirement for advertising, marketing and promotional programs in your market, in accordance with a brand local store marketing plan that has been adapted and optimized for your market. If you choose to create and execute your own local marketing plan, and we determine that you are not spending the required amount, that you are failing to create an effective plan, that you are not obtaining our pre-approval of your plan, or that you are not executing well on your plan, then we may require that you pay us the 2% of your Restaurant's monthly Net Sales for us to spend in your local market.

You acknowledge that the marketing activities in which you engage will materially affect your Restaurant's success or lack of success. While you agree to the Local Marketing Spending Requirement above, that amount might be insufficient for you to achieve your business objectives.

Subject to the minimum above, you alone are responsible for determining how much to spend on, and the nature of, Marketing Materials and other approved advertising, marketing, and promotional programs for the Restaurant in order to achieve your business objectives. You may need to include an employee dedicated to marketing on your operations team in order to successfully implement adequate advertising, marketing and promotional programs for the Restaurant.

E. Regional Advertising Cooperatives

We may designate a geographic area for an advertising cooperative (a "**Cooperative**"). The Cooperative's members in any area are the owners of all ROTI Restaurants located and operating in that area (including us and our affiliates, if applicable). Each Cooperative will be organized and governed in a form and manner, and begin operating on a date, we determine. We may change, dissolve, and merge Cooperatives. Each Cooperative's purpose is, with our approval, to administer advertising programs and develop Marketing Materials for the area the Cooperative covers. If, as of the Effective Date, we have established a Cooperative for the geographic area in which the Restaurant is located, or if we establish a Cooperative in that area during the Term, you automatically will become a member of the Cooperative and then must participate as its governing documents require. We reserve the right to require you to contribute up to two percent (2%) of the Restaurant's monthly Net Sales to the Cooperative. Any Cooperative dues you contribute will count toward the Local Marketing Spending Requirement under Section 13.D but will not affect your market introduction program obligations under Section 13.A or be credited toward your required Brand Fund contributions.

F. System Website

We or our designees may establish a website or series of websites for the ROTI Restaurant network: (1) to advertise, market, and promote ROTI Restaurants, the products and services they offer, and/or the ROTI Restaurant franchise opportunity; (2) to function as the Intranet; and/or (3) for any other purposes we deem appropriate for ROTI Restaurants or other business activities in which we engage (collectively, the "**System Website**"). The System Website may, but need not, provide you with a separate interior webpage or "micro-site" (accessible only through the System Website) referencing your Restaurant and/or otherwise allow you to participate in the System Website. Only we may develop and modify a micro-site for you. Your micro-site always must comply with Brand Standards. You must give us the information and materials we request for you to participate in the System Website, whether or not on a micro-site. In doing so, you represent that they are accurate and not misleading and do not infringe another party's rights. We will own all intellectual property and other rights in the System Website, your micro-site, and all information they contain (including, without limitation, any Data).

We will control, and may use Brand Fund contributions to develop, maintain, operate, update, and market, the System Website, including your micro-site (if any). We will update or add information on your micro-site, if any, as frequently as we deem appropriate. You must pay our then-current monthly or other fee to participate in the various aspects of the System Website or as we otherwise require to maintain and operate the System Website's various features and functions (if, or to the extent, the Brand Fund or Tech Fee does not pay for these costs). We have final approval rights over all information on the System Website, including your micro-site, if any. We may implement and periodically modify Brand Standards for the System Website.

We will maintain your micro-site, if any, and otherwise allow you to participate in the System Website only while you are in substantial compliance with this Agreement and all Brand Standards (including those for the System Website). If you are in material default of any obligation under this Agreement or Brand Standards, we may, in addition to our other remedies, temporarily suspend your participation in the System Website until you fully cure the default. We will permanently terminate your access to and participation in the System Website upon this Agreement's expiration or termination.

All Marketing Materials you develop for the Restaurant must comply with Brand Standards and contain notices of the System Website's URL in the manner we periodically designate. You may not develop, maintain, or authorize any other website, online presence, or electronic medium mentioning or describing the Restaurant or displaying any Marks without our prior written approval. Except for the System Website, you may not conduct commerce or directly or indirectly offer or sell any products or services using any website, another electronic means or medium, or otherwise over the Internet.

Nothing in this Section limits our right to maintain websites other than the System Website or to offer and sell products and services under the Marks from the System Website, another website, or otherwise over the Internet without payment or any other obligation to you.

G. Social Media Channels

We or our designees establish, manage, and own different current and upcoming Social Media channels for the ROTI Restaurant network to (1) advertise, market, and promote ROTI Restaurants, the products and services they offer, and or the ROTI Restaurant franchise opportunity and (2) for any other purposes we deem appropriate for ROTI Restaurants (collectively, the "Social Media Channels"). We may, but need not, approve you to create a separate Social Media presence referencing your Restaurant for local purposes only, and we have discretion to approve or deny a request for a local page. If approved, the local page must be set up as a child of the principal brand page where ROTI can have access and authority to review, edit, delete, and manage the content of the page and any data associated with it. The name, look, feel, and content of those local Social Media channels must follow all our Brand Standards and require prior written approval from us. We will own all intellectual property and other rights in the Social Media Channels and all information they contain. We may at any time request access, control, pause, deactivate, merge, or delete your local Social Media Channels and may use the Brand Fund's assets or the Tech Fee to develop, maintain, operate, update, and market the Social Media Channels.

14. **Records, Reports, and Financial Statements**

In order to assure consistency and reliability with respect to the various forms of financial reporting you must make to us, you must establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats (including, at our option, the accounting methods and chart of accounts) we prescribe from time to time. The records and information contained in this system will not include any records or information relating to the Restaurant's employees, as you control exclusively your labor relations and employment practices. You must use a Technology Suite to maintain certain revenue data and other information (including Consumer Data) and give us access to that data and other information (but excluding employee records, as you control exclusively your labor relations and employment practices) in the manner we specify. We may, as often as we deem appropriate (including on a daily, continuous basis), independently access the Technology Suite and retrieve all information regarding the Restaurant's operation (other than Restaurant employee records, as you control exclusively your labor relations and employment practices). You must give us:

i. on or before the Payment Day, statistical reports showing the Restaurant's total Net Sales, product mix, customer count, and other information we request regarding you and the Restaurant covering the previous two-week period;

ii. within forty-five (45) days after the end of each of your fiscal years, annual profit and loss and cash flow statements; and

iii. within fifteen (15) days after our request, exact copies of federal and state income, sales tax, and other tax returns and any other forms, records, books, reports, and other information we periodically require relating to you or the Restaurant (other than Restaurant employee records, as you control exclusively your labor relations and employment practices).

You must submit to us, using the forms that we provide to you, complete and accurate statements of (i) the costs that you incurred developing the Restaurant prior to the Opening Date, which shall be due to us within 30 calendar days after the Opening Date and (ii) the costs that you incur during the first ninety (90) days of operating your Restaurant, which shall be due to us within 120 calendar days after the Opening Date.

We may periodically specify the form and content of the reports and financial statements described above. You must verify and sign each report and financial statement in the manner we prescribe. We have the right to disclose data from such reports and statements (and to identify the Restaurant as the source of such reports and statements) for any business purpose we determine in our sole judgment, including the right to identify the Restaurant and disclose its individual financial results in both a financial performance representation appearing in Item 19 of our franchise disclosure document and a supplemental financial performance representation.

You agree to preserve and maintain all records, in the manner we periodically specify, in a secure location at the Restaurant or at another location we have approved in writing for at least five (5) years after the end of the fiscal year to which such records relate or for any longer time the Law requires. If we reasonably determine that any report or financial statement you send us is willfully or recklessly, and materially, inaccurate, we may require you to prepare audited financial statements annually during the Term until we determine that your reports and statements accurately reflect the Restaurant's business and operations.

If you fail to give us any statistical, financial, accounting, or other report, statement, or record we require for the Restaurant by the specified deadline, we may require you to pay us One Hundred Dollars

($100) for each day the requested report, statement, or record is late (the "Records Deficiency Fee"). The Records Deficiency Fee, should one be charged, is deemed by us and you to be a reasonable estimate of our administrative and management costs to address your failure to submit the required report, statement, or record by its due date. The Records Deficiency Fee is not a penalty. We may debit your account for the Records Deficiency Fee or set off monies otherwise due and payable to you to cover the payment of the Records Deficiency Fee. You also must correct your records deficiency, which is a default under this Agreement, whether or not we charge the Records Deficiency Fee.

15. **Inspections and Audits**

A. Inspections

To determine whether you and the Restaurant are complying with this Agreement, all Brand Standards, and food safety standards, we and our designated representatives and vendors (including "mystery" shoppers) have the right before you open the Restaurant for business and afterward from time to time during your regular business hours, and without prior notice to you, to inspect and evaluate the Restaurant, observe and record operations (including through electronic monitoring), remove samples of products and supplies, interview and interact with the Restaurant's supervisory employees and customers, inspect all books and records relating to the Restaurant, and access all electronic records on your Technology Suite to the extent necessary to ensure compliance with this Agreement and all Brand Standards (in all cases excluding records relating to labor relations and employment practices, as you control exclusively labor relations and employment practices for Restaurant employees). You must cooperate with us and our representatives and vendors in those activities. We will give you a written summary of the evaluation.

Without limiting our other rights and remedies under this Agreement, you must promptly correct at your own expense all deficiencies (i.e., failures to comply with Brand Standards) noted by our evaluators within the time period we specify under the audit process in the operations manual. We then may conduct one or more follow-up evaluations to confirm that you have corrected the deficiencies and otherwise are complying with this Agreement and all Brand Standards. You must pay the actual costs of the first follow-up audit, including our personnel's daily charges (including wages) of Five Hundred to One Thousand Dollars ($500 - $1,000) per day and travel, hotel, and living expenses. We may charge you a One Thousand Five Hundred Dollar ($1,500) inspection fee, plus our personnel's daily charges (including wages) of Five Hundred to One Thousand Dollars ($500 - $1,000) per day and travel, hotel, and living expenses, for the second and each follow-up evaluation we make and for each inspection you specifically request. If you fail to correct a deficiency at the Restaurant or in its operation after these inspections, we have the right (short of taking over the Restaurant's management) to take the required action for you, without being guilty of or liable for trespass or tort, in which case you must immediately reimburse all of our costs.

If we find any condition at the Restaurant that we consider to be hazardous, unsafe, unhealthy, unsanitary, unclean, or in material disrepair, we have the following rights in addition to all other rights set forth in this Agreement:

(1) we have the right to require you immediately to close and suspend operation of the Restaurant or to take any other action we deem necessary whenever we have reason to believe that the Restaurant presents imminent risk to public health and safety. You must notify us immediately of any violation affecting public health or safety and promptly take any action we require. You alone are responsible for all losses, costs, or other expenses incurred in complying with this clause (a); and/or

(2) we have the right immediately to remove or destroy at your expense any product that we believe to be hazardous or contaminated or to present imminent risk to public health or safety.

Because we do not have the right to inspect your employment records, you agree to confirm for us periodically (in the manner specified in Brand Standards) that the Restaurant's employees have all certifications required by Law.

B. Our Right to Audit

We and our designated representatives may at any time during your business hours, and without prior notice to you, examine the Restaurant's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records (other than records we have no authority to control and/or remedy, such as your employment records, as you control exclusively your labor relations and employment practices). You must fully cooperate with our representatives and independent accountants conducting any inspection or audit. If any inspection or audit discloses an understatement of the Restaurant's Net Sales, you must pay us, within ten (10) days after receiving the inspection or audit report, the amounts due on the understatement plus our administrative fee and interest from the date originally due until the date of payment. If any inspection or audit discloses an overstatement of the Restaurant's Net Sales, we will credit you (without interest) for the overpayment. Further, if an inspection or audit is necessary due to your failure to furnish reports, supporting records, or other information as required or on a timely basis, or if our examination reveals an understatement exceeding two percent (2%) of the amount you actually reported to us for the period examined, you must reimburse our costs for the examination, including, without limitation, legal fees, independent accountants' fees, and travel expenses, room and board, and compensation for our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable Law.

16. **Transfer**

A. Transfer by Us

We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction and without notice to or consent from you. After we assign this Agreement to a third party that expressly assumes this Agreement's obligations, we no longer will have any performance or other obligations under this Agreement. That assignment will constitute a release and novation with respect to this Agreement, and the new owner-assignee will be liable to you as if it had been an original party to this Agreement. Specifically and without limiting the foregoing, you agree that we may sell our assets (including this Agreement), the Marks and other Intellectual Property, or the Franchise System to a third party; offer our ownership interests privately or publicly; merge, acquire other business entities, or be acquired by another business entity; and/or undertake a refinancing, recapitalization, leveraged buyout, securitization, or other economic or financial restructuring.

B. Transfer by You and Definition of Transfer

You acknowledge that the rights and duties this Agreement creates are personal to you and your owners, and we have granted you the rights under this Agreement in reliance upon our perceptions of your and your owners' character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, neither: (i) this Agreement or any interest in this Agreement; (ii) the Restaurant's physical structure, (iii) any right to receive all or a portion of the profits, losses, or capital appreciation relating to the Restaurant; (iv) all or substantially all of the Operating Assets; (v) any ownership interest in you; nor

(vi) a controlling ownership interest in an Entity with an ownership interest in you, may be transferred without our prior written approval. A transfer of the Restaurant's ownership, possession, or control (including its physical structure), or all or substantially all of the Operating Assets, may be made only with the concurrent transfer (to the same proposed transferee) of the franchise rights (with the transferee assuming this Agreement or signing our then-current form of franchise agreement and related documents, as we may require). Any transfer without our prior written approval is a breach of this Agreement and has no effect, meaning you and your owners will continue to be obligated to us for all your obligations under this Agreement.

In this Agreement, the term "**transfer**" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, including the following events:

i. transfer of record or beneficial ownership of stock or any other ownership interest or the right to receive (directly or indirectly) all or a portion of the profits, losses, or any capital appreciation relating to the Restaurant;

ii. a merger, consolidation, or exchange of ownership interests, issuance of additional ownership interests or securities representing or potentially representing ownership interests, or a redemption of ownership interests;

iii. any sale or exchange of voting interests or securities convertible to voting interests, or any management or other agreement granting the right (directly or indirectly) to exercise or control the exercise of any owner's voting rights or to control your (or an Entity with an ownership interest in you) or the Restaurant's operations or affairs;

iv. transfer in a divorce, insolvency, or Entity dissolution proceeding or otherwise by operation of law;

v. transfer by will, declaration of or transfer in trust, or under the laws of intestate succession; or

vi. pledge of this Agreement (to someone other than us) or of an ownership interest in you or your owners as security or collateral, foreclosure upon or attachment or seizure of the Restaurant (including its physical structure) , or your transfer, surrender, or loss of the Restaurant's possession, control, or management.

You may grant a security interest (including a purchase money security interest) in the Restaurant's assets (including its physical structure but not including this Agreement or the franchise rights) to a lender that finances your acquisition, development, and/or operation of the Restaurant without having to obtain our prior written approval as long as you give us ten (10) days' prior written notice. However, you may not pledge, hypothecate, or grant a security interest in any property that bears or displays the Marks (unless the Marks are readily removable from such property) and must advise your proposed lenders of this restriction. This Agreement and the franchise rights granted to you by this Agreement may not be pledged as collateral or be the subject of a security interest, lien, levy, attachment, or execution by your creditors or any financial institution. Any security interest that may be created in this Agreement by virtue of Section 9-408 of the Uniform Commercial Code is limited as described in Section 9-408(d) of the Uniform Commercial Code.

C. Conditions for Approval of Transfer

If you and your owners are in full compliance with this Agreement, then, subject to this Section 16.C's other provisions:

i. We will approve the transfer of a non-controlling ownership interest in you if the proposed transferee and its owners are of good moral character, have no ownership interest in and do not perform services for (and have no affiliates with an ownership interest in or performing services for) a Competitive Business, otherwise meet our then-applicable standards for non-controlling owners of ROTI Restaurant franchisees, sign our then-current form of Guaranty and Assumption of Obligations or, if applicable, Owner's Undertaking of Non-Monetary Obligations, and pay us a Five Thousand Dollar ($5,000) transfer fee. The term "**controlling ownership interest**" is defined in Section 21.M.

ii. If the proposed transfer involves the franchise rights granted by this Agreement or a controlling ownership interest in you or in an Entity owning a controlling ownership interest in you, or is one of a series of transfers (regardless of the timeframe over which those transfers take place) in the aggregate transferring the franchise rights granted by this Agreement or a controlling ownership interest in you or in an Entity owning a controlling ownership interest in you, then we will not unreasonably withhold our approval of a proposed transfer meeting all of the following conditions (provided, however, there may be no such transfer until after the Restaurant has opened for business):

a. on both the date you send us the transfer request and the transfer's proposed effective date: (i) the transferee and its direct and indirect owners have the necessary business experience, aptitude, and financial resources to operate the Restaurant, (ii) the transferee otherwise is qualified under our then-existing standards for the approval of new franchisees or of existing franchisees interested in acquiring additional franchises (including the transferee and its affiliates are in substantial operational compliance, at the time of the application, under all other franchise agreements for ROTI Restaurants to which they then are parties with us), and (iii) the transferee and its owners are not restricted by another agreement (whether or not with us) from purchasing the Restaurant or the ownership interest in you or the Entity that owns a controlling ownership interest in you;

b. on both the date you send us the transfer request and the transfer's proposed effective date, you have paid all required Royalties, Brand Fund contributions, Tech Fees, and other amounts owed to us and our affiliates relating to this Agreement and the Restaurant, have submitted all required reports and statements, and are not in breach of any provision of this Agreement or another agreement with us or our affiliates relating to the Restaurant;

c. on both the date you send us the transfer request and the transfer's proposed effective date, neither the transferee nor any of its direct or indirect owners or affiliates operates, has an ownership interest in, or performs services for a Competitive Business;

d. before or after the transfer's proposed effective date (as we determine), the transferee's Operating Principal and management personnel, if different from your management personnel, satisfactorily complete our then-current Initial Training;

e. the transferee has the right to occupy the Restaurant's site for the expected franchise term;

f. before the transfer's proposed effective date, the transferee and each of its owners (if the transfer is of the franchise rights granted by this Agreement), or you and your owners (if the transfer is of a controlling ownership interest in you or in an Entity owning a controlling ownership interest in you), if we so require, sign our then-current form of franchise agreement and related documents (including a Guaranty and Assumption of Obligations and, if applicable, Owner's Undertaking of Non-Monetary Obligations), any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, provided, however, that (i) the term of the new franchise agreement signed will equal this Agreement's unexpired Term, (ii) the Royalty, Tech Fee, and Brand Fund contribution levels specified in this Agreement will be substituted into the then-current form of franchise agreement that you sign for the balance of the initial franchise term (i.e., the unexpired portion of the Term), and (iii) the Area of Protection defined in this Agreement will be substituted into the then-current form of franchise agreement that you sign for the balance of the initial franchise term (i.e., the unexpired portion of the Term). If the transferee has the right to possess the Restaurant for no less than an additional ten (10) years following the transfer's proposed effective date, we may (but have no obligation to) grant the transferee a full ten (10) year term under the new franchise agreement signed if the transferee commits to repair and/or replace Operating Assets and upgrade the Restaurant in accordance with our then-current requirements and specifications for new ROTI Restaurants within the timeframe we specify following the transfer's effective date. If we grant a full ten (10) year term, however, our then-current fees, including the Royalty, Tech Fee, and Brand Fund contributions, will apply to the Restaurant, and we may change the definition of the Area of Protection;

g. before the transfer's proposed effective date, you or the transferee pays us a transfer fee equal to fifty percent (50%) of our then-current initial franchise fee for new franchisees. One-half (½) of this transfer fee is due as a deposit when you initially request our consideration or approval of the transfer and is not refundable, whether or not the transfer actually occurs;

h. before the transfer's proposed effective date, the transferee agrees to repair and/or replace Operating Assets and upgrade the Restaurant (including its physical structure) in accordance with our then-current requirements and specifications for new ROTI Restaurants within the timeframe we specify following the transfer's effective date;

i. before the transfer's proposed effective date, you (and your transferring owners) sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, representatives, agents, successors, and assigns;

j. before the transfer's proposed effective date, the transferee has satisfied all licensing and other requirements under applicable Law;

k. we have determined that the purchase price, payment terms, and required financing will not adversely affect the transferee's operation of the Restaurant;

l. if you or your owners finance any part of the purchase price, you and they agree before the transfer's proposed effective date that the transferee's obligations under promissory notes, agreements, or security interests reserved in the Operating Assets, the Restaurant (including its physical structure), or ownership interests in you are subordinate to the transferee's (and its owners') obligation to pay Royalties, Brand Fund contributions, Tech Fees, and other amounts due to us and our affiliates and otherwise to comply with this Agreement;

m. before the transfer's proposed effective date, you and your transferring owners (and members of their Immediate Families) confirm your obligation, for two (2) years beginning on the transfer's effective date, not to engage in any activity proscribed in Section 19.E below; and

n. before the transfer's proposed effective date, you and your transferring owners confirm your obligation not directly or indirectly at any time afterward or in any manner (except with other ROTI Restaurants you or they own or operate) to: (i) identify yourself or themselves in any business as a current or former ROTI Restaurant or as one of our franchisees; (ii) use any Mark, any colorable imitation of a Mark, any trademark, service mark, or commercial symbol that is confusingly similar to any Mark, any copyrighted items, or other indicia of a ROTI Restaurant for any purpose; or (iii) utilize for any purpose any trade dress, trade name, trademark, service mark, or other commercial symbol suggesting or indicating a connection or association with us.

If the proposed transfer is to or among your owners, your or their Immediate Family members, or an Entity you control, or if the transferee either is a franchisee in good standing for the past five (5) years or managed a franchised or company-owned ROTI Restaurant for at least five (5) years, then the transfer fee in clause (g) will be Five Thousand Dollars ($5,000). We have legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with you. Therefore, our contact with potential transferees to protect our business interests will not constitute improper or unlawful conduct. You expressly authorize us to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms, to communicate candidly and truthfully with the transferee regarding your operation of the Restaurant, and to withhold our consent, as long as our decision is not unreasonable, even if the conditions in clauses (ii)(a) through (ii)(n) above are satisfied. You waive any claim that our decision to withhold approval of a proposed transfer in order to protect our business interests—if that decision was reasonable despite satisfaction of the conditions in clauses (ii)(a) through (ii)(n) above—constitutes tortious interference with contractual or business relationships or otherwise violates any Law. We have the right to review all information regarding the Restaurant you give the proposed transferee, correct any information we believe is inaccurate, and give the proposed transferee copies of any reports you have given us or we have made regarding the Restaurant.

Notwithstanding anything to the contrary in this Section 16, we need not consider a proposed transfer of a controlling or non-controlling ownership interest in you, or a proposed transfer of this Agreement, until you (or an owner) and the proposed transferee first send us a copy of the bona fide offer to purchase or otherwise acquire the particular interest from you (or the owner). For an offer to be considered "bona fide," we may require it to include a copy of all proposed agreements between you (or your owner) and the proposed transferee related to the sale, assignment, or transfer.

D. Transfer to a Wholly-Owned or Affiliated Entity

Notwithstanding Section 16.C above, if you are in full compliance with this Agreement, you may transfer this Agreement, together with the Operating Assets and all other assets associated with the Restaurant (including its physical structure), to an Entity that will conduct no business other than the Restaurant and, if applicable, other ROTI Restaurants and of which you or your then-existing owners own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all Restaurant assets are owned, and the Restaurant is operated, only by that single Entity. You must provide us notice of the proposed transfer and any information we request regarding the Entity and its ownership, and pay a transfer fee of One Thousand Five Hundred Dollars ($1,500). The Entity must expressly assume all of your obligations under this Agreement, but you will remain personally liable under this Agreement as if the transfer to the Entity did not occur. Transfers of ownership interests in that Entity are subject to the restrictions in Section 16.C.

E. Death or Disability

i. Transfer Upon Death or Disability

Upon the death or disability of one of your owners, that owner's executor, administrator, conservator, guardian, or other personal representative (the "**Representative**") must transfer the owner's ownership interest in you (or an owner) to a third party, which may include an Immediate Family Member. That transfer (including transfer by bequest or inheritance) must occur, subject to our rights under this Section 16.E, within a reasonable time, not to exceed six (6) months from the date of death or disability, and is subject to all terms and conditions in this Section 16. A failure to transfer such interest within this time period is a breach of this Agreement.

ii. Operation upon Death or Disability

If, upon the death or disability of one of your owners, the Restaurant's day-to-day operations are not being managed by two (2) fully-trained, certified Restaurant Managers, then you or the Representative (as applicable) must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint one or more new managers to operate the Restaurant. The managers must at your expense satisfactorily complete the training we designate within the time period we specify. We have the right to assume the Restaurant's management, as described in Section 18.C, for the time we deem necessary if the Restaurant is not in our opinion being managed properly upon the death or disability of one of your owners.

F. Effect of Consent to Transfer

Our consent to any transfer is not a representation of the fairness of any contract terms between you (or your owner) and the transferee, a guarantee of the Restaurant's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand full compliance with this Agreement.

G. Our Right of First Refusal

If you, any of your owners, or the owner of a controlling ownership interest in an Entity with an ownership interest in you at any time determines to sell or transfer for money or other consideration (which can be independently valued in dollars) the franchise rights granted by this Agreement and the Restaurant (including its physical structure and/or all or substantially all of its Operating Assets), a controlling ownership interest in you, or a controlling ownership interest in an Entity with a controlling ownership interest in you (except to or among your current owners or in a transfer under Section 16.D, which are not subject to this Section 16.G), you agree to obtain from a responsible and fully-disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which, as noted in Section 16.C above, we may require to include a copy of all proposed agreements related to the sale or transfer). The offer must include details of the proposed sale or transfer's payment terms and the financing sources and terms of the proposed purchase price and provide for an earnest money deposit of at least five percent (5%) of the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be a fixed dollar amount, without any contingent payments of purchase price (such as earn-out payments), and the proposed transaction must relate exclusively to the rights granted by this Agreement and the Restaurant (including its physical structure and/or all or substantially all of its Operating Assets), a controlling ownership interest in you, or a controlling ownership interest in an Entity with a controlling ownership interest in you. It may not relate to any other interests or assets. We may require you (or your owners) to send us copies of any materials or information you send to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that: (i) we may substitute cash for any form of consideration proposed in the offer; (ii) our credit will be deemed equal to the credit of any proposed buyer; (iii) the closing of our purchase will not (unless we agree otherwise) be earlier than sixty (60) days after we notify you of our election to purchase or, if later, the closing date proposed in the offer; (iv) you and your owners must sign the general release described in Section 16.C.ii(i) above; and (v) we must receive, and you and your owners agree to make, all customary representations, warranties, and indemnities given by the seller of the assets of a business or of ownership interests in an Entity, as applicable, including representations and warranties regarding ownership and condition of, and title to, assets and (if applicable) ownership interests; your and your owners' authorization to sell, as applicable, any ownership interests or assets without violating any Law, contract, or requirement of notice or consent; liens and encumbrances on ownership interests and assets; validity of contracts and liabilities, contingent or otherwise, relating to the assets or ownership interests being purchased; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Restaurant before the closing of our purchase. If the offer is to purchase all of your ownership interests, we may elect instead to purchase all of the Restaurant's assets (including its physical structure), and not any of your ownership interests, on the condition that the amount we pay you for such assets equals the full value of the transaction as proposed in the offer (i.e., the value of all assets to be sold and of all liabilities to be assumed).

Once you or your owners submit the offer and related information to us triggering the start of the thirty (30) day decision period referenced above, the offer is irrevocable for that thirty (30) day period. This means we have the full thirty (30) days to decide whether to exercise the right of first refusal and may choose to do so even if you or your owners change your, his, her, or its mind during that period and prefer after all not to sell the particular interest that is the subject of the offer. You and your owners may not withdraw or revoke the offer for any reason during the thirty (30) days, and we may exercise the right to purchase the particular interest in accordance with this Section's terms.

If we exercise our right of first refusal and close the transaction, you and your transferring owners agree that, for two (2) years beginning on the closing date, you and they (and members of your or their Immediate Families) will be bound by the non-competition covenants contained in Section 19.E.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we approve the transfer as provided in this Section 16. If you or your owners do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the sale's terms (which you agree to tell us promptly), we will have an additional right of first refusal during the thirty (30) days following either expiration of the sixty (60) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our option.

We have the unrestricted right to assign this right of first refusal to a third party (including an affiliate), which then will have the rights described in this Section 16.G. We waive our right of first refusal for sales or transfers to Immediate Family members meeting the criteria in Section 16.C. (All references in this Section 16(G) to "we" or "us" include our assignee if we have exercised our right to assign this right-of-first-refusal to a third party.)

17. **Expiration of Agreement**

When this Agreement expires (unless it is terminated sooner), you will have the right to acquire a successor franchise to continue operating the Restaurant as a ROTI Restaurant for ten (10) years under our then-current form of franchise agreement, but only if you:

i. have requested in writing and conducted with us a business review at least six (6) months, but not more than nine (9) months, before the end of the Term and then have formally notified us of your desire to acquire a successor franchise no less than three (3) months before the end of the Term;

ii. have substantially complied with all of your obligations under this Agreement and all other agreements with us or our affiliates related to the Restaurant, including operated the Restaurant in substantial compliance with Brand Standards, during the Term, as noted in the business review we conduct; and

iii. continue complying substantially with all of your obligations under this Agreement and all other agreements with us or our affiliates related to the Restaurant between the time you formally notify us of your desire to acquire a successor franchise and the end of the Term; and

iv. retain the right to occupy the Restaurant at its original site, have remodeled and upgraded the Restaurant, and otherwise have brought the Restaurant into full compliance with then-applicable specifications and standards for new ROTI Restaurants (regardless of cost) before this Agreement expires. We have no obligation to grant you a successor franchise if you wish to relocate the Restaurant or no longer have the right to occupy the Restaurant at its original site.

To acquire a successor franchise, you and your owners must: (i) sign our then-current form of franchise agreement (and related documents), which may contain terms and conditions differing materially from any and all of those in this Agreement, including higher Royalties, Tech Fees, and Brand Fund contributions and a modified or smaller definition of the Area of Protection, and will be modified to reflect that it is for a successor franchise; (ii) pay us a successor franchise fee equal to fifty percent (50%) of our then-current Initial Franchise Fee for new franchisees; and (iii) sign a general release in the form we specify as to any and all claims against us, our affiliates, and our and their respective owners, officers, directors, employees, agents, representatives, successors, and assigns. If you fail to sign and return the documents referenced above, together with the successor franchise fee, within thirty (30) days after we deliver them to you, that will be deemed your irrevocable election not to acquire a successor franchise.

If you fail to notify us by the deadline specified in clause (i) above of your desire to acquire a successor franchise, or if you (and your owners) are not, both on the date you give us written notice of your election to acquire a successor franchise (at or after the business review) and on the date on which this Agreement expires, in substantial compliance with this Agreement and all other agreements with us or our affiliates related to the Restaurant, we need not grant you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its Term under Section 18. We may condition our grant of a successor franchise on your completing certain requirements on or before designated deadlines following commencement of the successor franchise term.

18. **Termination of Agreement**

A. Termination by You

You may terminate this Agreement if we materially breach any of our obligations under this Agreement and fail to correct that breach within thirty (30) days after you deliver written notice to us of the breach; provided, however, if we cannot reasonably correct the breach within those thirty (30) days but give you, within the thirty (30) days, evidence of our effort to correct the breach within a reasonable time period, then the cure period will run through the end of that reasonable time period. Your termination of this Agreement other than according to this Section 18.A will be deemed a termination without cause and your breach of this Agreement.

B. Termination by Us

We may, at our option, terminate this Agreement, effective immediately upon delivery of written notice of termination to you, upon the occurrence of any one of the following events:

i. you (or any of your direct or indirect owners) have made or make any material misrepresentation or omission in applying for and acquiring the franchise or operating the Restaurant, including, without limitation, by intentionally or through your gross negligence understating the Restaurant's Net Sales for any period;

ii. you fail (a) to find and obtain our written acceptance of the site, to secure the accepted site under a lease or sublease we accept, or otherwise to meet any development obligation identified in Section 4 on or before the required deadline, or (b) to develop, open, and begin operating the Restaurant in compliance with this Agreement, including all Brand Standards (including with a fully-trained staff), on or before the Opening Deadline;

iii. you (a) abandon the Restaurant, meaning you have deserted, walked away from, or closed the Restaurant under circumstances leading us to conclude that you have no intent to return to the Restaurant, regardless of how many days have passed since the apparent abandonment, or (b) fail actively and continuously to operate the Restaurant for at least three (3) consecutive business days (except where closure is due to a force majeure event and you notify us within three (3) days after the particular event to obtain our written approval to remain closed for an agreed-upon amount of time as is necessary under the circumstances before we will require you to re-open);

iv. you, any of your owners, or the owner of a controlling ownership interest in an Entity with an ownership interest in you makes a purported transfer in violation of Section 16;

v. you (or any of your direct or indirect owners) are or have been convicted by a trial court of, or plead or have pleaded guilty or no contest to, a felony;

vi. you (or any of your direct or indirect owners) engage in any dishonest, unethical, immoral, or similar conduct as a result of which your (or the owner's) association with the Restaurant (or the owner's association with you) could, in our reasonable opinion, have a material adverse effect on the goodwill associated with the Marks and other Intellectual Property, provided, however, that nothing in this clause or elsewhere in this Agreement restricts or is intended to restrict your or your owners' communications with any state or federal law regulator or enforcement authority about potential violations of Law;

vii. we reasonably determine that (a) a serious threat or danger to public health or safety has resulted or will result from the Restaurant's construction or operation, and (b) an immediate termination of this Agreement and permanent shutdown of the Restaurant or construction site is necessary to avoid substantial liability or material loss of goodwill of the ROTI Restaurant brand;

viii. a lender forecloses on its lien on a substantial and material portion of the Restaurant's assets;

ix. an entry of judgment against you involving aggregate liability of Twenty-Five Thousand Dollars ($25,000) or more in excess of your insurance coverage, and the judgment remains unpaid for ten (10) days or more following its entry;

x. you (or any of your direct or indirect owners) misappropriate any Confidential Information or violate any provisions of Section 12, including, but not limited to, by holding interests in or performing services for a Competitive Business;

xi. you violate any material Law relating to the Restaurant's development, operation, or marketing and do not (a) begin to correct the noncompliance or violation immediately after delivery of written notice (regardless of by whom sent to you) or (b) completely correct the noncompliance or violation within the time period prescribed by Law, unless, in the case of both (a) and (b), you are in good faith contesting your liability for the violation through appropriate proceedings or, in the case of (b) only, you provide reasonable evidence to us and the relevant authority of your continued efforts to correct the violation within a reasonable time period;

xii. you fail to report the Restaurant's Net Sales or to pay us or any of our affiliates any amounts when due and do not correct the failure within five (5) days after delivery of written notice;

xiii. you underreport the Restaurant's Net Sales by two percent (2%) or more on three (3) separate occasions within any twenty-four (24) consecutive-month period or by five percent (5%) or more during any reporting period;

xiv. you disable the Restaurant's Technology Suite, close the Restaurant's business checking or other account from which we debit required payments without our approval, or otherwise intentionally prevent us from debiting required payments;

xv. you fail to maintain the insurance this Agreement requires or to send us satisfactory evidence of such insurance coverage within the required time, or significantly modify your insurance coverage without our written approval, and do not correct the failure within five (5) days after delivery of written notice;

xvi. you fail to pay when due any federal or state income, service, sales, employment, or other taxes due on the Restaurant's operation, unless you are in good faith contesting your liability for such taxes through appropriate proceedings;

xvii. you (or any of your direct or indirect owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive-month period to comply with this Agreement (including any Brand Standard), whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you (which includes failures identified and reported to you during any inspection we conduct under Section 15.A), or (b) fail on two (2) or more separate occasions within any six (6) consecutive-month period to comply with the same obligation under this Agreement (including any Brand Standard, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you (which includes failures identified and reported to you during any inspection we conduct under Section 15.A);

xviii. you fail to pay amounts you owe to our designated, approved, or recommended suppliers within thirty (30) days following the due date (unless you are contesting the amount in good faith), or you default (and fail to cure within the allocated time) under any note, lease, or agreement we deem material relating to the Restaurant's operation or ownership, and do not correct the failure within five (5) days after delivery of written notice;

xix. you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or a substantial part of your property; the Restaurant is attached, seized, or levied upon, unless the attachment, seizure, or levy is vacated within sixty (60) days; or any order appointing a receiver, trustee, or liquidator of you or the Restaurant is not vacated within sixty (60) days following its entry;

xx. your or any of your owners' assets, property, or interests are blocked under any Law relating to terrorist activities, or you or any of your owners otherwise violate any such Law;

xxi. you lose the right to occupy the Restaurant's premises due to your lease default (even if you have not yet vacated the Restaurant's premises);

xxii. you lose the right to occupy the Restaurant's premises (but not due to your lease default), or the Restaurant is damaged to such an extent that you cannot operate the Restaurant at its existing location over a thirty (30) day period, and you fail both to relocate the Restaurant to a substitute site we accept and to begin operating the Restaurant at that substitute site within one hundred fifty (150) days from the first date on which you could not operate the Restaurant at its existing location;

xxiii. you fail to comply with any other obligation under this Agreement or any other agreement between us (or any of our affiliates) and you relating to the Restaurant, including, without limitation, any Brand Standard, and do not correct the failure to our satisfaction within thirty (30) days after we deliver written notice;

xxiv. you cause or contribute to a Data Security Incident or fail to comply with any requirements to protect Consumer Data;

xxv. we send you (or your affiliate) a notice of termination under another franchise agreement between us and you (or your affiliate) for a ROTI Restaurant, you terminate such a franchise agreement without cause (as defined in the franchise agreement), or you (or your affiliate) cease operating a ROTI Restaurant without our approval; or

xxvi. your ability to continue operating the Restaurant in accordance with our Brand Standards under this Agreement, in whole or in part, is frustrated in purpose or materially impaired by any Law or interpretation of such Law.

C. Assumption of Restaurant's Management

(1) If you abandon or fail actively to operate the Restaurant for any period, (2) under the circumstances described in Sections 16.E and 18.D, and (3) after termination or expiration of this Agreement while we are deciding whether to exercise our right to purchase the Restaurant's Operating Assets under Section 19.F, we or our designee has the right (but not the obligation) to enter the site and assume the Restaurant's management for any time period we deem appropriate. Our manager will exercise control over the working conditions of the Restaurant's employees only to the extent such control is related to our legitimate interest in protecting, and is necessary at that time to protect, the quality of our products, services, or brand.

If we assume the Restaurant's management, all revenue from the Restaurant's operation during our management period will (except as provided below) be kept in a separate account, and all Restaurant expenses will be charged to that account. In addition to all other fees and payments owed under this Agreement on account of the Restaurant's operation, we may charge you a reasonable management fee, not to exceed ten percent (10%) of the Restaurant's Net Sales, plus any out-of-pocket expenses incurred in connection with the Restaurant's management, including salaries and travel-related expenses. We or our designee will have a duty to use only reasonable efforts and, if we or our designee is not grossly negligent and does not commit an act of willful misconduct, will not be liable to you or your owners for any debts, losses, lost or reduced profits, or obligations the Restaurant incurs, or to any of your creditors for any supplies, products, services, or other assets or services the Restaurant purchases, while we or our designee manages it. We may require you to sign our then-current form of management agreement, which will govern the terms of our management of the Restaurant.

If we or our designee assumes the Restaurant's management due to your abandonment or failure actively to operate the Restaurant, or after termination or expiration of this Agreement while we are deciding whether to exercise our right to purchase the Restaurant's Operating Assets under Section 19.F, we or our designee may retain all, and need not pay you or otherwise account to you for any, Net Sales generated while we or our designee manages the Restaurant.

D. Other Remedies upon Default

Upon your failure to remedy any noncompliance with any provision of this Agreement, including any Brand Standard, or another default specified in any written notice issued to you under Section 18.B, within the time period (if any) we specify in our notice, we have the right, until the failure has been corrected to our satisfaction, to take any one or more of the following actions:

i. suspend your right to participate in one or more advertising, marketing, or promotional programs that we or the Brand Fund provides;

ii. suspend or terminate your participation in any temporary or permanent fee reductions to which we might have agreed (whether as a policy, in an amendment to this Agreement, or otherwise); iii. refuse to provide any operational support this Agreement requires;

iii. require your Operating Partner and/or Restaurant Manager(s) to complete satisfactorily supplemental training courses and programs and pay our then-current training fee and travel and living expenses for our training personnel; and/or

iv. assume the Restaurant's management, as described in Section 18.C, for the time we deem necessary in order to correct the default, for all of which costs you must reimburse us (in addition to the amounts you must pay us under Section 18.C).

Exercising any of these rights will not constitute an actual or constructive termination of this Agreement or be our sole and exclusive remedy for your default. If we exercise any remedies in this Section 18.D rather than terminate this Agreement, we may at any time after the applicable cure period under the written notice has lapsed (if any) terminate this Agreement without giving you any additional corrective or cure period. During any suspension period, you must continue paying all fees and other amounts due under, and otherwise comply with, this Agreement and all related agreements. Our election to suspend your rights as provided above is not our waiver of any breach of this Agreement. If we rescind any suspension of your rights, you are not entitled to any compensation (including, without limitation, repayment, reimbursement, refunds, or offsets) for any fees, charges, expenses, or losses you might have incurred due to our exercise of any suspension right provided above.

19. **Rights and Obligations upon Termination or Expiration of This Agreement**

A. Payment of Amounts Owed and Liquidated Damages

You agree to pay us within fifteen (15) days after this Agreement expires or is terminated, or on any later date we determine the amounts due to us, the Royalties, Brand Fund contributions, Tech Fees, late fees and interest, and other amounts owed to us (and our affiliates) that are then unpaid. If we terminate this Agreement on any ground specified under Section 18.B, or if you terminate this Agreement without cause, before the Term's scheduled expiration date, you also will be liable to us for all of our damages caused by your breach of contract, including liquidated damages as described below.

If we terminate this Agreement on any ground specified under Section 18.B, or if you terminate this Agreement without cause, before the Term's scheduled expiration date, you agree to pay us within fifteen (15) days after the effective date of the termination, in addition to the amounts otherwise owed under this Agreement, liquidated damages equal to the average monthly Royalties, Brand Fund contributions, and Tech Fees you were required to pay from the date the Restaurant opened through the date of the early termination multiplied by the lesser of (a) thirty-six (36), or (b) the number of months remaining in the Agreement had it not been terminated, except that liquidated damages will not under any circumstances be less than One Hundred Thousand Dollars ($100,000).

The parties acknowledge and agree that it would be impracticable to determine precisely the damages we would incur from this Agreement's termination and the loss of cash flow from Royalties, Brand Fund contributions, and Tech Fees due to, among other things, the complications of determining what costs, if any, we might have saved and how much the Royalties, Brand Fund contributions, and Tech Fees would have grown over what would have been this Agreement's remaining term. The parties consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages.

This liquidated damages provision covers only our damages from the loss of cash flow from the Royalties, Brand Fund contributions, and Tech Fees. It does not cover any other damages, including damages to our reputation with the public and landlords and damages arising from a violation of any provision of this Agreement other than Royalties, Brand Fund contributions, and Tech Fees provisions. This liquidated damages provision does not give us an adequate remedy at law for any default under this Agreement, or for the enforcement of any provision of this Agreement, other than the Royalties, Brand Fund contributions, and Tech Fee provisions.

B. De-Identification

Upon termination or expiration of this Agreement, you must de-identify the Restaurant in compliance with this Section 19.B and as we reasonably require. De-identification includes, but is not limited to, taking the following actions:

i. beginning immediately upon the effective date of termination or expiration, you and your owners may not directly or indirectly at any time afterward or in any manner (except in connection with other ROTI Restaurants you or they own and operate): (a) identify yourself or themselves in any business as a current or former ROTI Restaurant or as one of our current or former franchisees; (b) use any Mark, any colorable imitation of a Mark, any trademark, service mark, or commercial symbol that is confusingly similar to any Mark, any copyrighted items, or other indicia of a ROTI Restaurant for any purpose; or (c) use for any purpose any trade dress, trade name, trademark, service mark, or other commercial symbol suggesting or indicating a connection or association with us.

ii. beginning immediately upon the effective date of termination or expiration, you must take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark.

iii. if we do not exercise the option under Section 19.F below, you must, at your own cost and without any payment from us for such items, at our option, deliver to us, make available to us for pick-up, or destroy, in any case within twenty (20) days after the De-identification Date (defined below), all signs, Marketing Materials, forms, and other materials containing any Mark. If you fail to do so voluntarily when we require, we and our representatives may enter the Restaurant at our convenience and remove these items without liability to you, the landlord, or any other third party for trespass or any other claim. You must reimburse our actual out-of-pocket costs of doing so, plus an administrative fee of fifteen percent (15%). (Notwithstanding the above, you may after the De-identification Date sell these branded items to an existing ROTI Restaurant franchisee.)

iv. if we do not exercise the option under Section 19.F below, you must, at your own cost and without any payment from us for such items, at our option, deliver to us, make available to us for pick-up, or destroy, in any case within thirty (30) days after the De-identification Date, all equipment and other materials that are proprietary to the ROTI Restaurant brand. If you fail to do so voluntarily when we require, we and our representatives may enter the Restaurant at our convenience and remove these items without liability to you, the landlord, or any other third party for trespass or any other claim. You must reimburse our actual out-of-pocket costs of doing so, plus an administrative fee of fifteen percent (15%). (Notwithstanding the above, you may after the De-identification Date sell these branded items to an existing ROTI Restaurant franchisee.)

v. if we do not exercise the option under Section 19.F below, you must at your own expense, within twenty (20) days after the De-identification Date, make the alterations we specify to distinguish the Restaurant clearly from its former appearance and from other ROTI Restaurants in order to prevent public confusion. If you fail to do so voluntarily when we require, we and our representatives may enter the Restaurant at our convenience and take this action without liability to you, your landlord, or any other third party for trespass or any other claim. We need not compensate you or the landlord for any alterations. You must reimburse our actual out-of-pocket costs of de-identifying the Restaurant, plus an administrative fee of fifteen percent (15%).

vi. you must, within fifteen (15) days after the De-identification Date, notify the telephone company and all telephone directory publishers (both web-based and print) of the termination or expiration of your right to use any telephone, facsimile, or other numbers and telephone directory listings associated with any Mark; authorize, not interfere with, and assist in the transfer of those numbers and directory listings to us or at our direction; and/or instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events.

vii. you must immediately cease using or operating any website or other online presence or electronic media, including social networking websites, related to the Restaurant or the Marks, take all action required to disable such websites or social networking website accounts, and cancel all rights in and to any accounts for such websites (unless we request you to assign them to us).

The "**De-identification Date**" means: (i) if we exercise the option under Section 19.F, the closing date of our (or our designee's) purchase of the Restaurant's assets; or (ii) if we do not exercise the option under Section 19.F, the date upon which that option expires or we notify you of our decision not to exercise, or to withdraw our previous exercise, of that option, whichever occurs first.

C. Confidential Information

Upon termination or expiration of this Agreement, you and your owners must immediately cease using any of our Confidential Information or proprietary technology in any business or otherwise and return to us all copies of the Operations Manual and any other confidential materials to which we gave you access. We have the right immediately and unilaterally to terminate your access to all Confidential Information and proprietary technology. You may not sell, trade, or otherwise profit in any way from any Consumer Data, other Confidential Information, or other proprietary technology at any time after expiration or termination of this Agreement. You must destroy any Confidential Information which you are unable to return to us, including any digitally stored Confidential Information.

D. Notification to Customers

Upon termination or expiration of this Agreement, we have the right to contact (at our expense) previous, current, and prospective customers to inform them that a ROTI Restaurant no longer will operate at the Restaurant's location or, if we intend to exercise the option under Section 19.F, that the Restaurant will operate under new management. We also have the right to inform them of other nearby ROTI Restaurants. Exercising these rights will not constitute interference with your contractual or business relationship with those customers.

E. Covenant Not to Compete

Upon our termination of this Agreement in compliance with its terms, your termination of this Agreement without cause, or expiration of this Agreement (without the grant of a successor franchise), you and your owners agree that neither you, they, nor any member of your or their Immediate Families will:

i. have any direct or indirect, controlling or non-controlling interest as an owner—whether of record, beneficial, or otherwise—in any Competitive Business located or operating:

a. at the Restaurant's site; or

b. within ten (10) miles of the Restaurant's site; or

c. within five (5) miles of another ROTI Restaurant in operation or under construction on the later of the effective date of termination or expiration or the date on which the restricted person begins to comply with this Section 19.E,

provided that this restriction does not prohibit ownership of shares of a class of securities publicly-traded on a United States stock exchange and representing less than three percent (3%) of the number of shares of that class of securities issued and outstanding; or

ii. perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business located or operating:

a. at the Restaurant's site; or

b. within ten (10) miles of the Restaurant's site; or

c. within five (5) miles of another ROTI Restaurant in operation or under construction on the later of the effective date of termination or expiration or the date on which the restricted person begins to comply with this Section 19.E.

You, each owner, and your and their Immediate Families will each be bound by these competitive restrictions for two (2) years beginning on the effective date of this Agreement's termination or expiration. However, if a restricted person does not begin to comply with these competitive restrictions immediately, the two (2) year restrictive period for that non-compliant person will not start to run until the date on which that person begins to comply with the competitive restrictions (whether or not due to the entry of a court order enforcing this provision). The running of the two (2) year restrictive period for a restricted person will be suspended whenever that restricted person breaches this Section and will resume when that person resumes compliance. The restrictive period also will be tolled automatically during the pendency of a proceeding in which either party challenges or seeks to enforce these competitive restrictions. These restrictions also apply after transfers and other events, as provided in Section 16 above. You (and your owners) expressly acknowledge that you (and they) possess skills and abilities of a general nature and have other opportunities for exploiting those skills. Consequently, our enforcing the covenants made in this Section 19.E will not deprive you (and them) of personal goodwill or the ability to earn a living.

F. <u>Option to Purchase Operating Assets</u>

i. Exercise of Option

Upon our termination of this Agreement in compliance with its terms, your termination of this Agreement without cause, or expiration of this Agreement (without the grant of a successor franchise), we have the option, exercisable by giving you written notice before or within thirty (30) days after the effective date of termination or expiration, to purchase the Operating Assets and other assets associated with the Restaurant's operation that we designate. We have the unrestricted right to assign this purchase option to a third party (including an affiliate), which then will have the rights and, and if the purchase option is exercised, obligations described in this Section 19.F. (All references in this Section 19.F to "we" or "us" include our assignee if we have exercised our right to assign this purchase option to a third party.) We are entitled to all customary representations, warranties, and indemnities in our asset purchase, including representations and warranties regarding ownership and condition of, and title to, assets; liens and encumbrances on assets; validity of contracts and liabilities affecting the assets, contingent or otherwise; and indemnities for all actions, events, and conditions that existed or occurred in connection with the Restaurant before the closing of our purchase. While we (or our assignee) are deciding whether to exercise the option to purchase, we (or our assignee) have the right to conduct any investigations to determine: (a) the ownership and condition of the Operating Assets; (b) liens and encumbrances on the Operating Assets; (c) environmental and hazardous substances at or upon the Restaurant's site; and (d) the validity of contracts and liabilities inuring to us (or our assignee) or affecting the Assets. You must give us and our representatives access to the Restaurant at all reasonable times to inspect the Operating Assets.

If you or one of your affiliates owns the site at which the Restaurant is located, we (or our assignee) may elect to lease that site from you or the affiliate for an initial five (5) or ten (10) year term (at our option), with one (1) renewal term of five (5) or ten (10) years (again at our option), on commercially reasonable terms. If you lease the Restaurant's site from an unaffiliated lessor, you agree (at our option) to assign the lease to us or to enter into a sublease for the remainder of the lease term on the same terms (including renewal options) as the lease.

ii. Purchase Price

If we elect to purchase all or substantially all of the Operating Assets and other assets associated with the Restaurant's operation, the purchase price for those assets will be their fair market value, although fair market value will not include any value for (a) the franchise or any rights granted by this Agreement, (b) goodwill attributable to our Intellectual Property, or (c) participation in the network of ROTI Restaurants. In all cases, we may exclude from the assets purchased any Operating Assets or other items not reasonably necessary (in function or quality) to the Restaurant's operation or that we have not approved as meeting Brand Standards; the purchase price will reflect those exclusions. We and you must work together in good faith to agree upon the assets' fair market value within fifteen (15) days after we deliver our notice exercising our right to purchase. If we and you cannot agree on fair market value within this fifteen (15) day period, fair market value will be determined by the following appraisal process.

Fair market value will be determined by one (1) independent accredited appraiser upon whom we and you agree who, in conducting the appraisal, will be bound by the criteria specified above. We and you agree to select the appraiser within fifteen (15) days after we deliver our purchase notice (if we and you do not agree on fair market value before then). If we and you cannot agree on a mutually-acceptable appraiser within the fifteen (15) days, we will send you a list of three (3) independent appraisers, and you must within seven (7) days select one (1) of them to be the designated appraiser to determine the purchase price. Otherwise, we have the right to select the appraiser. We and you will share equally the appraiser's fees and expenses. Within thirty (30) days after delivery of notice invoking the appraisal mechanism, we and you each must send the appraiser our and your respective calculations of the purchase price, with such detail and supporting documents as the appraiser requests and according to the criteria specified above. Within fifteen (15) days after receiving both calculations, the appraiser must decide whether our proposed purchase price or your proposed purchase price most accurately reflects the assets' fair market value. The appraiser has no authority to compromise between the two (2) proposed purchase prices; it is authorized only to choose one or the other. The appraiser's choice will be the purchase price and is final.

iii. Closing

We will pay the purchase price at the closing, which will take place not later than thirty (30) days after the purchase price is determined. However, we may decide after the purchase price is determined not to complete the purchase and will have no liability to you for choosing not to do so. We may set off against the purchase price, and reduce the purchase price by, any and all amounts you owe us (or our affiliates). At the closing, you agree to deliver instruments transferring to us: (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us), with all sales and transfer taxes paid by you; (b) all of the Restaurant's licenses and permits that may be assigned; and (c) possessory rights to the Restaurant's site.

If you cannot deliver clear title to all purchased assets, or if there are other unresolved issues, the sale will be closed through an escrow. You and your owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective owners, officers, directors, employees, agents, representatives, successors, and assigns. If we exercise our rights under this Section 19.F, then for two (2) years beginning on the closing date, you and your owners (and members of your and their Immediate Families) will be bound by the non-competition covenants contained in Section 19.E.

You may not under any circumstances sell any of the Restaurant's assets until we have exercised or elected not to exercise our right to purchase those assets, as provided in this Section.

G. Continuing Obligations

All of our and your (and your owners') obligations expressly surviving expiration or termination of this Agreement will continue in full force and effect after and notwithstanding its expiration or termination and until they are satisfied in full.

20. **Relationship of the Parties; Indemnification**

A. Independent Contractors

This Agreement does not create a fiduciary relationship between you and us (or any affiliate of ours). You have no authority, express or implied, to act as an agent for us or our affiliates for any purpose. You are, and will remain, an independent contractor responsible for all obligations and liabilities of, and for all losses or damages to, the Restaurant and its assets, including any personal property, equipment, fixtures, or real property, and for all claims or demands based on damage to or destruction of property or based on injury, illness, or death of any person, resulting directly or indirectly from the Restaurant's operation.

We and you are entering this Agreement with the intent and expectation that we and you are and will be independent contractors. Further, we and you are not and do not intend to be partners, joint venturers, associates, or employees of the other in any way, and we (and our affiliates) will not be construed to be jointly liable for any of your acts or omissions under any circumstances. We (and our affiliates) are not the employer or joint employer of the Restaurant's employees. Your Operating Principal is solely responsible for managing and operating the Restaurant and supervising the Restaurant's employees. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Restaurant personnel, and others as the Restaurant's owner, operator, and manager under a franchise we have granted and to place notices of independent ownership at the Restaurant and on the forms, business cards, stationery, advertising, e-mails, and other materials we require from time to time.

We (and our affiliates) will not exercise direct or indirect control over the working conditions of Restaurant personnel, except to the extent such indirect control is related to our legitimate interest in protecting the quality of our products, services, or brand. We (and our affiliates) do not share or codetermine the employment terms and conditions of the Restaurant's employees and do not affect matters relating to the employment relationship between you and the Restaurant's employees, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. To that end, you must notify Restaurant personnel that you are their employer and that we, as the franchisor of ROTI Restaurants, and our affiliates are not their employer or joint employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. You also must obtain an acknowledgment (in the form we specify or approve) from all Restaurant employees that you (and not we or our affiliates) are their employer.

B. No Liability for Acts of Other Party

We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our relationship with you is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising from the Restaurant's operation or the business you conduct under this Agreement.

C. Taxes

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, employment, or other taxes, whether levied upon you or the Restaurant, due to the business you conduct (except for our own income taxes). You must pay those taxes and reimburse us for any taxes we must pay to any taxing authority on account of either your Restaurant's operation or payments you make to us (except for our own income taxes), plus an administrative fee of fifteen percent (15%).

D. Insurance

During the Term, you must acquire and maintain in force at your sole expense insurance coverage for the Restaurant in the amounts, and covering the risks, we periodically specify in the Operations Manual, including Builder's Risk coverage. We may require some or all of your insurance policies to provide for waiver of subrogation in favor of us and all of our affiliates. Your insurance carriers must be licensed to do business in the state in which the Restaurant is located and be rated A- or higher by A.M. Best and Company, Inc. (or such similar criteria we periodically specify). Insurance policies must be in effect before you begin constructing the Restaurant. We may periodically increase the amounts of coverage required under those insurance policies and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in Law or standards of liability, higher damage awards, or relevant changes in circumstances. Insurance policies must name us and all of our affiliates as additional insureds and provide for ten (10) days' prior written notice to us of any policy's material modification, cancellation, or non-renewal and notice to us of any non-payment. You must periodically, including before the Restaurant opens for business, send us a valid certificate of insurance or duplicate insurance policy evidencing the coverage specified above and the payment of premiums. We may require you to use our designated insurance broker to facilitate your compliance with these insurance requirements. We have the right to obtain insurance coverage for the Restaurant at your expense if you fail to do so, in which case you must reimburse our actual out-of-pocket costs plus an administrative fee of fifteen percent (15%). We also have the right to defend claims in our sole discretion.

E. Indemnification

(1) Indemnification Obligation. You must defend, indemnify, and hold harmless us and our affiliates, our and their permitted successors and assigns, and each of our and their respective direct and

indirect owners, directors, officers, managers, employees, agents, attorneys, and representatives (collectively, the "**Indemnified Parties**") from and against all Losses (defined below) which any of the Indemnified Parties may suffer, sustain, or incur as a result of a claim asserted or inquiry made formally or informally, or a legal action, investigation, or other proceeding brought, by a third party and directly or indirectly arising out of or relating to: (a) the Restaurant's operation; (b) the business you conduct under this Agreement; (c) your breach of this Agreement; (d) your noncompliance or alleged noncompliance with any Law; or (e) any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees. "**Losses**" includes all obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that any Indemnified Party incurs. Defense costs include arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

(2) Indemnification Procedure. We will promptly notify you of any claim that may give rise to a claim of indemnity under this Section 20.E, provided, however, that the failure to provide such notice will not release you from your indemnification obligations under this Section 20.E, except to the extent you are actually and materially prejudiced by such failure. You have the right, upon written notice delivered to the Indemnified Party within fifteen (15) days thereafter assuming full responsibility for Losses resulting from such claim, to assume and control the defense of such claim, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of the fees and disbursements of such counsel. If (a) the Indemnified Party has been advised by counsel that there are one or more legal or equitable defenses available to it that are different from or in addition to those available to you, and, in the reasonable opinion of the Indemnified Party, the counsel that you have selected could not adequately represent the interests of the Indemnified Party because such interests could be in conflict with your interests, (b) you do not assume responsibility for such Losses in a timely manner, (c) the claim involves any elements of our and our affiliates' Intellectual Property, or (d) you fail to defend a claim with counsel reasonably satisfactory to the Indemnified Party as contemplated above, then the Indemnified Party will have the right to assume the defense of any claims and employ counsel of its own choosing, and you must pay the reasonable fees and disbursements of such Indemnified Party's counsel as incurred; provided that in any case, you will not be obligated to pay the expenses of more than one separate counsel for all Indemnified Parties taken together. In connection with any claim, the Indemnified Party or you, whichever is not assuming the defense of such claim, has the right to participate in such claim and to retain its own counsel at such party's own expense.

(3) Cooperation and Settlement. You or the Indemnified Party (as the case may be) must keep you or the Indemnified Party (as the case may be) reasonably apprised of, and respond to any reasonable requests concerning, the status of the defense of any claim which it is maintaining and cooperate in good faith with each other with respect to the defense of any such claim. You may not, without the prior written consent of the Indemnified Parties, (a) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Indemnified Parties, or (b) settle or compromise any claim in any manner that may adversely affect the Indemnified Parties other than as a result of money damages or other monetary payments which will be paid by you. No claim which is being defended in good faith by you in accordance with the terms of this Section 20.E may be settled by the Indemnified Parties without your prior written consent.

(4) Willful Misconduct or Gross Negligence. You have no obligation to indemnify or hold harmless an Indemnified Party for, and we will reimburse you for, any Losses to the extent they are

determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party's gross negligence, willful misconduct, or willful wrongful omissions. However, nothing in this Section 20.E(4) limits your obligation to defend us and the other Indemnified Parties under Section 20.E(1) (Indemnification Obligation).

(5) Survival and Recovery. Your obligations in this Section 20.E will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you under this Section 20.E. You agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 20.E.

21. **Enforcement**

A. Severability

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable. If, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future Law in a final, unappealable ruling issued by any court, arbitrator, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties. If any covenant restricting competitive activity is deemed unenforceable due to its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be reformed to the extent necessary to be reasonable and enforceable, and then enforced to the fullest extent permissible, under the Laws and public policies applied in the jurisdiction whose Laws determine the covenant's validity.

If any applicable and binding Law requires more notice than this Agreement requires of the termination of this Agreement or of our refusal to grant a successor franchise, or if under any applicable and binding Law any provision of this Agreement, including any Brand Standard, is invalid, unenforceable, or unlawful, the notice and/or other action required by the Law will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or Brand Standard to the extent required to be valid and enforceable or delete the unlawful provision entirely. You agree to be bound by any promise or covenant imposing the maximum duty the Law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

B. Waiver of Obligations and Force Majeure

We and you may in writing unilaterally waive or reduce any contractual obligation or restriction upon the other, effective upon delivery of written notice to the other or another effective date stated in the waiver notice. However, no interpretation, change, termination, or waiver of any provision of this Agreement will bind us unless in writing, signed by one of our officers, and specifically identified as an amendment to this Agreement. No modification, waiver, termination, discharge, or cancellation of this Agreement affects the right of any party to this Agreement to enforce any claim or right under this Agreement, whether or not liquidated, which occurred before the date of such modification, waiver, termination, discharge, or cancellation. Any waiver granted is without prejudice to any other rights we or you have, is subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand your strict compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before the Term expires) because of any custom or practice varying from this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including your compliance with any Brand Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other ROTI Restaurants; the existence of franchise agreements for other ROTI Restaurants containing provisions differing from those contained in this Agreement; or our acceptance of any payments from you after any breach of this Agreement. No special or restrictive legend or endorsement on any payment or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We may remove any legend or endorsement, which will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform obligations results from: (i) acts of God; (ii) fires, strikes, embargoes, war, terrorist acts or similar events, or riot; (iii) compliance with the orders, requests, or regulations of any federal, state, or municipal government; (iv) epidemic, pandemic, or mass casualty event; or (v) any other similar event or cause. Any delay resulting from these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable. However, these causes will not excuse payment of amounts owed at the time of the occurrence or payment of Royalties, Brand Fund contributions, Tech Fees, and other amounts due afterward. Under no circumstances do any financing delays, difficulties, or shortages excuse your failure to perform or delay in performing your obligations under this Agreement.

C. Costs and Attorneys' Fees

If we incur costs and expenses (internal or external) to enforce our rights or your obligations under this Agreement because you have failed to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree to reimburse all costs and expenses we incur, including, without limitation, reasonable accounting, attorneys', arbitrators', and related fees. Your obligation to reimburse us arises whether or not we begin a formal legal proceeding against you to enforce this Agreement. If we do begin a formal legal proceeding against you, the reimbursement obligation applies to all costs and expenses we incur preparing for, commencing, and prosecuting the legal proceeding and until the proceeding has completely ended (including appeals and settlements).

D. You May Not Withhold Payments

You may not withhold payment of any amounts owed to us or our affiliates due to our alleged nonperformance of our obligations under this Agreement or for any other reason. You specifically waive any right you have at Law or in equity to offset any monies you owe us or our affiliates or to fail or refuse to perform any of your obligations under this Agreement.

E. Rights of Parties Are Cumulative

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy that we or you are entitled by Law to enforce.

F. Arbitration

All controversies, disputes, or claims between us (and our affiliates and our and their respective owners, officers, directors, agents, and employees, as applicable) and you (and your affiliates and your and their respective owners, officers, and directors, as applicable) arising out of or related to:

i. this Agreement or any other agreement between you (or your owner) and us (or our affiliate) relating to the Restaurant or any provision of any such agreements; ii. our relationship with you;

ii. the validity of this Agreement or any other agreement between you (or your owner) and us (or our affiliate) relating to the Restaurant, or any provision of any such agreements, and the validity and scope of the arbitration obligation under this Section; or

iii. any Brand Standard,

must be submitted for arbitration to the American Arbitration Association. Except as otherwise provided in this Agreement, such arbitration proceedings will be heard by one (1) arbitrator in accordance with the then-existing Commercial Arbitration Rules of the American Arbitration Association. All proceedings requiring a physical presence, including the hearing, will be conducted at a suitable location that is within ten (10) miles of where we have our (or, in the case of a transfer by us, the then-current franchisor has its) principal business address when the arbitration demand is filed. The arbitrator will have no authority to select a different hearing locale other than as described in the prior sentence. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 *et seq*.) will be governed by it and not by any state arbitration law.

The arbitrator has the right to award any relief he or she deems proper in the circumstances, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs (in accordance with 21.C above), provided that: (i) the arbitrator has no authority to declare any Mark generic or otherwise invalid; and (ii) subject to the exceptions in Section 21.I, we and you waive to the fullest extent the Law permits any right to or claim for any punitive, exemplary, treble, and other forms of multiple damages against the other. The arbitrator's award and decision will be conclusive and bind all parties covered by this Section, and judgment upon the award may be entered in a court specified or permitted in Section 21.H below.

We and you will be bound by any limitation under this Agreement or applicable Law, whichever expires first, on the timeframe in which claims must be brought. We and you further agree that, in connection with any arbitration proceeding, each must submit or file any claim constituting a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim not submitted or filed in the proceeding will be barred. The arbitrator may not consider any settlement discussions or offers either you or we made. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for the arbitration proceeding to take place and by doing so do not waive or relinquish our right to seek recovery of those costs in accordance with Section 21.C above.

We and you agree that arbitration will be conducted on an individual basis and not in a class, consolidated, or representative action, that only we (and our affiliates and our and their respective owners, officers, directors, agents, and employees, as applicable) and you (and your affiliates and your and their respective owners, officers, and directors, as applicable) may be the parties to any arbitration proceeding described in this Section, and that no such arbitration proceeding may be consolidated or joined with another arbitration proceeding involving us and/or any other person. Despite the foregoing or anything to the contrary in this Section or Section 21.A, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 21.F, then we and you agree that this arbitration clause will not apply to that dispute, and such dispute will be resolved in a judicial proceeding in accordance with this Section 21 (excluding this Section 21.F).

This Section's provisions are intended to benefit and bind certain third-party non-signatories and will continue in full force and effect after and notwithstanding expiration or termination of this Agreement.

Despite your and our agreement to arbitrate, each has the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction, provided, however, each must contemporaneously submit its dispute for arbitration on the merits as provided in this Section.

G. Governing Law

Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 *et seq.*), or other federal Law, all controversies, disputes, or claims arising from or relating to:

i. this Agreement or any other agreement between you (or your owners) and

ii. us (or our affiliates) relating to the Restaurant;

iii. our relationship with you;

iv. the validity of this Agreement or any other agreement between you (or your owners) and us (or our affiliate) relating to the Restaurant; or

v. any Brand Standard,

will be governed by the Laws of the State of Georgia, without regard to its conflict of laws rules. However, the provisions of any Georgia Law regulating the offer or sale of franchises, business opportunities, or similar interests, or governing the relationship between a franchisor and a franchisee or any similar relationship, will not apply to the matters in clauses (i) through (iv) above under any circumstances unless their jurisdictional requirements and definitional elements are met independently, without reference to this Section 21.G, and no exemption to their application exists.

H. Consent to Jurisdiction

Subject to the arbitration obligations in Section 21.F, you and your owners agree that all judicial actions brought by us against you or your owners, or by you or your owners against us, our affiliates, or our or their respective owners, officers, directors, agents, or employees, relating to this Agreement or the Restaurant must be brought exclusively in the state or federal court of general jurisdiction located closest to where we have our (or, in the case of a transfer by us, the then-current franchisor has its) principal business address when the action is commenced. You and each of your owners irrevocably submit to the jurisdiction of such courts and waive any objection you or they might have to either jurisdiction or venue. Despite the foregoing, we may bring an action seeking a temporary restraining order or temporary or preliminary injunctive relief, or to enforce an arbitration award, in any federal or state court in the state in which you reside or the Restaurant is located.

I. Waiver of Punitive and Exemplary Damages

EXCEPT FOR YOUR INDEMNIFICATION OBLIGATIONS UNDER SECTION 20.E AND CLAIMS BASED ON YOUR UNAUTHORIZED USE OR DISCLOSURE OF OUR AND OUR AFFILIATES' INTELLECTUAL PROPERTY, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT THE LAW PERMITS ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, TREBLE, AND OTHER FORMS OF MULTIPLE DAMAGES AGAINST THE OTHER AND AGREE THAT, IF THERE IS A DISPUTE BETWEEN US AND YOU (AND/OR YOUR OWNERS), THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES HE, SHE, OR IT SUSTAINS.

J. Waiver of Jury Trial

SUBJECT TO THE ARBITRATION OBLIGATIONS IN SECTION 21.F, WE AND YOU (AND YOUR OWNERS) IRREVOCABLY WAIVE (1) TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER US OR YOU (OR YOUR OWNERS), AND (2) ANY RIGHT TO BRING ANY CLAIMS ON A CLASS-WIDE OR GROUP, REPRESENTATIVE, CONSOLIDATED, JOINT, OR COLLECTIVE BASIS. WE AND YOU (AND YOUR OWNERS) ACKNOWLEDGE THAT WE AND YOU (AND THEY) MAKE THESE WAIVERS KNOWINGLY, VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERING THIS WAIVER'S RAMIFICATIONS.

K. Binding Effect

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors-in-interest. Subject to our right to modify the Operations Manual and Brand Standards, this Agreement may not be modified except by a written agreement signed by both you and us that is specifically identified as an amendment to this Agreement.

L. Limitations of Claims

EXCEPT FOR (1) CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US FOR ROYALTY FEES, TECH FEES, BRAND FUND CONTRIBUTIONS, AND ANY OTHER AMOUNTS THAT WOULD ACCRUE FOR A ROTI RESTAURANT OPERATING UNDER THIS AGREEMENT, (2) OUR (AND CERTAIN OF OUR RELATED PARTIES') RIGHT TO SEEK INDEMNIFICATION FROM YOU FOR THIRD-PARTY CLAIMS AS PROVIDED IN THIS AGREEMENT, AND (3) OUR RIGHTS IF YOU FAIL TO COMPLY WITH YOUR OBLIGATIONS UNDER A DEVELOPMENT RIGHTS AGREEMENT (IF APPLICABLE), ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP BETWEEN US AND YOU WILL BE BARRED

UNLESS AN ARBITRATION OR JUDICIAL PROCEEDING, AS PERMITTED, IS COMMENCED IN THE APPROPRIATE FORUM WITHIN TWO (2) YEARS FROM THE DATE ON WHICH THE VIOLATION, ACT, OR CONDUCT GIVING RISE TO THE CLAIM OCCURS, REGARDLESS OF WHEN THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM.

M. Construction

The preambles and exhibits are part of this Agreement, which, together with any riders or addenda signed at the same time as this Agreement and together with the Operations Manual and Brand Standards, constitutes our and your entire agreement and supersedes all prior and contemporaneous oral or written agreements and understandings between us and you relating to this Agreement's subject matter. There are no other oral or written representations, warranties, understandings, or agreements between us and you relating to this Agreement's subject matter. Notwithstanding the foregoing, nothing in this Agreement disclaims or requires you to waive reliance on any representation we made in the most recent franchise disclosure document (including its exhibits and amendments) we delivered to you or your representative. Any policies we adopt and implement from time to time to guide our decision-making are subject to change, are not a part of this Agreement, and do not bind us. Except as provided in Sections 20.E and 21.F, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

We and you have negotiated this Agreement's terms and agree that neither may claim the existence of an implied covenant of good faith and fair dealing to contravene or limit any express written term or provision of this Agreement.

Headings of sections and paragraphs in this Agreement are for convenience only and do not define, limit, or construe the contents of those sections or paragraphs.

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all your obligations to us under this Agreement, include any of our affiliates with whom you deal. "**Affiliate**" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. "**Control**" means the power to direct or cause the direction of management and policies. If two or more persons are at any time the owners of your rights under this Agreement and/or the Restaurant, whether as partners or joint venturers, their representations, warranties, obligations, and liabilities to us will be joint and several. "**Owner**" means any person holding a direct or indirect ownership interest (whether of record, beneficial, or otherwise) or voting rights in you (or your owner or a transferee of this Agreement and the Restaurant or any interest in you), including any person who has a direct or indirect interest in you (or your owner or a transferee), this Agreement, or the Restaurant or any other direct or indirect legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

References to a "**controlling ownership interest**" in you or one of your owners (if an Entity) mean the percent of voting shares or other voting rights resulting from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, whether a "controlling ownership interest" is involved must be determined both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).

"**Person**" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. Unless otherwise specified, all references to a number of days mean calendar days and not business days.

The term "**Restaurant**" includes all assets of the ROTI Restaurant you operate under this Agreement, including its physical structure and revenue and income. "**Include**," "**including**," and words of similar import will be interpreted to mean "including, but not limited to" and "including, without limitation," and the terms following such words will be interpreted as examples, and not an exhaustive list, of the appropriate subject matter.

This Agreement will become valid and enforceable only upon its full execution by you and us, although we and you need not be signatories to the same original, facsimile, or electronically-transmitted counterpart of this Agreement. A scanned copy of an originally-signed signature page that is sent as a .pdf by email, or a signature page bearing an electronically/digitally captured signature and transmitted electronically, will be deemed an original.

N. The Exercise of Our Business Judgment

Because complete and detailed uniformity under many varying conditions might not be possible or practical, we specifically reserve the right and privilege, as we deem best according to our business judgment, to vary Brand Standards or other aspects of the Franchise System for any franchisee. You have no right to require us to grant you a similar variation or accommodation.

We have the right to develop, operate, and change the Franchise System in any manner this Agreement does not specifically prohibit. Whenever this Agreement reserves our right to take or withhold an action, or to grant or decline to grant you the right to take or omit an action, we may, except as this Agreement specifically provides, make our decision or exercise our rights based on information then available to us and our judgment of what is best for us, ROTI Restaurant franchisees generally, or the Franchise System when we make our decision, whether or not we could have made other reasonable or even arguably preferable alternative decisions and whether or not our decision promotes our financial or other individual interest.

O. No Affiliate Liability

You acknowledge and agree that none of our past, present, or future directors, officers, employees, incorporators, members, partners, stockholders, subsidiaries, affiliates, controlling parties, entities under common control, ownership, or management, vendors, service providers, agents, attorneys, or representatives will have any liability for (i) any of our obligations or liabilities relating to or arising from this Agreement, (ii) any claim against us based on, in respect of, or by reason of the relationship between you and us, or (iii) any claim against us based on any of our alleged unlawful acts or omissions.

22. **Compliance with Anti-Terrorism Laws**

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any Anti-Terrorism Law. "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States and all other present and future Laws, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, constitutes good cause for immediate termination of this Agreement, as provided in Section 18 above.

23. **Notices and Payments**

All acceptances, approvals, requests, notices, and reports required or permitted under this Agreement will not be effective unless in writing and delivered to the party entitled to receive them in accordance with this Section 23. All such acceptances, approvals, requests, notices, and reports will be deemed delivered at the time delivered by hand; or one (1) business day after deposit with a nationally-recognized commercial courier service for next business day delivery; or three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and must be addressed to the party to be notified at its most current principal business address of which the notifying party has been notified and/or, with respect to any approvals and notices we send you or your owners, at the Restaurant's address. Payments and certain information and reports you must send us under this Agreement will be deemed delivered on any of the applicable dates described above or, if earlier, when we actually receive them electronically (all payments, information, and reports must be received on or before their due dates in the form and manner specified in this Agreement). As of the Effective Date of this Agreement, notices should be addressed to the following addresses unless and until a different address has been designated by written notice to the other party:

To us:	Roti Modern Franchising, LLC 980 Hammond Drive, Suite 1000 Atlanta, Georgia 30328 Attn: President
Notices to you and your owners:	__________________________________ __________________________________ __________________________________

24. **Electronic Mail**

You acknowledge and agree that exchanging information with us by e-mail is efficient and desirable for day-to-day communications and that we and you may utilize e-mail for such communications. You authorize e-mail transmission to you during the Term by us and our employees, vendors, and affiliates ("**Official Senders**"). You further agree that: (i) Official Senders are authorized to send e-mails to your supervisory employees whom you occasionally authorize to communicate with us; (ii) you will cause your officers, directors, and supervisory employees to consent to Official Senders' transmission of e-mails to them; (iii) you will require such persons not to opt out of or otherwise ask to no longer receive e-mails from Official Senders while such persons work for or are associated with you; and (iv) you will not opt out of or otherwise ask to no longer receive e-mails from Official Senders during the Term. The consent given in this Section 24 will not apply to the provision of formal notices by either party under Section 23 of this Agreement using e-mail unless the parties otherwise agree in a written document manually signed by both parties.

25. **No Waiver or Disclaimer of Reliance in Certain States**

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement, to be effective as of the date set forth next to our signature below.

ROTI MODERN FRANCHISING LLC, a Delaware limited liability company	FRANCHISEE
	______________________________
By:______________________________	a ______________________________
Title:______________________________	By:______________________________
Date:______________________________**	Title:______________________________
** Effective Date	Date:______________________________

EXHIBIT A
TO THE ROTI MODERN FRANCHISING LLC FRANCHISE AGREEMENT

BASIC TERMS

1. The non-exclusive Site Selection Area is described as follows: ________________ ____ (see attached map, if applicable). The Site Selection Area is simply the geographical area within which you have the right to look for the Restaurant's site. It will not determine the size or description of the Area of Protection.

2. The Restaurant's physical address is ___________________________________. If you have not found and secured the Restaurant's site as of the Effective Date, we and you will identify the Restaurant's physical address in the blank above after you find and secure the site.

3. The Restaurant's Area of Protection is described as follows: __________________ ____ _____________________________ (see attached map, if applicable). If you have not found and secured the Restaurant's site as of the Effective Date, we and you will define the Area of Protection in the blank above (and, if applicable, on the attached map) after you find and secure the site. If there is a conflict between the narrative description above and the attached map, the narrative description will control. (We may modify the Area of Protection during the Franchise Agreement term if the Restaurant relocates.)

ROTI MODERN FRANCHISING LLC, a Delaware limited liability company	FRANCHISEE
	____
By:____________________________________	a ______________________________________
Title:__________________________________	By:_____________________________________
Date:__________________________________	Title:___________________________________
	Date:___________________________________

EXHIBIT B-1
TO THE ROTI MODERN FRANCHISING LLC FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this ____ ___________________, 20__, by ___________________________________.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "**Agreement**") on this date by **ROTI MODERN FRANCHISING LLC**, a Delaware limited liability company ("**Franchisor**"), each of the undersigned personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including, without limitation, any extensions of its term) and afterward as provided in the Agreement, that ____ ("**Franchisee**") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including, without limitation, any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including, without limitation, any amendments or modifications of the Agreement), including (i) monetary obligations, (ii) obligations to take or refrain from taking specific actions and to engage or refrain from engaging in specific activities, including, but not limited to, the non-competition, confidentiality, and transfer requirements, and (iii) the enforcement and other provisions in Sections 21, 22, and 23 of the Agreement, including the arbitration provision.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee or another person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence Franchisor may from time to time grant to Franchisee or to another person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims (including, without limitation, any release of other guarantors), none of which will in any way modify or amend this Guaranty, which will continue and be irrevocable during the term of the Agreement (including, without limitation, any extensions of its term) and afterward for so long as any performance is or might be owed under the Agreement by Franchisee or any of its owners and for so long as Franchisor has any cause of action against Franchisee or any of its owners; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; and (6) any Franchisee indebtedness to the undersigned, for whatever reason, whether currently existing or hereafter arising, will at all times be inferior and subordinate to any indebtedness owed by Franchisee to Franchisor or its affiliates.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of the undersigned will be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Franchisor; (ii) acceptance and notice of acceptance by Franchisor of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he or she may be entitled; and (iii) all rights to assert or plead any statute of limitations or other limitations period as to or relating to this Guaranty. The undersigned expressly acknowledges that the obligations under this Guaranty survive expiration or termination of the Agreement.

If Franchisor seeks to enforce this Guaranty in an arbitration, judicial, or other proceeding and prevails in that proceeding, Franchisor is entitled to recover its reasonable costs and expenses (including, but not limited to, attorneys' fees, arbitrators' fees, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and travel and living expenses) incurred in connection with the proceeding. If Franchisor is required to engage legal counsel in connection with the undersigned's failure to comply with this Guaranty, the undersigned must reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs, even if Franchisor does not commence a judicial or arbitration proceeding.

Subject to the arbitration obligations set forth in the Agreement and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between Franchisor and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor has its principal business address when the action is commenced, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that Franchisor may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

FRANCHISOR AND THE UNDERSIGNED IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY OF THEM. EACH ACKNOWLEDGES THAT THEY MAKE THIS WAIVER KNOWINGLY, VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERATION OF THIS WAIVER'S RAMIFICATIONS.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	PERCENTAGE OF OWNERSHIP IN FRANCHISEE
______________________________	______________________________%
______________________________	______________________________%
______________________________	______________________________%

EXHIBIT B-2
TO THE ROTI MODERN FRANCHISING LLC FRANCHISE AGREEMENT

OWNER'S UNDERTAKING OF NON-MONETARY OBLIGATIONS

THIS OWNER'S UNDERTAKING OF NON-MONETARY OBLIGATIONS is given this ___________________________, 20__, by ____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "**Agreement**") on this date by **ROTI MODERN FRANCHISING LLC**, a Delaware limited liability company ("**Franchisor**"), with __________________________________, a ____________________________ ("**Franchisee**"), each of the undersigned unconditionally agrees (a) to be personally bound by, and personally liable for his or her own breach of, Sections 3.F, 6.H, 7.B, 7.D, 7.G, 8, 9, 10, 11, 12, 13.F, 16, 17, 19.B, 19.C, 19.E, 19.F, 20.B, 22, 23, and 24 of the Agreement, and (b) to be personally bound by Sections 2, 21.A, 21.B, 21.C (but only with respect to his or her own breaches of the Sections referenced in clause (a) above), 21.F, 21.G, 21.H, 21.I, 21.J, 21.K, 21.L, and 21.M of the Agreement. None of the undersigned will be responsible for any of Franchisee's payment obligations under the Agreement.

The undersigned consents and agrees that this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee or another person and will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence Franchisor may from time to time grant to Franchisee or to another person, including, without limitation, the acceptance of any partial performance or the compromise or release of any claims, none of which will in any way modify or amend this Undertaking, which will continue and be irrevocable during the term of the Agreement (including, without limitation, any extensions of its term) and afterward for so long as any performance is or might be owed under the Agreement by Franchisee or its owners and for so long as Franchisor has any cause of action against Franchisee or any of its owners. This Undertaking will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Undertaking, for the express purpose that none of the undersigned will be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Franchisor; (ii) acceptance and notice of acceptance by Franchisor of his or her undertakings under this Undertaking, notice of non-performance of any obligations hereby assumed, protest and notice of default to any party with respect to the nonperformance of any obligations hereby assumed, and any other notices and legal or equitable defenses to which he or she may be entitled; and (iii) all rights to assert or plead any statute of limitations or other limitations period as to or relating to this Undertaking. The undersigned expressly acknowledges that the obligations under this Undertaking survive expiration or termination of the Agreement.

If Franchisor seeks to enforce this Undertaking in an arbitration, judicial, or other proceeding and prevails in that proceeding, Franchisor is entitled to recover its reasonable costs and expenses (including, but not limited to, attorneys' fees, arbitrators' fees, expert witness fees, costs of investigation and proof of facts, court costs, other arbitration or litigation expenses, and travel and living expenses) incurred in connection with the proceeding. If Franchisor is required to engage legal counsel in connection with the undersigned's failure to comply with this Undertaking, the undersigned must reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs, even if Franchisor does not commence a judicial or arbitration proceeding.

Subject to the arbitration obligations set forth in the Agreement and the provisions below, each of the undersigned agrees that all actions arising under this Undertaking or the Agreement, or otherwise as a result of the relationship between Franchisor and the undersigned, must be brought exclusively in the state or federal court of general jurisdiction in the state, and in (or closest to) the city, where Franchisor has its principal business address when the action is commenced, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that Franchisor may enforce this Undertaking and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

FRANCHISOR AND THE UNDERSIGNED IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY ANY OF THEM. EACH ACKNOWLEDGES THAT THEY MAKE THIS WAIVER KNOWINGLY, VOLUNTARILY, WITHOUT DURESS, AND ONLY AFTER CONSIDERATION OF THIS WAIVER'S RAMIFICATIONS.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

____
[Name]

____
[Signature]

____
Date

____
[Name]

____
[Signature]

____
Date

EXHIBIT C
TO THE ROTI MODERN FRANCHISING LLC FRANCHISE AGREEMENT

FRANCHISEE AND ITS OWNERS

Effective Date: This Exhibit C is current and complete as of ______________________, 20__

Franchisee was incorporated or formed on ___________________, 20__, under the laws of the State of __________________. Franchisee has not conducted business under any name other than Franchisee's corporate, limited liability company, or partnership name and (if applicable) ______________________. The following is a list of Franchisee's directors or managers (if applicable) and officers as of the effective date shown above:

Name	Position(s) Held
________________________	________________________
________________________	________________________
________________________	________________________
________________________	________________________
________________________	________________________

Owners. The following list includes the full name of each individual or entity that is one of Franchisee's direct or indirect owners and fully describes the nature of each owner's interest. If one or more of Franchisee's owners are entities, please identify each such entity as well as the direct and indirect owners of such entity (attach additional pages if necessary to reflect the complete ownership chain).

Owner's Name	Description of Interest
________________________	________________________
________________________	________________________
________________________	________________________
________________________	________________________
________________________	________________________

Operating Principal. Franchisee's Operating Principal is _________________________. His or her contact information for notice is ____.

Operating Partner. Franchisee's Operating Partner is ____________________________. His or her contact information for notice is ____.

ROTI MODERN FRANCHISING LLC, a Delaware limited liability company	FRANCHISEE
By:______________________________________	By:______________________________________
Title:____________________________________	Title:____________________________________
Date:____________________________________	Date:____________________________________

EXHIBIT D
TO THE ROTI MODERN FRANCHISING LLC FRANCHISE AGREEMENT

FORM OF LEASE RIDER[1]

This Lease Rider (this "Rider"), dated __________________, 202__, is entered into between ______________________, a(n) ______________________ ("Landlord"), and ______________________, a(n) ______________________ ("Tenant").

RECITALS

A. The parties have entered into a _____________, dated ___________, 202__, (the "Lease") for the premises located at _______________________________________ (the "Premises").

B. Tenant has agreed to use the Premises only for the operation of a restaurant from the Premises pursuant to a Franchise Agreement, as may be amended from time to time (the "Franchise Agreement") with Roti Modern Franchising LLC ("Franchisor") under the name Roti Modern® or other name Franchisor designates (the "ROTI Modern® Restaurant").

C. The parties desire to modify the Lease in accordance with the terms and conditions contained in this Rider.

AGREEMENT

1. Use. During the term of the Franchise Agreement, Tenant will use the Premises only to operate a ROTI Modern® Restaurant.

2. Remodeling and Decor. Landlord agrees to allow Tenant to remodel, equip and paint the interior of the Premises and to display such proprietary marks and signs on the interior and exterior of the Premises pursuant to the Franchise Agreement and any successor Franchise Agreement under which Tenant may operate the ROTI Modern® Restaurant on the Premises; provided, however, that Tenant shall make no structural changes to the Premises without Landlord's consent.

3. Notices. Landlord will send to Franchisor copies of all default notices, and all notices of Landlord's intent to terminate the Lease (or any rights of Tenant under the Lease) or evict Tenant from the Premises, simultaneously with sending such notices to Tenant. Such copies must be sent via personal delivery or overnight courier to:

Roti Modern Franchising LLC
980 Hammond Drive, Suite 1000
Atlanta, Georgia 30328
Attn: President, Chief Stores Officer

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address.

[1] This Rider must be added to the lease for the restaurant you will operate under the "ROTI MODERN®" brand. Please send us a copy of the signed lease and any riders or addenda thereto.

3. Assignment and Subletting.

(a) Tenant shall not assign or sublet the Lease to any third party without Franchisor's prior written approval.

(b) Tenant may assign or sublet the Lease to Franchisor, Franchisor's affiliate or any Approved Franchisee (as hereafter defined) at any time during the term of the Lease, including any extensions or renewals, without first obtaining Landlord's consent. Landlord will not impose or assess any assignment or subletting fee or similar payment or accelerate rental payments under the Lease in connection with such assignment or sublet. If the assignment or sublet is to Franchisor, it will not be effective until Franchisor or its affiliate gives Landlord written notice of its acceptance of such assignment or sublet.

(c) If Franchisor elects to assume the Lease under the terms of this Rider, (i) Tenant will remain solely liable for its obligations under the Lease prior to the date of assignment and assumption, including amounts owed to the Landlord and will remain liable for its continuing obligations under the Lease unless and until released from those obligations by Landlord and (ii) Franchisor will have the right to assign or sublet the Premises to an Approved Franchisee, whereupon (x) Franchisor shall automatically be released of its obligations under the Lease and (y) the Approved Franchisee will be responsible for its obligations under the Lease incurred after the effective date of the assignment. An "Approved Franchisee" means a third-party that meets Franchisor's then-existing criteria for qualifying as a ROTI Modern franchisee (the "Franchisee Criteria"). As of the date hereof, the Franchisee Criteria are as follows: a minimum net worth of $1,800,000, calculated as the excess of its total assets (excluding goodwill and intangibles) over its total liabilities, as determined in accordance with sound accounting principles, consistently applied, of which $600,000 must be cash or cash equivalents.

4. Franchisor's Access and Cure Rights.

(a) Franchisor or its affiliates may enter the Premises pursuant to the Franchise Agreement to make any modifications or alterations necessary to protect its proprietary marks, signs, décor and materials displaying any marks, designs or logos owned by Franchisor or to cure any default under the Lease or Franchise Agreement at any time and without prior notice to Landlord.

(b) Franchisor will have an additional fifteen (15) days from the expiration of Tenant's cure period in which to cure a Tenant violation.

5. Lease Modifications. Tenant will not renew or extend the term of the Lease or modify the Lease in any manner without Franchisor's prior written approval.

6. Default and Notice. Upon the occurrence of any of the following:

(a) a default by Tenant under the Lease (whether or not Landlord intends to terminate the Lease due to such default), the Franchise Agreement or any document or instrument securing or relating to the Franchise Agreement; or

(b) the termination of the Franchise Agreement before its term expires by Franchisor or by Tenant for any reason, other than an uncured default by Franchisor, Franchisor will have the right (but not the obligation), exercisable upon delivery of written notice to Tenant and Landlord, to compel an assignment or sublet of the Lease, and all of Tenant's rights under the Lease, to Franchisor, its affiliate or an Approved Franchisee, at Franchisor's option. If Franchisor (or its assignee or sublessee) exercises the rights under this Paragraph 6, Tenant will have no further right, title, or interest under the Lease or to the Premises, but will remain liable to Landlord for all rents, charges, and other obligations under the Lease accruing before the date upon which Franchisor, its affiliate or an Approved Franchisee assumes possession of the Premises.

7. Lease Expiration or Termination. Upon the expiration or earlier termination of the Lease, Landlord agrees to cooperate and allow Franchisor to enter the Premises, no later than thirty (30) days after said expiration or termination and without cost and without being guilty of trespass and without incurring any liability to Landlord, to remove all signs, awnings, and all other nonbuilding items identifying the Premises as a ROTI Modern® Restaurant and to make such other modifications as are reasonably necessary to distinguish the Premises from ROTI Modern® Restaurants. In the event Franchisor exercises its option to purchase assets of Tenant, Landlord agrees to permit Franchisor to remove all such assets being purchased by Franchisor; provided, however, in no event may Franchisor remove any of the following from the Premises: (a) the building, (b) the heating, air conditioning, ventilating, mechanical, electrical, lighting, wiring, plumbing, sewer, sprinkler, cooking exhaust hoods, ducts, ventilators and fans and fire extinguishing equipment, fixtures and systems in, on, at, attached to and/or about such building and/or the Land or (c) the flooring and carpeting in such building.

8. Consideration; No Liability.

(a) Landlord acknowledges that the provisions of this Rider are required pursuant to the Franchise Agreement and that Tenant may not lease the Premises without this Rider.

(b) Landlord acknowledges that Tenant is not an agent or employee of Franchisor and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any affiliate of Franchisor and that Landlord has entered into this Rider with full understanding that it creates no duties, obligations or liabilities of or against Franchisor or any affiliate of Franchisor.

(c) Nothing contained in this Rider makes Franchisor or its affiliates a party or guarantor to the Lease, and does not create any liability or obligation of Franchisor or its affiliates.

9. Miscellaneous.

(a) This Rider shall be binding on the parties and their successors and permitted assigns.

(b) To the extent of any conflict between the terms of the Lease and the terms of this Rider, the terms of this Rider shall control.

(c) This Rider may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties agree that the use of facsimile or PDF signatures for the negotiation and execution of this Rider shall be legal and binding and shall have the same full force and effect as if originally signed.

10. Third-Party Beneficiary. Franchisor (and its successors) is an intended third-party beneficiary with respect to the terms set.

LANDLORD	TENANT
______________________________	______________________________
By:____________________________	By:____________________________
Title:__________________________	Title:__________________________
Date:__________________________	Date:__________________________

EXHIBIT E
TO THE ROTI MODERN FRANCHISING LLC FRANCHISE AGREEMENT

SAMPLE FORM OF CONFIDENTIALITY AGREEMENT

In consideration of my employment or contract with and/or interest in ___________________ (the "**Franchisee**") and the salary, honorariums, wages, and/or fees paid to me, I acknowledge that **ROTI MODERN FRANCHISING LLC**, a Delaware limited liability company having its principal place of business at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328 ("**ROTI Modern**"), has imposed the following conditions on the Franchisee, any owner of the Franchisee, and the Franchisee's officers, directors, and senior personnel. As a condition of performing services for or having an interest in Franchisee, I agree to accept the following conditions without limitation:

1. Without obtaining ROTI Modern's prior written consent (which consent ROTI Modern may withhold in its sole discretion), I will (i) not disclose, publish, or divulge to any other person, firm, or corporation, through any means, any of ROTI Modern's Confidential Information either during or after my employment by or association with Franchisee, (ii) not use the Confidential Information for any purposes other than as related to my employment or association with Franchisee, and (iii) not make copies or translations of any documents, data, or compilations containing any or all of the Confidential Information, commingle any portion of the documents, data, or compilations, or otherwise use the documents, data, or compilations containing Confidential Information for my own purpose or benefit. I also agree to surrender any material containing any of ROTI Modern's Confidential Information upon request or upon termination of my employment or association with Franchisee. I understand that the Operations Manual is provided by ROTI Modern to Franchisee for a limited purpose, remains ROTI Modern's property, and may not be reproduced, in whole or in part, without ROTI Modern's prior written consent.

For purposes of this Agreement, "**Confidential Information**" means certain information, processes, methods, techniques, procedures, and knowledge, including know-how (which includes information that is secret and substantial), manuals, and trade secrets (whether or not judicially recognized as a trade secret), developed or to be developed by ROTI Modern relating directly or indirectly to the development or operation of a ROTI Restaurant. With respect to the definition of know-how, "**secret**" means that the know-how as a body or in its precise configuration is not generally known or easily accessible, and "**substantial**" means information that is important and useful to Franchisee in developing and operating Franchisee's Restaurant. Without limiting the foregoing, Confidential Information includes, but is not limited to:

i. information in the Operations Manual and Brand Standards;

ii. layouts, designs, and other plans and specifications for ROTI Restaurants;

iii. methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, and knowledge and experience used in developing and operating ROTI Restaurants;

iv. marketing research and promotional, marketing, and advertising programs for ROTI Restaurants;

v. knowledge of specifications for and suppliers of, and methods of ordering, certain Operating Assets, products, services, materials, and supplies that ROTI Restaurants use and sell;

vi. knowledge of the operating results and financial performance of ROTI Restaurants other than Franchisee's Restaurant;

vii. customer solicitation, communication, and retention programs, along with Data used or generated in connection with those programs;

viii. all Data and all other information generated by, or used or developed in, the Restaurant's operation, including Consumer Data, and any other information contained from time to time in the Technology Suite or that visitors (including you) provide to the System Website; and ix. any other information ROTI Modern reasonably designates as confidential or proprietary.

2. If there is a dispute or question arising out of the interpretation of this Agreement or any of its terms, the laws of the State of [____________________] will govern. *[Insert franchisee's home state.]*

3. I acknowledge receipt of a copy of this Agreement and that I have read and understand this Agreement. This Agreement may not be modified except in writing with the prior approval of an officer of each of Franchisee and ROTI Modern.

ROTI MODERN FRANCHISING LLC, a Delaware limited liability company	FRANCHISEE
By:______________________	By:______________________
Title:______________________	Title:______________________
Date:______________________	Date:______________________

EXHIBIT C

DEVELOPMENT RIGHTS AGREEMENT

ROTI MODERN FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT

This Development Rights Agreement (the "DRA") is made by and between ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company whose principal business address is 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328 ("we," "us," or "our"), and ________________, a(n) ____ ("you" or "your"). This DRA is effective as of the date we sign it, which is set forth next to our signature on the Signature Page at the end (the "Effective Date").

RECITALS

A. We and certain of our affiliates currently own and operate a fast-casual restaurant brand identified by the Marks (defined below) that currently offers and sells Eastern Mediterranean fare, including harissa chicken, sumac steak, falafel hummus, pita, and other food products and beverages.

B. We and such affiliates currently use, promote, and license certain trademarks, service marks, and other commercial symbols for this fast-casual restaurant concept, including "ROTI MODERN® MEDITERRANEAN" and "ROTI®," and from time to time may create, use, and license new trademarks, service marks, and commercial symbols (collectively, the "Marks").

C. One of our affiliates currently owns all aspects of the ROTI® branded system and licenses that intellectual property to us for use in our franchise program for ROTI® Restaurants ("ROTI Restaurants").

D. We offer and grant franchises to operate a ROTI Restaurant using the ROTI business system and formats, methods, procedures, designs, layouts, trade dress, standards, specifications, marketing programs and practices, and Marks, all of which we and our affiliates periodically may improve, further develop, and otherwise modify.

E. Simultaneously with signing this DRA, we and you (or your Approved Affiliate, as defined in Section 2(b) below) also are signing as of the Effective Date a franchise agreement (the "First Franchise Agreement") for the construction, development, and operation of the first ROTI Restaurant to be developed within the Territory (defined below). We and you are signing this DRA because you want the right to construct, develop, and operate multiple ROTI Restaurants within the Territory over a certain time period (besides the ROTI Restaurant covered by the First Franchise Agreement), and we are willing to grant you those development rights if you comply with this DRA's terms.

Now, therefore, in consideration of the mutual covenants, agreements, and obligations set forth in this DRA, we and you agree as follows:

1. **<u>Development Obligations</u>**.

Subject to your strict compliance with this DRA, we grant you the right (directly or through your Approved Affiliates) to construct, develop, and operate ________ (___) new ROTI Restaurants (including the ROTI Restaurant covered by the First Franchise Agreement), according to the mandatory development schedule described in Exhibit A to this DRA (the "Schedule"), within the geographic area described in Exhibit B (the "Territory"). ROTI Restaurants that we permit you (or your Approved Affiliates) to construct, develop, and operate at or within "Non-Traditional Venues" (defined below) physically located within the Territory do not count toward your compliance with the Schedule.

(a) If you (and your Approved Affiliates, as applicable) are fully complying with all of your (and their) obligations under this DRA, the First Franchise Agreement, and all other franchise agreements then in effect between us and you (and your Approved Affiliates, as applicable) for the construction, development, and operation of ROTI Restaurants, then during this DRA's term only, we (and our affiliates) will not—except with respect to ROTI Restaurants proposed to be located at or within Franchisor Permitted Venues (defined below)—establish and operate, or grant to others the right to establish and operate, ROTI Restaurants that have their physical locations within the Territory.

The exceptions referenced above to your exclusive right to establish ROTI Restaurants having their physical locations within the Territory are described in this paragraph. If:

i. there are one or more opportunities during this DRA's term to develop one or more ROTI Restaurants at physical locations within the Territory that you cannot or choose not to pursue when the opportunity becomes available, no matter the reason (including if a location's owner or manager sets financial, experience, or organizational standards for an acceptable operator that you cannot or do not then satisfy); or

ii. a location is at or within a Non-Traditional Venue,

(the locations referenced in clauses (i) and (ii) are referred to collectively as "Franchisor Permitted Venues"),

then we (or our affiliates) may without restriction pursue the particular Franchisor Permitted Venue opportunity and establish, or franchise or license another to establish, a ROTI Restaurant at or within that Franchisor Permitted Venue. A "Non-Traditional Venue" means (A) any location within another primary business, corporate campus complexes, institutional venues, and any location to which the general public does not have unlimited access, (B) mobile outlets and temporary or seasonal food service facilities, and/or (C) commercial kitchen facilities that provide order and delivery-only services, including the associated online or mobile ordering and delivery services to and from locations in or outside the Territory. Examples of Non-Traditional Venues include a mobile outlet (such as food trucks), "ghost" kitchens, grocery stores, concert venues, a hospital or medical center, an airport, public or private schools, universities or college campuses, airport terminals, train or bus stations, convention centers, exhibition halls, amusement parks, fairgrounds, sports arenas, military bases, state or national parks, hotels, lodges, country clubs, social clubs, resorts, casinos, theaters, truck-stops, travel centers, and other venues operated by a master concessionaire or contract food service provider.

Our, our affiliate's, or another franchisee's or licensee's establishment and operation of any ROTI Restaurant at or within a Franchisor Permitted Venue in the Territory that is not a Non-Traditional Venue will count toward the total number of ROTI Restaurants that must be developed in the Territory during this DRA's term, meaning that you may choose to develop one less ROTI Restaurant (based on the number of ROTI Restaurants remaining to be developed in the Territory under the Schedule) for each such ROTI Restaurant established by us, our affiliate, or another franchisee or licensee. If you make that choice, the then-final ROTI Restaurant appearing on the Schedule will be deemed to be removed from the Schedule. (Please refer to Section 4 below regarding the credit toward future initial franchise fees that you will receive on account of the deposit relating to the ROTI Restaurant that is deemed to be removed from the Schedule.)

However, our, our affiliate's, or another franchisee's or licensee's establishment and operation of a ROTI Restaurant at or within a Franchisor Permitted Venue in the Territory that is a Non-Traditional Venue will not count toward your compliance with the Schedule. As noted above, ROTI Restaurants that you (or your Approved Affiliates) are permitted to establish and operate at or within a Non-Traditional Venue physically located in the Territory likewise do not count toward your compliance with the Schedule.

(b) The location exclusivity described in clause (a) above (with the noted exceptions for Franchisor Permitted Venues) is the only restriction on our (and our affiliates') activities within the Territory during this DRA's term. We and our affiliates have the right to engage, and grant to others the right to engage, in any other activities of any nature whatsoever within and throughout the Territory, including, without limitation, the types of activities in which we and our affiliates reserve the right to engage (in a ROTI Restaurant's "Area of Protection") under Sections 3.C and 3.D of the First Franchise Agreement. After this DRA expires or is terminated (regardless of the reason for termination), we and our affiliates have the right, without any restrictions whatsoever, to:

(i) establish and operate, and grant to others the right to establish and operate, ROTI Restaurants having their physical locations within the Territory, subject only to your (or an Approved Affiliate's) rights within an Area of Protection under a franchise agreement with us then in effect; and

(ii) continue to engage, and grant to others the right to engage, in any other activities we (and our affiliates) desire within and throughout the Territory.

YOU ACKNOWLEDGE AND AGREE THAT TIME IS OF THE ESSENCE UNDER THIS DRA, AND YOUR RIGHTS UNDER THIS DRA ARE SUBJECT TO TERMINATION (WITHOUT ANY CURE OPPORTUNITY) IF YOU DO NOT COMPLY STRICTLY WITH THE DEVELOPMENT OBLIGATIONS PROVIDED IN THE SCHEDULE. WE HAVE THE RIGHT TO ENFORCE THIS DRA STRICTLY.

2. **Development Obligations**.

(a) Deadlines. To maintain your rights under this DRA, you (and/or your Approved Affiliates) must, by the deadlines specified in the Schedule, (i) find an acceptable site for each ROTI Restaurant required to be developed within the Territory pursuant to this DRA, (ii) sign an acceptable lease and Franchise Agreement for each such Restaurant, and then (iii) construct, develop, and open for business each such Restaurant.

(b) Approved Affiliates. If you or your owners establish a new legal entity to construct, develop, and operate one or more of the ROTI Restaurants required to be developed pursuant to this DRA, and either (i) you own 100% of that legal entity or (ii) that legal entity's ownership is completely identical to your ownership, that legal entity automatically will be considered an "Approved Affiliate" under this DRA. However, if you do not own 100% of that new legal entity or that legal entity's ownership is not completely identical to your ownership, you first must seek our approval for that new entity to be permitted to construct, develop, and operate the proposed Restaurant as an Approved Affiliate. We have the right to refuse any such request if you and/or your owners do not (1) own and control at least two-thirds (67%) of the new entity's ownership interests and (2) have the authority to exercise voting and management control of the Restaurant proposed to be owned by the new entity.

(c) Form of Franchise Agreement. You (and/or your Approved Affiliates) will operate each ROTI Restaurant under a separate franchise agreement (and related documents) with us. The franchise agreement (and related documents, including Guaranty and Assumption of Obligations) that you and your owners (or your Approved Affiliate and its owners) must sign for each Restaurant to be constructed and developed pursuant to this DRA will be our then-current form of franchise agreement (and related documents, including Guaranty and Assumption of Obligations), any or all terms of which may differ substantially and materially from any or all terms contained in the First Franchise Agreement.

However, while the initial franchise fee will be Thirty-Five Thousand Dollars ($35,000) for the second and each subsequent ROTI Restaurant to be developed pursuant to this DRA, the Royalty, Brand Fund contribution, Tech Fee, and minimum required Market Introduction Program expense specified under our then-current form of franchise agreement will (if greater than those specified in the First Franchise Agreement) be modified for the initial franchise term of each subsequent Restaurant to be constructed and developed pursuant to this DRA to be the same as those specified in the First Franchise Agreement if you (and your Approved Affiliates) are not then in default under this DRA, the First Franchise Agreement, or any other franchise agreement then in effect between us and you (and your Approved Affiliates) for ROTI Restaurants. If you (and your Approved Affiliates) are then in default under this DRA, the First Franchise Agreement, or any other franchise agreement then in effect between us and you (and your Approved Affiliates) for ROTI Restaurants, then the Royalty, Brand Fund contribution, Tech Fee, and minimum required Market Introduction Program expense will remain as stated in our then-current form of franchise agreement and will not be changed.

Despite any contrary provision contained in the First Franchise Agreement or newly-signed franchise agreements, your (and your Approved Affiliates') ROTI Restaurants within the Territory must be open and operating by the dates specified in the Schedule. To retain your rights under this DRA, each ROTI Restaurant constructed, developed, and opened pursuant to this DRA must operate continuously throughout this DRA's term in full compliance with its franchise agreement.

(d) Changes in Investment Requirements. You acknowledge that the estimated expenses and investment requirements set forth in Items 6 and 7 of our Franchise Disclosure Document are subject to increases over time, and future ROTI Restaurants likely will involve greater initial investment and operating-capital requirements than those stated in the Franchise Disclosure Document provided to you before you signed this DRA. You must open all ROTI

Restaurants in compliance with the Schedule, regardless of (i) the requirement of a greater investment, (ii) the financial condition or performance of your previous ROTI Restaurants, or (iii) any other circumstances, financial or otherwise. However, we are not obligated to execute any of the franchise agreements contemplated by this DRA if you have not complied with each and every condition in this DRA or otherwise do not meet our then-current requirements.

3. **Subfranchising and Sublicensing Rights**. This DRA does not give you any right to franchise, license, subfranchise, or sublicense others to construct, develop, and operate ROTI Restaurants. Only you (and/or your Approved Affiliates) have the right to construct, develop, open, and operate ROTI Restaurants pursuant to this DRA. This DRA also does not give you (or your Approved Affiliates) any independent right to use the ROTI® trademark or the other Marks. The right to use the Marks is granted only under a franchise agreement signed directly with us. This DRA only grants you potential development rights if you fully comply with its terms.

4. **Development Fee**. As consideration for the development rights we grant you under this DRA, you must pay us a total of ___________________________________ Dollars ($__________) (the "Development Fee") when you sign this DRA. The Development Fee consists of (a) the Thirty-Five Thousand Dollar ($35,000) initial franchise fee due under the First Franchise Agreement, plus (b) total deposits equaling _______________ Thousand Dollars ($______) for all additional ROTI Restaurants you have committed under this DRA to construct, develop, and operate after the first ROTI Restaurant (i.e., a Seventeen Thousand Five Hundred Dollar ($17,500) deposit toward the initial franchise fee due for each such Restaurant). This DRA will not be effective, and you will have no development rights, until we receive the Development Fee. The Development Fee is:

(i) consideration for the rights we grant you in this DRA and for reserving the Territory for you to the exclusion of others (except as provided in this DRA with respect Franchisor Permitted Venues) while you are in compliance with this DRA;

(ii) fully earned by us when we and you sign this DRA; and

(iii) not refundable under any circumstances, even if you do not comply or attempt to comply with the Schedule and we then terminate this DRA for that reason. However, each time you (or your Approved Affiliate) sign a franchise agreement for the next ROTI Restaurant to be constructed and developed within the Territory, we will apply the deposit related to that Restaurant (which is part of the Development Fee) toward the initial franchise fee due for that Restaurant (leaving only the balance of the initial franchise fee due at signing).

If we, our affiliate, or another franchisee or licensee develops a ROTI Restaurant at or within a Franchisor Permitted Venue in the Territory that is not a Non-Traditional Venue, and you choose to develop one less ROTI Restaurant under the Schedule (as provided in Section 1 above), we will credit the deposit that you paid for such Restaurant as part of the Development Fee (i.e., the Seventeen Thousand Five Hundred Dollars ($17,500)) toward the remainder of the initial franchise fee payable to us for the subsequent ROTI Restaurant you have committed to develop under this DRA.

5. **Grant of Franchises**.

(a) You must send us a separate application for each ROTI Restaurant that you (or your Approved Affiliate) desire to construct and develop within the Territory. You must locate, evaluate, and select the Restaurant's site. You must give us all information and materials we request to assess each proposed Restaurant site. We will not search for or select the site for you. In granting you development rights under this DRA, we are relying on your knowledge of the real estate market in the Territory and your ability to locate and access sites.

(b) We will give you our then-current criteria for ROTI Restaurant sites (including, without limitation, population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, ingress and egress, size, and other physical and commercial characteristics) to help in the site-selection process. We will not unreasonably withhold site acceptance if, in our and our affiliates' experience and based on the factors identified above, the proposed site is not inconsistent with sites that we and our affiliates regard as favorable or that otherwise have been successful sites in the past for ROTI Restaurants. However, we have the absolute right to reject any site not meeting our criteria or to require you to acknowledge in writing that a site you have chosen, while acceptable to us, is not recommended due to its incompatibility with certain factors bearing on a site's suitability as a location for a ROTI Restaurant.

We will review potential Restaurant sites that you identify within the Territory and have the right, but no obligation, to visit the Territory once (for no additional fee) to review and consider your potential sites for each ROTI Restaurant to be constructed and developed under this DRA. We have the right to require you to reimburse our out-of-pocket expenses for each site visit after the first per-Restaurant visit. We have the right to condition our acceptance of a proposed site, or a proposed site visit, on your first sending us complete site reports and other materials (including, without limitation, photographs and digital recordings) we request. We agree to use reasonable efforts to review and accept (or not accept) sites you propose within thirty (30) days after we receive all requested information and materials. You have no right to proceed with a site that we have not accepted.

(c) You also must send us for our written acceptance, which we will not unreasonably withhold, any lease or sublease that will govern your occupancy and lawful possession of each Restaurant site before you sign it. You have no right to sign any lease or sublease that we have not accepted in writing. We have the right (but have no obligation) to guide you in the leasing process but will not negotiate the lease or sublease for you or provide any legal advice.

(d) If we accept and you (or your Approved Affiliate) secure lawful possession of the proposed site, but you (or your Approved Affiliate) have not yet signed a franchise agreement for that Restaurant, you agree within the time period we specify (but no later than the date specified in the Schedule) to sign (or cause your Approved Affiliate to sign) a separate franchise agreement (and related documents, including Guaranty and Assumption of Obligations) for that Restaurant and to pay us the balance of the initial franchise fee due. If you (or your Approved Affiliate) fail to do so, or cannot obtain lawful possession of the proposed site, we have the right to withdraw our acceptance of the proposed site and exercise any of our other rights under this DRA. After you and your owners (or your Approved Affiliate and its owners) sign the franchise agreement (and related documents, including Guaranty and Assumption of Obligations), its terms and conditions will control the construction, development, and operation of the ROTI Restaurant (except that the required opening date is governed exclusively by the Schedule in this DRA, as provided in Section 2(c) above).

(e) In addition to our rights with respect to proposed ROTI Restaurant sites, we have the right to delay your (and your Approved Affiliates') construction, development, and/or opening of additional ROTI Restaurants within the Territory for the time period we deem best if we believe in our sole judgment, when you submit your application for another ROTI Restaurant, or after you (or your Approved Affiliate) have constructed and developed but not yet opened a particular Restaurant, that you (or your Approved Affiliate) are not yet operationally, managerially, or otherwise prepared (no matter the reason) to construct, develop, open, and/or operate the additional ROTI Restaurant in full compliance with our standards and specifications. We have the right to delay additional development and/or a ROTI Restaurant's opening for the time period we deem best as long as the delay will not in our reasonable opinion cause you to breach your development obligations under the Schedule (unless we are willing to extend the Schedule proportionately to account for the delay).

6. **Term**. This DRA's term begins on the Effective Date and ends on the date when (a) you (or your Approved Affiliate) open for business the final ROTI Restaurant to be constructed and developed under the Schedule, or (b) this DRA otherwise is terminated, but in any event this DRA's term will end no later than *<insert date>*.

7. **Termination**. We have the right at any time to terminate this DRA and your rights under this DRA to develop ROTI Restaurants within the Territory, such termination to be effective upon our delivery to you of written notice of termination, if:

(a) you fail either to meet any deadline under the Schedule or to satisfy any other obligation under this DRA, which defaults you have no right to cure; or

(b) the First Franchise Agreement or another franchise agreement between us and you (or your Approved Affiliate) for a ROTI Restaurant is terminated by us in compliance with its terms or by you (or your Approved Affiliate) for any (or no) reason; or

(c) we have delivered a formal written notice of default to you (or your Approved Affiliate) under the First Franchise Agreement or another franchise agreement between us and you (or your Approved Affiliate) for a ROTI Restaurant, and you (or your Approved Affiliate) fail to cure that default within the required timeframe; or

(d) you (or your Approved Affiliate), without our prior written approval, cease operating any ROTI Restaurant.

No portion of the Development Fee is refundable upon termination of this DRA or under any other circumstances. If we terminate this DRA solely because you fail to meet any deadline under the Schedule, we will keep the full Development Fee but otherwise will not seek to recover damages from you due solely to such failure.

Termination of this DRA under any of clauses (a), (b), (c), or (d) above is not deemed to be the termination of any franchise rights because this DRA grants you no separate franchise rights. Franchise rights arise only under franchise agreements signed directly with us. While you will lose all further rights to develop ROTI Restaurants within the Territory if this DRA is terminated, termination of this DRA does not affect any franchise rights previously granted under any then-effective individual franchise agreements.

8. **Assignment**.

(a) Your development rights under this DRA are not assignable at all. This means we will not under any circumstances allow the development rights to be transferred. A transfer of the development rights would be deemed to occur (and would be prohibited) if there is an assignment of this DRA, a transfer of a controlling ownership interest in you or in an entity with a controlling ownership interest in you, or any other event attempting to assign the development rights. An assignment (direct or indirect) of only a non-controlling ownership interest in you is permitted (and would not be deemed to be a transfer of your development rights). References to a "controlling ownership interest" in you or one of your owners (if an entity) mean the percent of voting shares or other voting rights resulting from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, whether a "controlling ownership interest" is involved must be determined both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer).

(b) We have the right to change our ownership or form and/or assign this DRA to a third party without restriction. Specifically and without limiting the foregoing, you agree that we have the right to sell our assets (including this DRA), the Marks, or the ROTI Restaurant franchise system to a third party; offer our ownership interests privately or publicly; merge, acquire other business entities, or be acquired by another business entity; and/or undertake a refinancing, recapitalization, leveraged buyout, securitization, or other economic or financial restructuring.

9. **Representations and Warranties**. You and your owners, jointly and severally, represent, warrant, and covenant to us that your execution and delivery of, and performance of your obligations under, this DRA have not violated and will not violate (a) any other agreement or commitment to which you or they are a party or by which you or they are otherwise bound, or (b) the rights of, or duties owed to, any third party.

10. **Indemnity**. To the maximum extent permitted by law, you and your owners, jointly and severally, agree to indemnify, defend, and forever hold harmless us and our parent and other affiliated entities, and our and their respective officers, directors, owners, principals, employees, agents, representatives, successors, and assigns (collectively, the "ROTI Parties"), against, and to reimburse the ROTI Parties for, any losses, liabilities, expenses, or damages (actual or consequential), including, without limitation, reasonable attorneys', attorney assistants', accountants', and expert witness fees, collection costs, costs of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which the ROTI Parties suffer directly or indirectly arising from or with respect to (a) any breach or alleged breach by you or

your owners of any representation or warranty set forth in this DRA, or (b) any claim or allegation by any third party that our signing this DRA with you or granting you the development rights, or any related activities, violate any law or any rights of, or duty owed to, such third party. This indemnification obligation is in addition to the indemnification obligations currently referenced in Section 11 below.

11. **Incorporation of Other Terms**. Sections 9, 12, 20, 21, 23, and 24 of the First Franchise Agreement, entitled “Confidential Information,” “Exclusive Relationship,” “Relationship of the Parties; Indemnification,” “Enforcement,” “Notices and Payments,” and “Electronic Mail,” respectively, including, without limitation, the arbitration obligations under Section 21.F of the First Franchise Agreement, are incorporated by reference in this DRA and will govern all aspects of this DRA and our and your relationship as if fully restated within the text of this DRA (whether or not the First Franchise Agreement is terminated before this DRA expires or is terminated).

This DRA and all exhibits to this DRA constitute the entire agreement between the parties with respect to its subject matter and supersede any and all prior negotiations, understandings, representations, and agreements with respect to its subject matter. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

12. **No Waiver or Disclaimer of Reliance in Certain States**. The following provision applies only to developers and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

[Signature Page Follows]

In Witness Whereof, we and you have signed and delivered this DRA, to be effective as of the Effective Date set forth next to our signature below.

ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company	**DEVELOPER**
	______________________________ [Name]
By:______________________________	
Name:___________________________	
Title:____________________________	
Date: __________________**	By:______________________________
	Name:___________________________
**Effective Date	Title:____________________________
	Date: __________________

EXHIBIT A

<u>TO ROTI MODERN FRANCHISING, LLC</u>
<u>DEVELOPMENT RIGHTS AGREEMENT</u>

DEVELOPMENT SCHEDULE

You agree to construct, develop, and open <_____ (__)> new ROTI Restaurants in the Territory, including the ROTI Restaurant that is the subject of the First Franchise Agreement, according to the following Schedule:

Restaurant Number	**Date by which You Must Identify an Acceptable Restaurant Site (Deadline)**	**Date by which You (or Approved Affiliate) Must Sign Lease for the Acceptable Restaurant Site, Sign Franchise Agreement for the Restaurant, and Pay Balance of Initial Franchise Fee (Deadline)**	**Date by which Restaurant Must Open for Business at Acceptable Site (Opening Deadline)**	**Minimum Cumulative Number of New Franchised ROTI Restaurants to be Open and Operating in Territory No Later Than the Opening Deadline**
1				1
2				2
3				3
4				4
5				5

[Signature Page Follows]

ROTI MODERN FRANCHISING, LLC,
a Delaware limited liability company

By:______________________________
Name:_________________________
Title:__________________________
Date: __________________

DEVELOPER

____
[Name]

By:______________________________
Name:_________________________
Title:__________________________
Date: __________________

EXHIBIT B

TO ROTI MODERN FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT

DESCRIPTION AND MAP OF TERRITORY (below and attached, if applicable)

(If there is any inconsistency between a narrative description and a pictorial identification of the Territory, the narrative description of the Territory will prevail.)

ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company	**DEVELOPER**
	________________________________ [Name]
By:______________________________ Name:___________________________ Title:____________________________ Date: ___________________	By:______________________________ Name:___________________________ Title:____________________________ Date: ___________________

EXHIBIT C

<u>TO ROTI MODERN FRANCHISING, LLC</u>
<u>DEVELOPMENT RIGHTS AGREEMENT</u>

DEVELOPER AND ITS OWNERS

Effective Date: This Exhibit C is current and complete as of ______________, 20__

<u>Form</u>. Developer was incorporated or formed on _________________, 20__, under the laws of the State of ___________. Developer has not conducted business under any name other than its corporate, limited liability company, or partnership name and (if applicable) ___________. The following lists Developer's directors or managers (if applicable) and officers as of the effective date shown above:

<u>Name</u>	**<u>Position(s) Held</u>**
________________________________	__________________________________
________________________________	__________________________________
________________________________	__________________________________
________________________________	__________________________________
________________________________	__________________________________

<u>Owners</u>. The following lists the full name of every person who or entity that is, as of the effective date shown above, one of Developer's direct or indirect owners and fully describes the nature of each owner's interest (attach additional pages if necessary):

<u>Owner's Name</u>	**<u>Description of Interest</u>**
________________________________	__________________________________
________________________________	__________________________________
________________________________	__________________________________
________________________________	__________________________________
________________________________	__________________________________

[Signature Page Follows]

ROTI MODERN FRANCHISING, LLC,
a Delaware limited liability company

By:_______________________________
Name:__________________________
Title:___________________________
Date: ___________________

DEVELOPER

____
[Name]

By:_______________________________
Name:__________________________
Title:___________________________
Date: ___________________

EXHIBIT D

FINANCIAL STATEMENTS

ROTI MODERN FRANCHISING, LLC

BALANCE SHEET

AS OF OCTOBER 7, 2025

ROTI MODERN FRANCHISING, LLC

CONTENTS

CBIZ CPAs P.C.

555 Long Wharf Drive
8th Floor
New Haven, CT 06511

P: 203.781.9600

Independent Auditors' Report

Board of Directors
ROTI Modern Franchising, LLC

Opinion

We have audited the accompanying balance sheet of ROTI Modern Franchising, LLC (the "Company"), as of October 7, 2025, and the related notes to the financial statement.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of the Company as of October 7, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our 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 statement in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statement that is free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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 statement, 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 statement.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.

- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

CBIZ CPAs P.C.

New Haven, CT
October 10, 2025

ROTI MODERN FRANCHISING, LLC

BALANCE SHEET

OCTOBER 7, 2025

Assets	
Current Assets	
Cash	$ 523,000
Total Current Assets	523,000
Total Assets	$ 523,000
Member's Equity	$ 523,000
Total Member's Equity	$ 523,000

The accompanying notes are an integral part of this financial statement.

NOTE 1 – NATURE OF BUSINESS

ROTI Modern Franchising, LLC (the "Company"), a Delaware limited liability company, was formed on May 2, 2025. The Company is engaged in the business of marketing and franchising of eastern Mediterranean flavor-based restaurants. The Company was funded and began formal operations on October 7, 2025.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The Company follows accounting standards set by the Financial Accounting Standards Board ("FASB"). The FASB sets accounting principles generally accepted in the United States of America ("GAAP").

CONCENTRATION OF CREDIT RISK

The Company's financial instruments exposed to concentrations of credit risk consists primarily of cash. The Company maintains its cash with high quality credit institutions which, at times, may exceed federally insured limits. The Company has not experienced any losses in these accounts and management continually monitors receivable balances and believes that its exposure to credit risk is limited. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying financial statement.

INCOME TAXES

The Company is organized as a limited liability company and is treated as a partnership for tax reporting purposes. As a result, members include their share of profits and losses in their respective tax returns. Therefore, no provision or liability for income taxes is included in the accompanying financial statements, except for certain states that require taxes to be paid by the Company.

Management has concluded that as a pass-through entity, there are no uncertain tax positions that would require recognition in the financial statement. If the Company were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. Management's conclusions regarding uncertain tax positions may be subject to review and adjustment later based upon ongoing analysis of tax laws, regulations and interpretations thereof as well as other factors.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of the financial statement 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 period. Actual results could differ from those estimates.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date of this report, October 10, 2025, which is the date the financial statement were available to be issued.

EXHIBIT E

OPERATIONS MANUAL TABLE OF CONTENTS

ROTI MODERN MEDITERRANEAN®
TABLE OF CONTENTS – FRANCHISE OPERATIONS MANUAL

EXHIBIT F

LISTS OF FRANCHISED ROTI MODERN® RESTAURANTS / DEPARTING FRANCHISEES

None

EXHIBIT G

STATE ADDENDA AND RIDERS TO FRANCHISE AGREEMENT AND DEVELOPMENT RIGHTS AGREEMENT

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

The following provision applies only to franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDITIONAL DISCLOSURES FOR THE
FRANCHISE DISCLOSURE DOCUMENT OF
ROTI MODERN FRANCHISING, LLC**

The following are additional disclosures for the Franchise Disclosure Document of Roti Modern Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

ILLINOIS

1. The following language is added to the end of Item 17 of the Franchise Disclosure Document:

> Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Franchise Agreement and Development Rights Agreement.
>
> In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
>
> Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
>
> In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
>
> No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND

1. The following language is added to the end of Items 5 and 7 of the Franchise Disclosure Document:

> Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations under the Franchise Agreement and you have commenced operating your Restaurant. You must pay us the initial franchise fee in full on the day you begin operating your Restaurant.

In addition, we will defer your payment of the development fee due to us under the Development Rights Agreement until we have fulfilled all our initial obligations to you and you have commenced operating your first Restaurant. You must pay us the full development fee on the day you begin operating your first Restaurant.

2. The "Summary" sections of Items 17(c) and 17(m) in the Franchise Agreement chart in the Franchise Disclosure Document, captioned "Requirements for franchisee to renew or extend" and "Conditions for franchisor approval of transfer," are amended by adding the following:

Any release required as a condition of renewal, sale, and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. The "Summary" section of Item 17(h) in the Franchise Agreement chart in the Franchise Disclosure Document, captioned "'Cause' defined – non-curable defaults," is amended by adding the following:

Termination upon insolvency might not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 *et seq.*), but we will enforce it to the extent enforceable.

4. The "Summary" section of Item 17(v) in both the Franchise Agreement and the Development Rights Agreement charts in the Franchise Disclosure Document, captioned "Choice of forum," is amended to read as follows:

Subject to your arbitration obligation, and to the extent required by the Maryland Franchise Registration and Disclosure Law, you may bring an action in Maryland.

5. The "Summary" section of Item 17(w) in both the Franchise Agreement and the Development Rights Agreement charts in the Franchise Disclosure Document, captioned "Choice of law," is amended to read as follows:

Except for federal law and claims arising under the Maryland Franchise Registration and Disclosure Law, Georgia law applies.

6. The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA

1. The following language is added to the end of Items 5 and 7 of the Franchise Disclosure Document:

> Based upon our financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, we will defer your payment of the initial franchise fee due to us under the Franchise Agreement until we have fulfilled all our initial obligations to you under the Franchise Agreement and you have commenced operating your Restaurant. You must pay us the initial franchise fee in full on the day you begin operating your Restaurant.
>
> In addition, we will defer your payment of the development fee due to us under the Development Rights Agreement until we have fulfilled all our initial obligations to you and you have commenced operating your first Restaurant. You must pay us the full development fee on the day you begin operating your first Restaurant.

2. The following language is added to the "Remarks" column for the line-item titled "Administrative Fee" in Item 6 of the Franchise Disclosure Document:

> NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

3. The following paragraphs are added to the end of Item 17 of the Franchise Disclosure Document:

> Minn. Stat. Sec. 80C.12 Subd. 1(G) considers it unfair to not protect your right to use the trademarks. We will protect your rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.
>
> With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement and that consent to a transfer of the franchise will not be unreasonably withheld.
>
> Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.
>
> Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce (1) any of your rights as provided for in Statute 80C, or (2) your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. In addition,

Minn. Rule 2860.4400(J) prohibits us from requiring you to consent to our obtaining injunctive relief. We may seek injunctive relief. A court will determine if a bond is required.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following language is added to the end of Item 3 of the Franchise Disclosure Document:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, that are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 5 of the Franchise Disclosure Document:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

4. The following language is added to the end of the "Summary" sections of Item 17(c) in the Franchise Agreement chart in the Franchise Disclosure Document, captioned "Requirements for a franchisee to renew or extend," and Item 17(m) in the Franchise Agreement chart of the Franchise Disclosure Document, captioned "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

5. The following language replaces the "Summary" section of Item 17(d) in the Franchise Agreement chart in the Franchise Disclosure Document, captioned "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

6. The following language is added to the end of the "Summary" sections of Item 17(v) in both the Franchise Agreement and the Development Rights Agreement charts in the Franchise Disclosure Document, captioned "Choice of forum," and Item 17(w) in both the Franchise Agreement and the Development Rights Agreement charts in the Franchise Disclosure Document, captioned "Choice of law":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

7. Franchise Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. Receipts. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

RHODE ISLAND

1. The "Summary" section of Item 17(v) in both the Franchise Agreement and the Development Rights Agreement charts in the Franchise Disclosure Document, captioned "Choice of forum," is amended to read as follows:

> Subject to arbitration requirements, litigation generally must be in courts closest to where we have our principal business address when the action is commenced (it currently is in Atlanta, Georgia), except that, to the extent required by applicable law, but subject to your arbitration obligations, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. The "Summary" section of Item 17(w) in both the Franchise Agreement and the Development Rights Agreement charts in the Franchise Disclosure Document, captioned "Choice of law," is deleted in its entirety and replaced with the following:

> Except for Federal Arbitration Act and other federal law, and except as otherwise required by the Rhode Island Franchise Investment Act, Georgia law applies.

VIRGINIA

1. The "Summary" section of Item 17(h) in the Franchise Agreement chart in the Franchise Disclosure Document, captioned "'Cause defined—non-curable defaults," is amended by adding the following:

> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute "reasonable cause," as

that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision might not be enforceable.

2. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

No statement, questionnaire, or acknowledgement signed or agreed to by you in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

RIDER TO THE ROTI MODERN FRANCHISING, LLC
FRANCHISE AGREEMENT FOR USE IN ILLINOIS

This Rider (the "Rider") is made this ________________, by and between ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company having its principal place of business at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328 ("Franchisor"), and _________________________, a ____________ having its principal place of business at _____________________________________ ("Franchisee").

1. BACKGROUND. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ___________________________, that has been signed at the same time as this Rider (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the franchise offer or sales activity occurred in Illinois and the Restaurant that Franchisee will operate under the Franchise Agreement will be located in Illinois, and/or (b) Franchisee is an Illinois resident.

2. GOVERNING LAW. Section 21.G of the Franchise Agreement is deleted and replaced with the following:

> Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Franchise Agreement.

3. CONSENT TO JURISDICTION. Section 21.H of the Franchise Agreement is deleted and replaced with the following:

> In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

4. WAIVER OF PUNITIVE AND EXEMPLARY DAMAGES AND JURY TRIAL. The following is added to the end of Sections 21.I and 21.J of the Franchise Agreement:

> However, this Section shall not act as a condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act at Section 705/41 or Illinois Regulations at Section 200.609.

5. ILLINOIS FRANCHISE DISCLOSURE ACT. The following is added as new Section 26 of the Franchise Agreement.

> 26. **Illinois Franchise Disclosure Act.** In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. However, that Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential

or actual lawsuit filed under any provision of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

IN WITNESS WHEREOF, each party has caused its duly authorized representative to sign and deliver this Rider on the date first above written.

ROTI MODERN FRANCHISING LLC, a Delaware limited liability company	FRANCHISEE
	______________________________
By:______________________________	a ______________________________
Title:______________________________	By:______________________________
Date:____________________________**	Title:______________________________
** Effective Date	Date:______________________________

RIDER TO THE ROTI MODERN FRANCHISING, LLC
FRANCHISE AGREEMENT FOR USE IN MARYLAND

This Rider (the "Rider") is made this ________________, by and between ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company having its principal place of business at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328 ("Franchisor"), and _________________________, a ____________ having its principal place of business at _____________________________________ ("Franchisee").

1. BACKGROUND. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ___________________________, that has been signed at the same time as this Rider (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of the State of Maryland, and/or (b) Franchisee's Restaurant will be located or operated in Maryland.

2. ACKNOWLEDGMENTS. Sections 2(viii) through 2(xiv) of the Franchise Agreement are hereby deleted.

3. RELEASES. Sections 4.A, 16, 17, and 19.F of the Franchise Agreement are amended by adding the following:

> The general release required as a condition of renewal, sale, and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. FEES. The following is added to the end of Section 5.A of the Franchise Agreement:

> Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we will defer your payment of the initial franchise fee due to us under this Agreement until we have fulfilled all our initial obligations to you under this Agreement and you have commenced operating your Restaurant. You must pay us the initial franchise fee on the day you begin operating your Restaurant.

5. TERMINATION. Section 18.B of the Franchise Agreement is amended by adding the following:

> Termination upon bankruptcy might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we intend to enforce this provision to the extent enforceable.

6. GOVERNING LAW. Section 21.G of the Franchise Agreement is amended by adding the following:

> Despite anything to the contrary stated above, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

7. CONSENT TO JURISDICTION. Section 21.H of the Franchise Agreement is amended by adding the following:

However, subject to your arbitration obligations, nothing in this Section affects your right under the Maryland Franchise Registration and Disclosure Law to bring a lawsuit in Maryland for claims arising under that law.

8. LIMITATION OF CLAIMS. Section 21.L of the Franchise Agreement is amended by adding the following:

Any limitation of claims will not act to reduce the three (3) year statute of limitations afforded you for bringing a claim under the Maryland Franchise Registration and Disclosure Law.

9. The following is added as new Section 26 of the Franchise Agreement.

26. Maryland Franchise Registration and Disclosure Law. All representations requiring you to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, each party has caused its duly authorized representative to sign and deliver this Rider on the date first above written.

ROTI MODERN FRANCHISING LLC, a Delaware limited liability company	FRANCHISEE
	______________________________
By:______________________________	a ______________________________
Title:______________________________	By:______________________________
Date:____________________________**	Title:______________________________
** Effective Date	Date:______________________________

RIDER TO THE ROTI MODERN FRANCHISING, LLC
FRANCHISE AGREEMENT FOR USE IN MINNESOTA

This Rider (the "Rider") is made this ________________, by and between ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company having its principal place of business at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328 ("Franchisor"), and _________________________, a ____________ having its principal place of business at _____________________________________ ("Franchisee").

1. BACKGROUND. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ___________________________, that has been signed at the same time as this Rider (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Restaurant that Franchisee will operate under the Franchise Agreement will be located in Minnesota, and/or (b) any of the franchise offer or sales activity occurred in Minnesota.

2. RELEASES. The following is added to the end of Sections 4.A, 16, 17, and 19.F of the Franchise Agreement:

> Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. FEES. The following is added to the end of Section 5.A of the Franchise Agreement:

> Based upon our financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, we will defer your payment of the initial franchise fee due to us under this Agreement until we have fulfilled all our initial obligations to you under this Agreement and you have commenced operating your Restaurant. You must pay us the initial franchise fee on the day you begin operating your Restaurant.

4. INDEMNIFICATION FOR USE OF MARKS. The following is added to the end of Section 8.E of the Franchise Agreement:

> Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, costs, or expenses arising out of any claims, suits, or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

5. TERMINATION. The following is added to the end of Section 18 of the Franchise Agreement:

> However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

6. GOVERNING LAW. The following is added to the end of Section 21.G of the Franchise Agreement:

> Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum, or remedies that the laws of the jurisdiction provide.

7. CONSENT TO JURISDICTION. The following is added to the end of Section 21.H of the Franchise Agreement:

> Notwithstanding the foregoing, Minn. Stat. Sec. 80c.21 and Minn. Rule 2860.4400j prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80c or your rights to any procedure, forum, or remedies that the laws of the jurisdiction provide.

8. WAIVER OF PUNITIVE AND EXEMPLARY DAMAGES. If and then only to the extent required by the Minnesota Franchises Law, Section 21.I of the Franchise Agreement is deleted.

9. WAIVER OF JURY TRIAL. If and then only to the extent required by the Minnesota Franchises Law, Section 21.J of the Franchise Agreement is deleted.

10. LIMITATION OF CLAIMS. The following is added to the end of Section 21.L of the Franchise Agreement:

> Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

IN WITNESS WHEREOF, each party has caused its duly authorized representative to sign and deliver this Rider on the date first above written.

ROTI MODERN FRANCHISING LLC, a Delaware limited liability company	FRANCHISEE
	______________________________
By:______________________________	a ______________________________
Title:______________________________	By:______________________________
Date:______________________________**	Title:______________________________
** Effective Date	Date:______________________________

RIDER TO THE ROTI MODERN FRANCHISING, LLC
FRANCHISE AGREEMENT FOR USE IN NEW YORK

This Rider (the "Rider") is made this ________________, by and between ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company having its principal place of business at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328 ("Franchisor"), and _________________________, a ____________ having its principal place of business at ____________________________________ ("Franchisee").

1. BACKGROUND. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ___________________________, that has been signed at the same time as this Rider (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Restaurant that Franchisee will operate under the Franchise Agreement was made in New York, and/or (b) the Franchisee is a resident of New York and the Restaurant will be located in New York.

2. RELEASES. The following is added to the end of Sections 4.A, 16, 17, and 19.F of the Franchise Agreement:

> Provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

3. TERMINATION. The following is added to the end of Section 18.A of the Franchise Agreement:

> You may terminate the Franchise Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

4. GOVERNING LAW/CONSENT TO JURISDICTION. The following is added to the end of Sections 21.G and 21.H of the Franchise Agreement:

> However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

5. LIMITATION OF CLAIMS. The following is added to the end of Section 21.L of the Franchise Agreement:

> To the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

IN WITNESS WHEREOF, each party has caused its duly authorized representative to sign and deliver this Rider on the date first above written.

ROTI MODERN FRANCHISING LLC, a Delaware limited liability company	FRANCHISEE
	______________________________
By:______________________________	a ______________________________
Title:______________________________	By:______________________________
Date:______________________________**	Title:______________________________
** Effective Date	Date:______________________________

RIDER TO THE ROTI MODERN FRANCHISING, LLC
FRANCHISE AGREEMENT FOR USE IN RHODE ISLAND

This Rider (the "Rider") is made this ________________, by and between ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company having its principal place of business at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328 ("Franchisor"), and _________________________, a _____________ having its principal place of business at _____________________________________ ("Franchisee").

1. BACKGROUND. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ___________________________, that has been signed at the same time as this Rider (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in Rhode Island and the Restaurant that Franchisee will operate under the Franchise Agreement will be located in Rhode Island, and/or (b) any of the franchise offer or sales activity occurred in Rhode Island.

2. GOVERNING LAW. The following is added to the end of Section 21.G of the Franchise Agreement:

> Provided, however, to the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

3. CONSENT TO JURISDICTION. The following is added to the end of Section 21.H of the Franchise Agreement:

> Nonetheless, subject to your arbitration obligations, you have the right under the Rhode Island Franchise Investment Act to sue in Rhode Island for claims arising under that law.

IN WITNESS WHEREOF, each party has caused its duly authorized representative to sign and deliver this Rider on the date first above written.

ROTI MODERN FRANCHISING LLC, a Delaware limited liability company

By:______________________________________

Title:____________________________________

Date:_________________________________**

** Effective Date

FRANCHISEE

____

a ____

By:_______________________________________

Title:_____________________________________

Date:_____________________________________

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, THE DEVELOPMENT RIGHTS AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

ROTI MODERN FRANCHISING LLC, a Delaware limited liability company	FRANCHISEE
	______________________________
By:______________________________	a ______________________________
Title:______________________________	By:______________________________
Date:______________________________**	Title:______________________________
** Effective Date	Date:______________________________

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE DEVELOPMENT RIGHTS AGREEMENT

RIDER TO THE ROTI MODERN FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT FOR USE IN ILLINOIS

This Rider (the "Rider") is made this ________________, by and between ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company having its principal place of business at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328 ("we," "us," or "our"), and ________________________, a ____________ having its principal place of business at ____________________________________ ("you" or "your").

1. BACKGROUND. We and you are parties to that certain Development Rights Agreement dated __________________________ (the "Development Rights Agreement"). We and you (or your affiliate) also are parties to that certain Franchise Agreement dated __________________________ (the "Franchise Agreement") that is being signed concurrently with the Development Rights Agreement. This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) any of the franchise offer or sales activity relating to the Development Rights Agreement occurred in Illinois and the ROTI Restaurants that you will develop under the Development Rights Agreement will be located in Illinois, and/or (b) you are an Illinois resident.

2. GOVERNING LAW. The following is added to the end of Section 21.G of the Franchise Agreement, as incorporated by reference in Section 11 of the Development Rights Agreement:

> Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Development Rights Agreement.

3. CONSENT TO JURISDICTION. The following is added to the end of Section 21.H of the Franchise Agreement, as incorporated by reference in Section 11 of the Development Rights Agreement:

> In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a Development Rights Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Development Rights Agreement may provide for arbitration to take place outside of Illinois.

4. WAIVER OF PUNITIVE AND EXEMPLARY DAMAGES AND JURY TRIAL. The following is added to the end of Sections 21.I and 21.J of the Franchise Agreement, as incorporated by reference in Section 11 of the Development Rights Agreement:

> However, any waiver shall not apply to the extent prohibited by Section 705/41 of the Illinois Franchise Disclosure Act of 1987 or Illinois Regulations at Section 260.609.

5. ILLINOIS FRANCHISE DISCLOSURE ACT. The following is added as new Section 13 of the Development Rights Agreement.

13. **Illinois Franchise Disclosure Act.**

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. However, that Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any provision of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

Your rights upon Termination and Non-Renewal of an agreement are set forth in Section 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS WHEREOF, each party has caused its duly authorized representative to sign and deliver this Rider on the date first above written.

ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company

By:_____________________________________
Name:________________________________
Title:_________________________________
Date: ___________________**

**Effective Date

DEVELOPER

____
[Name]

By:_____________________________________
Name:________________________________
Title:_________________________________
Date: ___________________

RIDER TO THE ROTI MODERN FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT FOR USE IN MARYLAND

This Rider (the "Rider") is made this ________________, by and between ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company having its principal place of business at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328 ("we," "us," or "our"), and _________________________, a ____________ having its principal place of business at _____________________________________ ("you" or "your").

1. BACKGROUND. We and you are parties to that certain Development Rights Agreement dated ___________________________ (the "Development Rights Agreement"). We and you (or your affiliate) also are parties to that certain Franchise Agreement dated ___________________________ (the "Franchise Agreement") that is being signed concurrently with the Development Rights Agreement. This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland, and/or (b) the ROTI Restaurants that you will develop under the Development Rights Agreement will be located or operated in Maryland.

2. FEES. The following is added to the end of Section 4 of the Development Rights Agreement:

> Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, we will defer your payment of the development fee due to us under this Agreement until we have fulfilled all our initial obligations to you and you have commenced operating your first Restaurant. You must pay us the full development fee on the day you begin operating your first Restaurant.

3. GOVERNING LAW. The following is added to the end of Section 21.G of the Franchise Agreement, as incorporated by reference in Section 11 of the Development Rights Agreement:

> Despite anything to the contrary stated above, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. CONSENT TO JURISDICTION. The following is added to the end of Section 21.H of the Franchise Agreement, as incorporated by reference in Section 11 of the Development Rights Agreement:

> However, subject to your arbitration obligations, nothing in this Section affects your right under the Maryland Franchise Registration and Disclosure Law to bring a lawsuit in Maryland for claims arising under that law.

5. The following is added as new Section 13 of the Development Rights Agreement.

> 13. Maryland Franchise Registration and Disclosure Law. All representations requiring you to assent to a release, estoppel, or waiver of liability are not intended to nor shall they act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, each party has caused its duly authorized representative to sign and deliver this Rider on the date first above written.

ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company

By:_____________________________________
Name:_______________________________
Title:________________________________
Date: ___________________**

**Effective Date

DEVELOPER

____
[Name]

By:_____________________________________
Name:_______________________________
Title:________________________________
Date: ___________________

RIDER TO THE ROTI MODERN FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT FOR USE IN MINNESOTA

This Rider (the "Rider") is made this ________________, by and between ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company having its principal place of business at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328 ("we," "us," or "our"), and _________________________, a ____________ having its principal place of business at _____________________________________ ("you" or "your").

1. BACKGROUND. We and you are parties to that certain Development Rights Agreement dated ___________________________ (the "Development Rights Agreement"). We and you (or your affiliate) also are parties to that certain Franchise Agreement dated ___________________________ (the "Franchise Agreement") that is being signed concurrently with the Development Rights Agreement. This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) the ROTI Restaurants that you will develop and operate under the Development Rights Agreement will be located in Minnesota, and/or (b) any of the franchise offer or sales activity occurred in Minnesota.

2. FEES. The following is added to the end of Section 4 of the Development Rights Agreement:

> Based upon our financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, we will defer your payment of the development fee due to us under this Agreement until we have fulfilled all our initial obligations to you and you have commenced operating your first Restaurant. You must pay us the full development fee on the day you begin operating your first Restaurant.

3. GOVERNING LAW. The following is added to the end of Section 21.G of the Franchise Agreement, as incorporated by reference in Section 11 of the Development Rights Agreement:

> Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80c or your right to any procedure, forum, or remedies that the laws of the jurisdiction provide.

4. CONSENT TO JURISDICTION. The following is added to the end of Section 21.H of the Franchise Agreement, as incorporated by reference in Section 11 of the Development Rights Agreement:

> Notwithstanding the foregoing, Minn. Stat. Sec. 80c.21 and Minn. Rule 2860.4400j prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80c or your rights to any procedure, forum, or remedies that the laws of the jurisdiction provide.

5. WAIVER OF JURY TRIAL. If and then only to the extent required by the Minnesota Franchises Law, Section 21.J of the Franchise Agreement, as incorporated by reference in Section 11 of the Development Rights Agreement, is deleted.

IN WITNESS WHEREOF, each party has caused its duly authorized representative to sign and deliver this Rider on the date first above written.

ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company

By:____________________________________
Name:______________________________
Title:_______________________________
Date: __________________**

**Effective Date

DEVELOPER

____
[Name]

By:____________________________________
Name:______________________________
Title:_______________________________
Date: __________________

RIDER TO THE ROTI MODERN FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT FOR USE IN NEW YORK

This Rider (the "Rider") is made this ________________, by and between ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company having its principal place of business at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328 ("we," "us," or "our"), and ________________________, a ____________ having its principal place of business at ____________________________________ ("you" or "your").

1. BACKGROUND. We and you are parties to that certain Development Rights Agreement dated __________________________ (the "Development Rights Agreement"). We and you (or your affiliate) also are parties to that certain Franchise Agreement dated __________________________ (the "Franchise Agreement") that is being signed concurrently with the Development Rights Agreement. This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) any of the franchise offer or sales activity relating to the Development Rights Agreement occurred in New York, and/or (b) you are a resident of New York and the ROTI Restaurants that you will develop and operate under the Development Rights Agreement will be located in New York.

2. GOVERNING LAW/CONSENT TO JURISDICTION. The following is added to the end of Sections 21.G and 21.H of the Franchise Agreement, as incorporated by reference in Section 11 of the Development Rights Agreement:

> However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, each party has caused its duly authorized representative to sign and deliver this Rider on the date first above written.

ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company	**DEVELOPER**
	______________________________________ [Name]
By:___________________________________ Name:_____________________________ Title:______________________________ Date: __________________**	By:___________________________________ Name:_____________________________ Title:______________________________ Date: __________________
**Effective Date	

RIDER TO THE ROTI MODERN FRANCHISING, LLC
DEVELOPMENT RIGHTS AGREEMENT FOR USE IN RHODE ISLAND

This Rider (the "Rider") is made this ________________, by and between ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company having its principal place of business at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328 ("we," "us," or "our"), and _________________________, a ____________ having its principal place of business at _____________________________________ ("you" or "your").

1. BACKGROUND. We and you are parties to that certain Development Rights Agreement dated ___________________________ (the "Development Rights Agreement"). We and you (or your affiliate) also are parties to that certain Franchise Agreement dated ___________________________ (the "Franchise Agreement") that is being signed concurrently with the Development Rights Agreement. This Rider is annexed to and forms part of the Development Rights Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the ROTI Restaurants that you will develop and operate under the Development Rights Agreement will be located in Rhode Island, and/or (b) any of the franchise offer or sales activity occurred in Rhode Island.

2. GOVERNING LAW. The following is added to the end of Section 21.G of the Franchise Agreement, as incorporated by reference in Section 11 of the Development Rights Agreement:

> Provided, however, to the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

3. CONSENT TO JURISDICTION. The following is added to the end of Section 21.H of the Franchise Agreement, as incorporated by reference in Section 11 of the Development Rights Agreement:

> Nonetheless, subject to your arbitration obligations, you have the right under the Rhode Island Franchise Investment Act to sue in Rhode Island for claims arising under that law.

[Signature Page Follows]

IN WITNESS WHEREOF, each party has caused its duly authorized representative to sign and deliver this Rider on the date first above written.

ROTI MODERN FRANCHISING, LLC, a Delaware limited liability company	**DEVELOPER**
	____________________________________ [Name]
By:_________________________________ Name:____________________________ Title:_____________________________ Date: ___________________** **Effective Date	By:_________________________________ Name:____________________________ Title:_____________________________ Date: ___________________

EXHIBIT H

FRANCHISEE REPRESENTATIONS

(This Franchisee Disclosure Questionnaire Document will not be used if the franchise is to be operated in, or you are a resident of, California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)

ROTI MODERN FRANCHISING, LLC
<u>FRANCHISEE REPRESENTATIONS</u>

<u>DO NOT SIGN THIS FRANCHISEE REPRESENTATIONS IF THE FRANCHISE IS TO BE OPERATED IN, OR YOU ARE A RESIDENT OF, CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.</u>

<u>Important Instructions</u>: Roti Modern Franchising, LLC ("we," "us," or "our") and you are preparing to sign a Franchise Agreement for the construction, development, and operation of a ROTI® MODERN MEDITERRANEAN Restaurant (the "Restaurant") and, possibly, a Development Rights Agreement for the construction, development, and operation of multiple ROTI® MODERN MEDITERRANEAN Restaurants. This document's purpose is to determine whether any statements or promises were made to you that we have not authorized, that do not appear in or are inconsistent with our franchise documents, and/or that might be untrue, inaccurate, or misleading. We also want to be sure that you understand certain terms of the agreements you will sign and their ramifications. Please review each of the following statements carefully and do not sign this document if it contains anything you think might be untrue. If you sign this document, you are confirming that what it says is true. In addition, if you sign it, we will act in reliance on the truth of what it says.

Name of Prospective Franchisee:____
(the "Franchisee")

Each of the undersigned represents that all of the following statements are true:

1. The only state(s) in which each of the undersigned is a resident or domiciled is (are): ____.

***Insert initials into the following blank to confirm this statement: ___**

2. Each of the undersigned has independently investigated us, our affiliates, the Franchise System (as that term is used in our Franchise Agreement); the risks, burdens, and nature of the business that Franchisee will conduct under the Franchise Agreement; the Restaurant; the Restaurant's location (if already selected), and the Restaurant's market area.

***Insert initials into the following blank to confirm this statement: ___**

3. Each of the undersigned understands that the business Franchisee will conduct under the Franchise Agreement involves risk, and any success or failure will be substantially influenced by Franchisee's abilities and efforts, the viability of the Restaurant's location, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms, and other economic and business factors.

***Insert initials into the following blank to confirm this statement: ___**

4. Each of the undersigned understands that we previously might have signed, and in the future we may sign, franchise agreements with provisions different from the provisions of the Restaurant's Franchise Agreement.

***Insert initials into the following blank to confirm this statement: ___**

5. If we unilaterally made material changes in Franchisee's final, ready-to-be signed copies of the Franchise Agreement and related documents (other than as a result of our negotiations with Franchisee), Franchisee has had those documents in its possession for at least seven (7) calendar days before signing them and has had ample opportunity to consult with its, his, or her attorneys, accountants, and other advisors concerning those documents.

***Insert initials into the following blank to confirm this statement: ___**

6. Franchisee has received a franchise disclosure document ("FDD") as required by law at least 14 calendar days before signing the Franchise Agreement, or paying any consideration to us or our affiliate in connection with this franchise, and has had ample opportunity to consult with its, his, or her attorneys, accountants, and other advisors concerning the FDD.

***Insert initials into the following blank to confirm this statement: ___**

7. Except as provided in Item 19 of our FDD, we and our affiliates and agents have made no representation, warranty, promise, guaranty, prediction, projection, or other statement, and given no information, as to the future, past, likely, or possible income, sales volume, or profitability, expected or otherwise, of the Restaurant or any other business, except: (None, unless something is filled-in here or provided on additional sheets)__________________________
____
____
______________.

***Insert initials into the following blank to confirm this statement: ___**

8. Each of the undersigned understands that:

8.1 Except as provided in Item 19 of our FDD, we do not authorize our affiliates, or our or their respective officers, directors, employees, or agents, to furnish any oral or written representation, warranty, promise, guaranty, prediction, projection, or other statement or information concerning actual or potential income, sales volume, or profitability, either generally or of any ROTI® MODERN MEDITERRANEAN Restaurant.

***Insert initials into the following blank to confirm this statement: ___**

8.2 Actual results vary from unit to unit and from time period to time period, and we cannot estimate, project, or predict the results of any particular ROTI® MODERN MEDITERRANEAN Restaurant.

***Insert initials into the following blank to confirm this statement: ___**

8.3 We have specifically instructed our affiliates, and our and their respective officers, directors, employees, and agents, that except as provided in Item 19 of our FDD, they are not permitted to make any representation, warranty, promise, guaranty, prediction, projection, or other statement or give other information as to income, sales volume, or profitability, either generally or with respect to any particular ROTI® MODERN MEDITERRANEAN Restaurant.

***Insert initials into the following blank to confirm this statement: ___**

9. Before signing the Franchise Agreement or any related documents, the undersigned Franchisee has had ample opportunity: (a) to discuss the Franchise Agreement, any related document, and the business Franchisee will conduct with its, his, or her own attorneys, accountants, and real estate and other advisors; (b) to contact our existing franchisees; and (c) to investigate all statements and information made or given by us or our affiliates, or our or their respective officers, directors, employees, and agents, relating to the Franchise System, the Restaurant, and any other subject.

***Insert initials into the following blank to confirm this statement: ___**

10. Each of the undersigned understands that the Franchise Agreement licenses certain rights for one, and only one, ROTI® MODERN MEDITERRANEAN Restaurant, located only at the location now specified (or to be specified) in the Franchise Agreement, and that, except as may be provided in the Franchise Agreement or a signed Development Rights Agreement with us, no "exclusive," "expansion," "protected," "non-encroachable," or other territorial rights, rights of first refusal, or rights of any other kind are granted or have been promised concerning the shopping center or other structure in which the Restaurant is located, the contiguous or any other market area of the Restaurant, or any other existing or potential ROTI® MODERN MEDITERRANEAN Restaurant or geographic territory.

***Insert initials into the following blank to confirm this statement: ___**

11. Each of the undersigned understands that nothing stated or promised that is not specifically set forth in the Franchise Agreement or FDD can or will be relied upon by the undersigned or Franchisee.

***Insert initials into the following blank to confirm this statement: ___**

12. Each of the undersigned has confirmed that no employee or agent of ours or our affiliates, or other person purporting to speak on our behalf, has made any statement, promise, or agreement concerning the advertising, marketing, training, support service, or assistance we will furnish to Franchisee that is contrary to, or different from, the information contained in the FDD and the Franchise Agreement.

***Insert initials into the following blank to confirm this statement: ___**

13. Each of the undersigned understands that we and our affiliates may sell or transfer our assets, our trademarks, and/or the ROTI® MODERN MEDITERRANEAN Restaurant Franchise System outright to a third party; may go public; may engage in a private placement of some or all of our and our affiliates' securities; may merge, acquire other companies, or be

acquired by another company; and/or may undertake a refinancing, a recapitalization, a leveraged buy-out, or other economic or financial restructuring.

***Insert initials into the following blank to confirm this statement: ___**

14. Each of the undersigned understands the importance of the Restaurant's location. The undersigned and Franchisee have had, or will have, ample opportunity and the means to investigate, review, and analyze independently the Restaurant's location, the shopping center or other building in which it is contained, the market area and all other facts relevant to the selection of a site for a ROTI® MODERN MEDITERRANEAN Restaurant, and the lease or purchase documents for such location.

***Insert initials into the following blank to confirm this statement: ___**

15. Each of the undersigned understands that neither our acceptance or selection of any location nor our negotiation or acceptance of any lease or purchase contract implies or constitutes any warranty, representation, guarantee, prediction, or projection that the location will be profitable or successful or that the lease or purchase contract is on favorable terms. It often is the case that such documents contain very tough terms.

***Insert initials into the following blank to confirm this statement: ___**

16. Each of the undersigned understands that site selection is a difficult and risky proposition. We and our affiliates have not given (and will not give) any representation, warranty, promise, guaranty, prediction, projection, or other statement or information relied upon (or to be relied upon) by the undersigned or Franchisee regarding a location's prospects for success, nearby tenants or other attributes, or the form or contents of any lease or purchase contract. Franchisee will have any lease or purchase contract reviewed by its, his, or her own attorney and other advisors.

***Insert initials into the following blank to confirm this statement: ___**

17. Each of the undersigned understands that the estimated initial investment ranges disclosed in Item 7 of our FDD are for ROTI® MODERN MEDITERRANEAN Restaurants of a certain size, at certain types of locations, and having certain characteristics we consider to be fairly standard for ROTI® MODERN MEDITERRANEAN Restaurants. Franchisee's actual investment to develop its ROTI® MODERN MEDITERRANEAN Restaurant could be incrementally or materially higher than the estimated initial investment ranges disclosed in Item 7 if Franchisee chooses to develop a larger Restaurant or a Restaurant that otherwise is atypical when compared with standard ROTI® MODERN MEDITERRANEAN Restaurants.

***Insert initials into the following blank to confirm this statement: ___**

18. The covenants and restrictions concerning competition contained in the Franchise Agreement are fair and reasonable and will not impose an undue hardship on the undersigned or Franchisee. Each of them has other considerable skills, abilities, opportunities, and experience in other matters and of a general nature enabling each of them to derive income that is satisfactory to them from other endeavors.

***Insert initials into the following blank to confirm this statement: ___**

19 There is no fiduciary or confidential relationship between us and the undersigned or between us and Franchisee. Each of the undersigned expects us to deal, and will act as if we are dealing, with it, him, or her at arm's length and in our own best interests.

***Insert initials into the following blank to confirm this statement: ___**

20. We have advised the undersigned and Franchisee to consult with their own advisors on the legal, financial, and other aspects of the Franchise Agreement, this document, the Restaurant, any lease, sublease, or purchase contract for the premises, and the business contemplated. Each of the undersigned has either consulted with such advisors or deliberately declined to do so.

***Insert initials into the following blank to confirm this statement: ___**

21. Neither we or our affiliates, nor any of our or our affiliates' employees or agents, have provided the undersigned or Franchisee with services or advice that is legal, accounting, or other professional services or advice.

***Insert initials into the following blank to confirm this statement: ___**

22. We may communicate directly with Franchisee's trade suppliers at any time during the Restaurant's operation and obtain from them any sales and purchasing information relating to their dealings with Franchisee.

***Insert initials into the following blank to confirm this statement: ___**

23. The statements made in this document supplement and are cumulative to statements, warranties, and representations made in other documents, such as the Franchise Agreement. The statements made in this document and the Franchise Agreement are made separately and independently. They are not intended to be, and will not be, construed as modifying or limiting each other.

***Insert initials into the following blank to confirm this statement: ___**

24. Each of the undersigned understands that, in the franchise relationship, we and Franchisee will be independent contractors. Nothing is intended to make either Franchisee or us (or any affiliate of ours) a general or special agent, joint venturer, partner, or employee of the other for any purpose. We (and our affiliates) will not exercise direct or indirect control over the Restaurant's personnel except to the extent any indirect control is related to our legitimate interest in protecting the quality of products, services, or the ROTI® MODERN MEDITERRANEAN Restaurant brand. We (and our affiliates) will not share or codetermine the employment terms and conditions of the Restaurant's employees or affect matters relating to the employment relationship between Franchisee and the Restaurant's employees, such as employee selection, training, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. We (and our affiliates) will not be the employer or joint employer of the Restaurant's employees.

***Insert initials into the following blank to confirm this statement: ___**

25. The President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations, and the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). We therefore require certain certifications that the parties with whom we deal are not directly or indirectly involved in terrorism. For that reason, the undersigned and Franchisee hereby certify that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with Franchisee, is: (a) a person or entity listed in the Annex to the Executive Order; (b) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism; (c) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (d) owned or controlled by terrorists or sponsors of terrorism. The undersigned and Franchisee further covenant that neither they nor any of their employees, agents, or representatives, nor any other person or entity associated with them, will during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any Anti-Terrorism Measure.

***Insert initials into the following blank to confirm this statement: ___**

FRANCHISEE:

[____________________]

By: ________________________________
Signature

Print Name: ______________
Title: ______________
Date: ______________

Owners/executives of the Franchisee legal entity must sign below individually

______________________________	______________________________
(Signature)	(Signature)
______________________________	______________________________
(Name Printed)	(Name Printed)
______________________________	______________________________
(Date)	(Date)

EXHIBIT I

FORM OF GENERAL RELEASE

ROTI MODERN FRANCHISING, LLC

GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

Roti Modern Franchising, LLC ("we," "us," or "our") and the undersigned franchisee, ___________________ ***[insert name of franchisee entity]*** ("you" or "your"), currently are parties to a Franchise Agreement dated ___________ (the "Franchise Agreement") for the operation of a ROTI MODERN MEDITERRANEAN Restaurant located at ____. You have asked us to ______________________________ ***[insert relevant detail]*** (the "Action"). We currently have no obligation under the Franchise Agreement or otherwise to take the Action, or we have the right under the Franchise Agreement to condition our approval on your and your owners signing a release of claims. We are willing to take the Action if you and your owners give us the release and covenant not to sue provided below in this document. You and your owners are willing to give us the release and covenant not to sue provided below in consideration for our willingness to take the Action.

Consistent with the previous introduction, you, on behalf of yourself and your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our parent and other affiliated entities, and our and their respective current and former officers, directors, owners, principals, employees, agents, representatives, successors, and assigns (collectively, the "ROTI Parties"), from any and all claims, damages, demands, debts, causes of action, suits, duties, liabilities, costs, and expenses of any nature and kind, whether presently known or unknown, vested or contingent, or suspected or unsuspected (all such matters, collectively, "Claims"), that you and any other Releasing Party now have, ever had, or, but for this Consent, hereafter would or could have against any ROTI Party arising out of or related in any way to (1) the ROTI Parties' performance of or failure to perform their obligations under the Franchise Agreement before the date of your signature below, (2) our offer and grant to you of your ROTI Restaurant franchise rights (and, if applicable, development rights), or (3) your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any ROTI Party. You, on behalf of yourself and the other Releasing Parties, further covenant not to sue any ROTI Party on any Claim released by this paragraph and represent that you have not assigned any Claim released by this paragraph to any individual or entity that is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

<u>Acknowledgment of Releases under California Law</u>. **Each Party granting a release acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:**

> **"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

Each Party granting a release under this Consent recognizes that he, she, or it may have some claim, demand, or cause of action against the other Parties of which he, she, or it is unaware and unsuspecting and which he, she, or it is giving up by signing this Consent. Each Party granting a release hereby waives and relinquishes every right or benefit which

he, she, or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.

****

Each party to this release acknowledges that the release provisions contained herein do not apply to claims arising under the Franchise Investment Protection Act of the State of Washington, chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2), except when this release is executed pursuant to a negotiated settlement after the Franchise Agreement is in effect and where the parties are represented by independent counsel.

ROTI MODERN FRANCHISING, LLC

By:______________________________
Name:____________________________
Title:____________________________
Date:____________________________

____
[Name of Franchisee]

By:______________________________
Name:____________________________
Title:____________________________
Date:____________________________

____
[Name of Owner]

____
[Signature and Date]

[Name of Owner]

____
[Signature and Date]

NEW YORK REPRESENTATIONS PAGE

THE FRANCHISOR REPRESENTS THAT THIS PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

EXHIBIT J

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Illinois	Pending
Indiana	October 16, 2025
Maryland	Pending
Michigan	October 15, 2025
Minnesota	Pending
New York	Pending
Rhode Island	October 21, 2025
Virginia	November 7, 2025
Washington	Pending
Wisconsin	October 21, 2025

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT K

RECEIPTS

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Roti Modern Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa and New York require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If Roti Modern Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Roti Modern Franchising, LLC, located at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328, (678) 992-2300.

Issuance date: October 10, 2025

The franchise sellers for this offering are Matthew Walls, Sara Berthen, Larry Foster, and ___________________________ at Roti Modern Franchising, LLC, 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328. Their contact number is (678) 992-2300.

We authorize the respective state agents identified on Exhibit A to receive service of process for us in the particular states. I received a disclosure document from Roti Modern Franchising, LLC issued as of October 10, 2025, that included the following Exhibits:

A. List of State Agencies/Agents for Service of Process
B. Franchise Agreement
C. Development Rights Agreement
D. Financial Statements
E. Operations Manual Table of Contents
F. Lists of ROTI Modern® Restaurants / Departing Franchisees
G. State Addenda and Riders to Franchise Agreement and Development Rights Agreement
H. Franchisee Representations
I. Form of General Release
J. State Effective Dates
K. Receipts

____
Date

____
Prospective Franchisee [Print Name]

____
Prospective Franchisee [Signature]

(Date, sign, and return to us at our address above or by emailing a scanned copy of the signed and dated Receipt to franchising@roti.com.)

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 Roti Modern Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Iowa and New York require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If Roti Modern Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The franchisor is Roti Modern Franchising, LLC, located at 980 Hammond Drive, Suite 1000, Atlanta, Georgia 30328, (678) 992-2300.

Issuance date: October 10, 2025

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We authorize the respective state agents identified on Exhibit A to receive service of process for us in the particular states. I received a disclosure document from Roti Modern Franchising, LLC issued as of October 10, 2025, that included the following Exhibits:

A. List of State Agencies/Agents for Service of Process
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H. Franchisee Representations
I. Form of General Release
J. State Effective Dates
K. Receipts

______________________________ Date

______________________________ Prospective Franchisee [Print Name]

______________________________ Prospective Franchisee [Signature]