

## FRANCHISE DISCLOSURE DOCUMENT



WSR Franchise, LLC,  
a Georgia limited liability company  
6 Meridian Home Lane, Suite 101  
Palm Coast, Florida 32137  
Phone: 404-800-6700  
Fax: 888-668-8625  
[www.WeSellRestaurants.com](http://www.WeSellRestaurants.com)

WSR Franchise, LLC offers franchises for the operation of a business offering restaurant brokerage services, franchise resale services for the food industry, restaurant site selections services, and consulting services related to restaurant sales and site selection issues (“**Restaurant Brokerage Business**”).

The total investment necessary to begin operation of a Standard WSR franchise ranges from \$105,625 to \$150,400. This includes initial fees of \$50,250 that must be paid to the franchisor.

The total investment necessary to begin operation of a Conversion WSR franchise ranges from \$95,875 to \$140,650. This includes initial fees of \$40,500 that must be paid to the franchisor.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Eric Gagnon at 6 Meridian Home Lane, Suite 101, Palm Coast, Florida 32137, and (404) 800-6700.

The terms of your contract will govern your franchise relationship. Do not 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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

**The issuance date: April 29, 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:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
How much can I earn?	Item 19 may give you information about outlet sales costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit C.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only We Sell Restaurants 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 We Sell Restaurants franchisee?	Item 20 or Exhibit C 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 a franchisor to register before offering or selling in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit D.

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration only in Georgia. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate with the franchisor in Georgia than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty, advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Sales Performance Requirement.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.

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.

## MICHIGAN NOTICE

**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 assents to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Law. 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 before 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 sub-franchisor.
  - (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 sell 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 3<sup>rd</sup> 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 that permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to franchisee unless provision has been made for providing the required contractual services.

**The fact that there is a notice of this offer on file with the Attorney General does not constitute approval, recommendation, or endorsement by the Attorney General.**

Any questions regarding this notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, 670 Law Building, Lansing, MI 48913, telephone: (517) 373-7117.

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## **ITEM 1**

### **THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

The Franchisor is WSR Franchise, LLC, and is referred to in this Disclosure Document as the “**WSR,**” “**we,**” “**us**” or “**our.**” “**You**” or “**your**” means the person, corporation, partnership or other business entity that buys the franchise, the “**Franchisee.**” If you are a business entity, “**you**” includes your owners and the provisions of the franchise agreement also apply to them.

#### **The Franchisor, Predecessor and Affiliates**

We are a Georgia limited liability company formed on July 26, 2011. We do business under the name “We Sell Restaurants.” Our principal business address is 6 Meridian Home Lane, Suite 101, Palm Coast, Florida 32137. We began offering franchises for Restaurant Brokerage Businesses in August 2011. We are engaged in business activities that relate to Restaurant Brokerage Businesses and have not offered franchises in any other lines of business. We currently do not operate any Restaurant Brokerage Businesses.

We have a parent, WSR Holdings, LLC (“**Holdings**”). Holdings is a Georgia limited liability company, formed on July 26, 2011. The principal address for Holdings is 6 Meridian Home Lane, Suite 101, Palm Coast, Florida 32137. Holdings does not operate any Restaurant Brokerage Businesses or sell franchises in this or any other line of business.

We have 1 affiliate (“**Affiliate**”) that is also our predecessor. We Sell Restaurants, Inc., is a Georgia corporation formed on July 27, 2004. Its principal business address is 6 Meridian Home Lane, Suite 101, Palm Coast, Florida 32137. Since 2005, We Sell Restaurants, Inc. has operated a Restaurant Brokerage Business in Georgia and Florida similar to the business you will operate. We Sell Restaurants, Inc. does not offer and has not offered in the past any franchises in this or any other line of business.

Our agent and address for service of process in Georgia is Patrick Norris at 1100 Peachtree Street, NE, Suite 690, Atlanta, GA 30309. Our other agents for service of process are disclosed on **Exhibit D.**

#### **The Business**

We offer franchises to use our “**WE SELL RESTAURANTS®**” trademarks, trade names, service marks and logos (“**Marks**”) in the operation of Restaurant Brokerage Businesses. The franchise is operated under a business format per a unique system, including our valuable know-how, information, trade secrets, methods, Operations Manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with a business offering Restaurant brokerage services, Restaurant site selection services, and consulting services related to Restaurant sales and site selection issues in the operation and promotion of Restaurant Brokerage Businesses (“**System**”). We reserve the right to change or otherwise modify the System at any time in our sole discretion. Each Restaurant Brokerage Business offers a variety of services to purchasers and sellers of restaurants.

You must operate your Restaurant Brokerage Business using our standard business operating practices and operations manual and sign our standard franchise agreement (“**Franchise Agreement**”). We reserve the right to add, modify, or delete any services that you must offer or sell at your Restaurant Brokerage Business at any time in our sole discretion. You must also obtain all necessary permits, licenses and approvals to operate your Restaurant Brokerage Business, including a license to operate as a real estate broker, where applicable, in each state in which your Restaurant Brokerage Business is located.

We offer 2 types of franchises, a standard franchise (“**Standard Franchise**”) and a conversion franchise (“**Conversion Franchise**”). A Standard Franchise is available to anyone who is not currently operating a WSR Restaurant Brokerage Business or an independent restaurant brokerage business. As a Standard Franchise operator, you may operate 1 WSR Restaurant Brokerage Business for each Franchise Agreement you sign with us.

If you are not a current franchisee and you own an independent restaurant brokerage business, you may purchase a Conversion Franchise if you meet our requirements. As a Conversion Franchise operator, you will sign a standard Franchise Agreement, but you will pay a Conversion Fee instead of an Initial Franchise Fee.

## **Regulations**

Many states and local jurisdictions have laws, regulations, and ordinances that may apply to the operation of your Restaurant Brokerage Business, and you must comply with all local codes, regulations, and licensing requirements. For example, state registration, real estate licensing requirements or business brokerage licensing requirements may apply to agents engaging in business brokerage in your area and you may be required to obtain a real estate license or otherwise register before operating as a business broker. Some states also require franchised business brokers to identify themselves as franchised business brokers when offering their services to the public. You must investigate these laws and consult with local agencies and a legal advisor about whether these and/or other requirements apply to your business.

You must obtain all required licenses and permits and ensure that your employees, agents, and others providing Restaurant Brokerage Services to restaurant companies, franchise companies or franchisees and Site Selection Services to customers on behalf of your Restaurant Brokerage Business have all required licenses and permits. The failure to maintain the proper licensing is a material breach of the Franchise Agreement.

Your Restaurant Brokerage Business will also have to comply with various federal, state and local laws and regulations that apply to all businesses. For example, your Restaurant Brokerage Business is subject to laws relating to occupational health and safety, zoning regulations, wage and hour laws, the Americans with Disabilities Act, Fair Housing Laws, and the Real Estate Settlement and Procedures Act. You should familiarize yourself with these laws before deciding to purchase a franchise and license to operate a Restaurant Brokerage Business from us.

## **Market Competition**

Your Restaurant Brokerage Business will compete with other businesses offering business brokerage, commercial real estate sales and leasing, site selection services, business valuations, business consulting, and franchise sales and resale services including franchised operations, national chains, independent brokers and agents, and independently owned companies. The commercial business brokerage market is well developed and is highly competitive.

## **ITEM 2 BUSINESS EXPERIENCE**

### **President: Eric Gagnon**

Mr. Gagnon has been our President since our formation in July 2011. Mr. Gagnon also serves as the President of Holdings and has done so since its formation in July 2011. He has also served as President of We Sell Restaurants, Inc. since its formation in July 2004.

### **CEO: Robin Gagnon**

Ms. Gagnon has been our Vice President since our formation in July 2011. Ms. Gagnon also serves as the Vice President of Holdings and has done so since its formation in July 2011. She has also served as Vice President of We Sell Restaurants, Inc. since June 2006.

## **ITEM 3 LITIGATION**

No litigation is required to be disclosed in this Item.

## **ITEM 4 BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

## **ITEM 5 INITIAL FEES**

### **Initial Franchise Fee**

If you are purchasing a Standard Franchise, you must pay us an initial franchise fee of \$49,750 when you sign the Franchise Agreement. It is fully earned upon payment and is not refundable under any circumstance. The initial franchise fee is uniformly imposed on all franchisees.

### **Conversion Fee**

If you own an existing restaurant brokerage business, you may become a Franchisee by converting your existing business to a WSR Restaurant Brokerage Business. To qualify to purchase a Conversion Franchise, you must have operated your existing business for at least 1 year at the time of conversion and meet our standards as we determine in our discretion. You must pay us a conversion franchise fee of \$40,000 when you sign the Franchise Agreement and it is not refundable under any circumstances.

### Veteran's Program

We are a member of the International Franchise Association and participate in IFA's VetFran Program, which provides special financial incentives to qualified veterans. For qualified U.S. military veterans, we may discount the initial franchise fee by 25%. This discount does not apply to the Conversion franchise fee.

### Other Initial Payments

Upon signing a Franchise Agreement, you must also pay us or an Affiliate an initial website setup fee of \$500 to configure your Computer System with our web-based software and business management system. This fee is nonrefundable.

You will not pay WSR or an Affiliate any other fees for services or goods before your We Sell Restaurants business opens.

## ITEM 6 OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee (1) <sup>†</sup>	A monthly fee equal to or the greater of the following: \$0 – 1 <sup>st</sup> 4 months after training; \$500 - months 5-12; \$750 - months 13-24; \$1,000 - months 25-120; or 15% of Gross Revenues for each month	Payable monthly on or before the 10 <sup>th</sup> of each month. If you permit a party to finance or otherwise extend the time of payment of your sales commission, the full Royalty Fee must be paid to us within 1 month of closing of the sale of the applicable business.	Gross Revenues is all revenue generated by the franchise operation including commission, lender referral fees, agent referral fees, consulting fees, cancellation fees, evaluation fees, and any other source of income paid to the franchisee. (“ <b>Gross Revenues</b> ”). All revenue is tracked and entered into the Broker’s Operations and Sales System (BOSS). Franchisees receive a monthly report related to the month’s royalties and fees at the Beginning (BOM Report) and after the close of each month (EOM) stating all transactions, commission earned and revenue with a

Type of Fee	Amount	Due Date	Remarks
			calculation for Royalty Fees. While standard listing revenue is typically captured through BOSS, franchisees have an obligation to enter all non-standard transactions (such as lease payments, consulting fees, or referral fees) into the system to ensure accurate reporting and calculation of Royalty Fees.
Franchise Marketing Accrual Fund Contribution (2) <sup>†</sup>	The greater of 2% of Gross Revenues or \$150 per month (“ <b>Minimum Individual Advertising Expense</b> ”). (3)	Payable monthly on or before the 10 <sup>th</sup> of each month.	We have set the initial Franchise Marketing Accrual Fund Contribution at 2%. However, we may decrease the National Marketing and Promotions Fee, at our discretion, down to a minimum of 1% of Gross Revenues. We reserve the right to require you to pay your National Marketing and Promotions Fee on a more frequent basis, including weekly.
Local Advertising	2% of Gross Revenues (or \$500 to \$1,500)	As incurred.	We will determine your minimum expenditure on Local Advertising based on your performance and local market conditions.
Cooperative Advertising	As determined by members of the cooperative. (3)	As determined by members of the cooperative.	Members of each cooperative will determine the amount that each member contributes for advertising and marketing programs.
Website Support and Franchisee Listings <sup>†</sup>	\$750 per month for you and one agent and currently \$150 for any enhancement to the website. (4)	Payable monthly on or before the 10 <sup>th</sup> of each month.	The Website Support Fee may be changed by us from time to time.
Mandatory Annual Conference	\$199 per person, plus your travel, lodging and other expenses	As incurred.	You and your Agents must attend our annual conference which will be held in Palm Coast, Florida.
Insurance	\$300 to \$900	As incurred.	Insurance required may be changed by us.
Additional Agent Training Fee <sup>†</sup>	\$2,000 per Agent, plus travel and living expenses.	30 days before the initial training course	Each of your Agents must complete the 5-business day

Type of Fee	Amount	Due Date	Remarks
		begins.	initial training course to our satisfaction prior to becoming affiliated with your Restaurant Brokerage Business. This fee is nonrefundable unless you cancel the training appointment 14 days before it is scheduled to begin, cancellation fees may apply.
Transfer Fee <sup>†</sup>	\$15,000	Before acceptance of transfer.	Payable before you transfer your franchise.
Successor Franchise Fee <sup>†</sup>	\$5,000	Upon signing the Successor Franchise Agreement.	We reserve the right to increase this fee based upon market demand.
Audit <sup>†</sup>	Cost of audit. But at no time less than \$250 per instance.	As incurred.	Payable if audit shows an understatement of at least 2% of Gross Revenues for any 1 month or if the Franchisee fails to report Gross Revenue properly more than once in a single fiscal year.
Late Fee <sup>†</sup>	10% of the amount due accumulating for each month past due, but in no case less than a minimum of \$50.	As incurred.	Applies after any payment is past its due date.
Indemnification <sup>†</sup>	Will vary under circumstances.	As incurred.	You must reimburse us if we are held liable for claims arising from your Restaurant Brokerage Business.
Cost of Enforcement or Defense <sup>†</sup>	All costs including accounting and attorneys' fees.	Upon settlement or conclusion of claim or action.	You must reimburse us if we incur any expenses in enforcing our rights against you under the Franchise Agreement.
Interest <sup>†</sup>	1½% per month on amounts unpaid	As incurred.	Begins to accrue after any payment is due and unpaid.
Late Report Fee <sup>†</sup>	The higher of 5% of the reported amount or \$100 per violation.	As incurred.	Payable only if a required report or financial statement is not delivered when due.
Termination Fee <sup>†</sup>	\$25,000	Upon termination of Franchise Agreement for any reason.	Payable as liquidated damages and not as a penalty.

† Denotes fees which are imposed and payable to us or our Affiliate. All fees paid to us or our Affiliate are non-refundable under any circumstances once paid except otherwise noted. Fees paid to vendors or other suppliers may or may not be refundable depending on your vendors and suppliers. We require you to pay fees and other amounts due to us via electronic funds transfer (“EFT”) as described in the Franchise Agreement. If payments are required in this method, you must comply with our procedures and perform all acts and deliver and sign all documents, including authorization (in the form attached to the Franchise Agreement as Attachment E or any other form that we may accept) for direct debits from your business bank operating account, which may be necessary to assist in or accomplish payment by this method. Under this procedure, you will authorize us to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to us and any interest that may be due. You must make the funds available to us for withdrawal by electronic transfer no later than the payment due date. You are provided with a report at the beginning and end of the month stating all revenue and royalties payable. You are responsible for careful review of this report as funds will be withdrawn within three (3) business days of its publication. If you fail to report revenue or there is any form of error in the calculation, it will be captured and rebilled or credited on the next reporting run. We are authorized to debit your account for the fees calculated for the last reporting period of all Restaurant Brokerage Business’ Gross Revenues and based on information retrieved from BOSS (Broker’s Operations and Sales System).

**Notes: (1) Royalty Fee.** The Royalty Fee is equal to or the greater of 15% of Gross Revenues for each month or partial month of the Term and any Interim Period or during the first 4 months after training: \$0; months 5 through 12: \$500; months 13 through 24: \$750; and months 25 through 120: \$1,000. Our Royalty Fee is based on total revenue collected from the brokerage practice including all “Gross Revenues” as defined herein earned by Agents of the practice. The Royalty Fee is payable to us on or before the 10th day of each month for the preceding calendar month and is payable through the entire Initial Term of this Agreement and any Interim Period. You will pay the Royalty Fee monthly or in any other frequency, including as part of the closing of each transaction, as we may in our sole discretion require upon written notice to you. In addition, in no event shall you agree to less than a 10% commission on the sale of each property without our prior written approval. If you agree to a reduced commission without our prior written approval, you shall still be responsible for the payment of a Royalty Fee to us as if you received a 10% commission on the applicable sale. The minimum per transaction royalty fee payable to us is \$1,000.

These minimums do not apply to any transaction where you are a co-broker. In such case, the minimum royalty payable to us shall be the greater of: (i) 5% of the Gross Revenues for the applicable transaction; or (ii) \$500 for each co-brokered transaction.

**(2) Franchise Marketing Accrual Fund.** The Franchise Marketing Accrual Fund (“FMAF”) contribution must be made by check, EFT. FMAF contributions may be paid in the same check as Royalties. As of the date of the franchise disclosure document, we have not established the Marketing Accrual Fund.

- (3) If **Cooperative Advertising** is established in your area, you will be required to join. The amount of your contribution to the Cooperative will be determined by its members. We will not contribute to the Cooperative nor will we have any voting power. However, we reserve the right to review each Cooperative's contribution rate annually and disapprove a rate of less than 1% of Gross Revenues. As of the date of this disclosure document, we have not established any Cooperative Advertising.
- (4) The **Website Support and Franchise Listings fees** are designed to support you and 1 agent. Additional agents will result in a higher fee set by us.

All fees listed in this Item are uniformly imposed on all franchisees and are non-refundable.

**ITEM 7  
ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure (1)</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee (2)	\$49,750	Lump sum	Upon signing the Franchise Agreement	Us
Travel and living expenses while training (3)	\$1,500 - \$3,000	As incurred	As incurred	Airlines, hotels, restaurants
Initial Direct Mail Market Opening Campaign (4)	\$2,500	Lump Sum	30 days prior to opening	Vendor
Additional Marketing Expense in Year 1	Up to \$25,000	As incurred	As incurred	Suppliers
Computer Hardware and Software (5)	\$1,100 - \$4,500	Lump sum	When purchased	Suppliers, vendors
Website Setup Fee	\$500	Lump sum	As incurred	Us
Office Equipment and Supplies (6)	\$350 - \$800	As incurred	At delivery	Suppliers
Telecommunications	\$1,600 - \$1,900	Lump sum	When purchased and as incurred	Suppliers
Marketing materials (7)	\$500 - \$1,200	As incurred	At delivery	Suppliers
Errors and omissions insurance	\$1,000 - \$3,000	Lump sum	As incurred	Insurance provider
Automobile insurance (8)	\$700 - \$3,000	Monthly	As incurred	Insurance provider
Licenses and dues (9)	\$125 - \$1,250	Lump sum	As incurred	Governmental authorities and

				other organizations
Legal and accounting fees	\$1,000 - \$4,000	As incurred	Varied times	Suppliers
Additional funds — first 6 months (10)	\$20,000 - \$50,000	As incurred	Varied times	Suppliers, vendors
<b>TOTAL ESTIMATE: \$105,625 - \$150,400 (11)</b>				

### **YOUR ESTIMATED INITIAL INVESTMENT – CONVERSION FRANCHISE**

<b>Type of Expenditure (1)</b>	<b>Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee (2)	\$40,000	Lump sum	Upon signing the Franchise Agreement	Us
Travel and living expenses while training (3)	\$1,500 - \$3,000	As incurred	As incurred	Airlines, hotels, restaurants
Initial Direct Mail Market Opening Campaign (4)	\$2,500	Lump Sum	30 days prior to opening	Vendor
Additional Marketing Expense in Year 1	Up to \$25,000	As incurred	As incurred	Suppliers
Computer Hardware and Software (5)	\$1,100 - \$4,500	Lump sum	When purchased	Suppliers, vendors
Website Setup Fee	\$500	Lump sum	As incurred	Us
Office Equipment and Supplies (6)	\$350 - \$800	As incurred	At delivery	Suppliers
Telecommunications	\$1,600 - \$1,900	Lump sum	When purchased and as incurred	Suppliers
Marketing materials (7)	\$500 - \$1,200	As incurred	At delivery	Suppliers
Errors and omissions insurance	\$1,000 - \$3,000	Lump sum	As incurred	Insurance provider
Automobile insurance (8)	\$700 - \$3,000	Monthly	As incurred	Insurance provider
Licenses and dues (9)	\$125 - \$1,250	Lump sum	As incurred	Governmental authorities and other organizations
Legal and accounting fees	\$1,000 - \$4,000	As incurred	Varied times	Suppliers
Additional funds — first 6 months (10)	\$20,000 - \$50,000	As incurred	Varied times	Suppliers, vendors

<b>TOTAL ESTIMATE: \$95,875 - \$140,650 (11)</b>
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**Notes:**

- (1) **Type of Expenditure.** The high and low ranges in the table are based on an average for a 1 Restaurant Brokerage Business for the first 3 months of operations. Fees and expenses paid to vendors or other third parties may or may not be refundable depending on the arrangements you make with them.
- (2) **Initial Franchise Fee.** The initial franchise fee may be reduced by up to 25% for qualified U.S. military veterans as determined by us in our sole discretion and in accordance with our participation in the IFA VetFran Program. For a qualified conversion franchise, the Conversion Franchise Fee is \$40,000.
- (3) **Travel and Living Expenses While Training.** We provide initial training for up to 2 people for 5 business days at our office located in Palm Coast, Florida or at another location designated by us. You must pay for airfare, meals, transportation costs, salaries, benefits, lodging and incidental expenses for all initial training program attendees.
- (4) **Initial Direct Mail Market Opening Campaign.** You must pay Vendor \$2,500 in within 30 days of the day you first begin operating your Restaurant Brokerage Business for an initial direct mail market opening campaign in your new territory (“**Initial Direct Mail Market Opening Campaign**”).
- (5) **Additional Marketing.** The estimated additional marketing expense in the first year of operation may be as much as \$25,000 based on a mix of additional direct email, digital marketing, and local marketing.
- (6) **Computer Hardware and Software.** The estimated initial investment includes costs related to the purchase of specified computer hardware and software, including a laptop computer and a scanner. If you already have the specified computer hardware and software, you do not need to purchase new equipment as long as it is not more than 4 years old. If we require, you must provide us with electronic access to certain daily information.
- (7) **Office Equipment and Supplies.** Your initial office equipment and supplies will typically include a copier/fax machine, letterhead, and paper.
- (8) **Marketing Materials.** Your initial marketing materials will typically include business cards, brochures, postcards, and other collateral.
- (9) **Automobile Insurance.** The actual amount of your insurance will vary depending on your driving history, make and model of your vehicle, and other factors.
- (10) **Licenses and Dues.** These amounts include the estimated cost of obtaining a license from a state agency to act as a commercial real estate broker, fees associated with registering your business with any city or county agency, and dues to local, state and national commercial real

estate organizations, business brokerage boards, associations, or organizations which in our reasonable opinion are useful in the operation of your Restaurant Brokerage Business.

**(11) Additional Funds – 6 months.** This is for budgeting purposes only to account for unanticipated expenses. This amount includes estimated operating expenses you should expect to incur during the first 3 months of operations, not including any revenue generated by your Restaurant Brokerage Business. It includes royalties, advertising, payroll costs, deposits, fees for city, state and local business licenses, business entity organization expenses, other prepaid expenses, accounting and professional fees, and other operational expenses. These figures do not include any taxes that you may pay. You should check with your local and state governmental agencies for any taxes that may be assessed.

**(12) Total Estimated Initial Investment.** These figures are estimates only and reflect only the first 3 months of operations. You should review these figures carefully with a business advisor before making any decision to purchase the Restaurant Brokerage Business. You may incur additional expenses starting your Restaurant Brokerage Business. Your costs depend on several factors, including how well you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; competition; and sales levels reached by your Restaurant Brokerage Business during the initial period. We relied on our Parent and Affiliate to compile these estimates.

We nor any affiliate, finance any part of your initial investment.

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

You must provide specified services (“**Services**”). The Services include any and all assistance, guidance, recommendations, marketing and other services for the sale, transfer, or other disposition of restaurants (“**Restaurant Brokerage Services**”), the provision of site selection services to restaurant companies or franchisees (“**Site Selection Services**”), the provisions of consulting, valuation or professional witness services, due diligence services, or the provision of any ongoing advice regarding Restaurant-related issues (collectively, “**Consulting Services**”), or any other approved services conducted or otherwise provided by you and the Agents in connection with the Restaurant Brokerage Business or associated with the Marks. An “**Agent**” is a person or group of persons licensed to sell restaurants within the Territory who are affiliated with your Restaurant Brokerage Business and uses services provided by you pursuant to the Franchise Agreement. An Agent may be an employee of yours or an independent contractor. Prior to their affiliation with your Restaurant Brokerage Business, each of your Agents must complete our initial training course to our satisfaction. We reserve the right to require that you sell additional Services in your Restaurant Brokerage Business on 30 days' prior written notice to you. You must provide the Services per our specifications and standards in the Operations Manual. We reserve the right to change standards and specifications on 30 days' prior written notice to you.

We have standards and specifications for your equipment, dress code, supplies, forms, Services, advertising and marketing materials, and most other services used in, sold or provided

through your Restaurant Brokerage Business. To maintain our standards of consistent, high-quality services, customer recognition, advertising support, value and uniformity in Restaurant Brokerage Businesses, you must only use the approved supplies as specified in our Operations Manual. Currently, as specified in the Operations Manual, we require you to purchase certain marketing materials from our approved suppliers.

You may not contract for alternate supplies or with alternate suppliers directly. If you would like to offer for sale or use any alternate product, material, or supply or purchase any alternate products from a supplier that is not 1 of our approved suppliers, you must notify us in writing. You may need to submit samples and other information to us so that we can make an informed decision as to whether the product, material, supply, or supplier meets our specifications and quality standards. The criteria for approving suppliers are available to you in the Operations Manual. We may institute a trial period for the product, material, supply, or supplier. We may deny or revoke our approval of a supplier in our sole discretion if such supplier does not meet our established criteria. We reserve the right to charge you, or the approved supplier, for our approval of supplies and/or supplier, and the charge will not exceed the reasonable cost of inspection and evaluation and the actual cost of the test. We will respond to your request in writing within 30 days from the date the request is received.

We do not have any purchasing or distribution co-operatives as of the date of this disclosure document. We may negotiate purchasing arrangements with suppliers and distributors of approved products for the benefit of our franchisees and we reserve the right to receive rebates and other payments on volume discounts based on your purchases from these suppliers and distributors and from our purchase of products that we may re-sell to you. We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of our affiliates, designated suppliers, or approved suppliers.

We are not currently an approved supplier, but we reserve the right to become an approved supplier at any time in our sole discretion. None of our officers owns an economic interest in any of our approved suppliers. We may derive revenue from your purchases or leases of computer-related hardware, software, goods, services, supplies, fixtures, equipment, inventory and products from our approved suppliers and distributors. We estimate that the purchase of these computers, software, hardware, computer related services, supplies, equipment, inventory, fixtures, goods, services and products from us or our designated or approved sources, or those meeting our standards and specifications, will be approximately 5% to 10% of your total cost to establish a Restaurant Brokerage Business and 10% to 20% of your total cost of operating a Restaurant Brokerage Business (not including amortization, depreciation, or replacement of worn or obsolete improvements, equipment or fixtures). In our last fiscal year that ended December 31, 2024, we did not derive any revenue from sales of goods and services to franchisees.

We reserve the right to require you to license from us or an Affiliate, approved suppliers, or designated suppliers, certain proprietary computer programs and related materials developed for use in the operation of your Restaurant Brokerage Business. If we require you to do so, we may require you to pay a separate license fee for the Software. The purchase of the Software license may include technical support and ongoing services, for which you may be charged.

You must respond to all emails, telephone calls, or other requests from any prospective buyer or seller of a restaurant received by your Restaurant Brokerage Business within 24 hours of receipt.

Under the franchise agreement, we own all business records (“Business Records”) with respect to customers and other service professionals of, and/or related to, the Restaurant Brokerage Business including all databases (whether in print, electronic or other form), including all names, addresses, telephone numbers, e-mail addresses, customer purchase records, and all other records contained in the database, and all other Business Records that will be created and maintained by you. At all times during and after the termination, expiration or cancellation of the Franchise Agreement, we may access such Business Records, and may utilize, transfer, or analyze such Business Records as we determine to be in the best interest of the System, in our sole discretion. All records, including all closing documents are required to be uploaded to the BOSS software system upon closing.

Franchisees are required to adhere strictly to system-wide standards for communication and data management. All business communications must be conducted exclusively through the designated domain, email server, or communication platforms authorized by We Sell Restaurants to ensure compliance and consistency. Franchisees must promptly document all updates, notes, and client interactions in the BOSS system to maintain an accurate and centralized operational record.

Franchisees are expressly prohibited from downloading, exporting, or using customer phone records or email records from the BOSS system for purposes such as mass texting or mass email campaigns. These actions, which could target clients of We Sell Restaurants, are strictly forbidden as they may violate federal regulations, including but not limited to the CAN-SPAM Act and TCPA (Telephone Consumer Protection Act). Such practices risk damaging the brand's reputation and exposing the franchise system to legal liabilities.

You must procure and maintain, at your own expense, insurance policies protecting you, us, our designated Affiliates, and the owners, officers, directors and employees of us and our designated Affiliates against any loss, liability, errors and omissions, business interruption, personal injury, death, property damage, or expense resulting from the operation of your Restaurant Brokerage Business and all services you provide in connection with the operation of your Restaurant Brokerage Business as we may require for your and our protection in our sole discretion in amounts set forth in the Operations Manual and Franchise Agreement (which may be adjusted periodically in our sole discretion). You must also procure and maintain all other insurance required by state or federal law, including workers’ compensation insurance and unemployment insurance. The policies must also stipulate that we receive a 30-day prior written notice of cancellation or non-renewal and must contain endorsements by the insurance companies waiving all rights of subrogation against us. Original or duplicate copies of all insurance policies, certificates of insurance or other proof of insurance acceptable to us, including original endorsements effecting the coverage required by us must be furnished to us together with proof of payment within 10 days of issuance. You will also furnish us with certificates and endorsements evidencing this insurance coverage within 10 days after each of the following events: (i) at all policy renewal periods, not less than annually, and (ii) at all instances of any change to, addition

to, or replacement of any insurance. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are subject to approval by us. If you fail to procure and maintain the required insurance coverage, we have the right and authority to procure the insurance coverage on your behalf and charge you, which charges, together with a reasonable fee for our expenses incurred in this procurement, you will pay immediately upon notice.

### Insurance

You must purchase and maintain insurance that must include, but is not limited to, comprehensive general liability and automobile liability coverage (including automobile coverage for you, your Agents and other sales and marketing personnel who may have customers riding in the automobiles of these persons) in the amount of \$250,000 per person / \$500,000 per occurrence for bodily injury and all-risk property damage insurance, \$1,000,000 commercial liability policy, errors and omissions, business interruption and all other occurrences against claims of any person, employee, customer, agent or otherwise in an amount per occurrence of not less than the amount set forth in our Operations Manual, as may be adjusted by us periodically in our sole discretion, unemployment and workers compensation insurance and any other additional insurance required by the terms of any lease or lender for your Restaurant Brokerage Business. All insurance policies must provide that we receive 30 days' prior written notice of cancellation and must contain endorsements by the insurance companies waiving all rights of subrogation against us.

## **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 franchise disclosure document.**

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Sections 1 and 9	ITEM 11
b. Pre-opening purchases/leases	Sections 9 and 10	ITEM 8 & ITEM 11
c. Site development and other pre-opening requirements	Section 9	ITEM 6, ITEM 7 & 11
d. Initial and ongoing training	Sections 8 and 9	ITEM 11
e. Opening	Section 9	Not Applicable
f. Fees	Sections 6, 7 and 12	ITEM 5 & ITEM 6
g. Compliance with standards and policies/operating manual	Section 9	ITEM 11
h. Trademarks and proprietary information	Section 11	ITEM 13 & ITEM 14
i. Restrictions on products/services offered	Sections 9 and 10	ITEM 8 & ITEM 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Section 5	ITEM 11 & ITEM 12
l. Ongoing product/service purchases	Sections 9 and 10	ITEM 16

Obligation	Section in Agreement	Disclosure Document Item
m. Maintenance, appearance and remodeling requirements	Sections 4 and 9	ITEM 7
n. Insurance	Section 13	ITEM 8
o. Advertising	Section 12	ITEM 11
p. Indemnification	Sections 11 and 13	None
q. Owner's participation/management/staffing	Section 9	ITEM 15
r. Records and reports	Section 7	ITEM 6 & ITEM 17
s. Inspection and audits	Sections 7, 8 and 9	ITEM 6
t. Transfer	Section 16	ITEM 17
u. Renewal	Section 4	ITEM 17
v. Post-termination obligations	Sections 11 and 18	ITEM 17
w. Noncompetition covenants	Section 15	ITEM 17
x. Dispute resolution	Section 20	ITEM 17

## ITEM 10 FINANCING

We do not offer direct or indirect financing to you. We do not guarantee any of your note(s), lease(s) or other obligation(s).

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

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

A minimum transaction, unless otherwise approved by the Franchisor, must be at least a 15% commission royalty on each Transaction.

### **Pre-opening Obligations**

Before you open your Restaurant Brokerage Business, we (or our designee) will provide the following assistance and services to you.

1. We will agree upon your Territory. (See Section 8(3)1 of the Franchise Agreement and Attachment A to the Franchise Agreement)
2. We will approve your proposed office (“Office”) within 90 days of your signing the franchise agreement. (See Section 8(3)2 of the Franchise Agreement) We do not have established criteria for your Office, nor do we have established criteria in approving your

office other than it being within your Territory. We will not own premises or lease premises to you. You have no obligation to obtain a lease.

3. We will furnish you with the names and addresses of the approved suppliers, manufacturers and distributors used in connection with the operation of the business. (See Section 10 of the Franchise Agreement) We do not sell, deliver or install any items.
4. We will provide you with pre-training manuals for you to study prior to the initial training program. (See Section 9(2)1 of the Franchise Agreement). You are responsible for hiring your employees. Your employees must attend the initial training program.
5. Within 90 days after the execution of the Franchise Agreement and your receipt of all required licenses and permits, we will conduct a 5-business day training course for you, or if you are not an individual, your Designated Business Manager and up to 2 additional persons in Palm Coast, Florida or at another location designated by us (See Section 8(3)3 of the Franchise Agreement). A complete description of our training program is provided later in this Item.
6. We will loan you 1 copy of our confidential and proprietary Operations Manual before your attendance at the initial training course (See Section 8(3)4 of the Franchise Agreement). The table of contents for the Operations Manual is attached as Exhibit E.
7. We must approve the renovations to your Office necessary to comply with our standards and specifications and your compliance with the opening procedures for your Office as are set forth in the Operations Manual. (See Section 9(2)2 of the Franchise Agreement). You are responsible for conforming the premises to local ordinances and building codes and obtaining any required permits, and/or constructing, remodeling or decorating the premises.
8. A representative of ours will provide a minimum of 3 days and a maximum of 5 days of field training to you in connection with the opening of your Restaurant Brokerage Business. (See Section 8(4)1 of the Franchise Agreement) at a location to be determined at our sole discretion.

### **Continuing Obligations**

During the term of the Franchise Agreement, we (or our designee) will provide the following assistance and services to you:

1. We will provide you with 3 to 5 days of additional training in the field at a location we designate, regarding the operation of the Franchise Brokerage Business (See Section 8(4)1 of the Franchise Agreement).
2. We will make support available to you through the BOSS Knowledge Base and ChatBot 24 hours a day. Our Help Desk ticketing system and personal representatives respond to inquiries during regular business hours to discuss your operational experience and support needs.

3. We will hold periodic conferences, in our sole discretion, to discuss sales techniques, new service developments, bookkeeping, training, accounting, performance standards, advertising programs, marketing procedures, and other topics. These conferences may be held at our Palm Coast, Florida headquarters, your Office, or at a location chosen by us, as determined by us. You will be required to pay any conference fee charged by us and you must pay all of your travel and living expenses to attend. (See Section 8(4)3 of the Franchise Agreement)

4. We will hold a mandatory annual conference, in our sole discretion, to discuss sales techniques, new service developments, bookkeeping, training, accounting, performance standards, advertising programs, marketing procedures, and other topics. You must pay any conference fees charged by us, and all personal travel and living expenses. These mandatory annual conferences are held at our Palm Coast, Florida headquarters or at a location chosen by us. (See Section 8(4)4 of the Franchise Agreement)

5. We will post listings of Restaurants for sale on our national website and in other databases as determined by us. These postings may be subject to third-party platform fees, which may be supported by the marketing fund, once established. (See Section 8(4)5 of the Franchise Agreement)

6. We will provide search engine optimization for our website and other internet marketing support. (See Section 8(4)6 of the Franchise Agreement)

7. We will provide reports from time to time on business trends and business forecasts. (See Section 8(4)7 of the Franchise Agreement)

8. We will assist in social and traditional marketing campaigns as determined in our sole discretion. (See Section 8(4)8 of the Franchise Agreement)

9. We will assist in drafting marketing documents, press releases, form marketing materials and marketing strategy, as we determine may be necessary. (See Section 8(4)9 of the Franchise Agreement)

10. We will inform you of mandatory specifications, standards and procedures for the operations of your Restaurant Brokerage Business. (See Section 8(4)10 of the Franchise Agreement)

11. We will research new services and methods of doing business and provide you with information concerning developments of this research. (See Section 8(4)11 of the Franchise Agreement)

12. When established, we will maintain the FMAF and use these funds to develop promotional and advertising programs and public relations support for Restaurant Brokerage Businesses. (See Section 12 of the Franchise Agreement)

13. We will provide advertising materials to you as we deem necessary in our sole discretion. (See Section 8(4)12 of the Franchise Agreement)

14. We will conduct a 5-business day training course for any Agents whom you hire after opening your Restaurant Brokerage Business and you must pay us the then-current fee (“**Additional Agent Training Fee**”), which is currently \$2,000 per Agent. The training course will occur in Palm Coast, Florida or at another location designated by us (See Section 8(3)3 of the Franchise Agreement).

15. A representative of ours may, in our sole discretion, provide additional assistance (See Section 8(4)13 of the Franchise Agreement). There may be additional charges for these services. If we provide additional assistance, we must agree in advance on the charges you will pay and the length of the visit.

### **Operations Manual**

You must establish and operate your Restaurant Brokerage Business in compliance with your Franchise Agreement and the standards and specifications contained in the WSR confidential operations manual (“**Operations Manual**”) loaned to you by us. The Operations Manual consists of 1 or more manuals, technical bulletins or other written materials and may be modified by us periodically. The Operations Manual may be in printed or in an electronic format in our discretion. We reserve the right to require you to use an electronic version of the Operations Manual and to require you to access the document using the Internet or an intranet created and supported by us. You will have the opportunity to view the Operations Manual at our headquarters before purchasing the Franchise, provided you agree in writing to keep its contents confidential by signing a non-disclosure and confidentiality agreement in the form as Attachment F to the Franchise Agreement. The Operations Manual contains approximately 100 pages. The Table of Contents for the Operations Manual is attached to this disclosure document as **Exhibit E**.

### **Training**

We provide an initial training program lasting approximately 5-8 business days, in addition to approximately 10 days of training provided through an online learning platform. The initial training program is usually conducted at our corporate headquarters located in Palm Coast, Florida and in your local market, but the training course may be held elsewhere in the future.

Before you begin operating your Restaurant Brokerage Business, you or, if you are not an individual, a designated business manager (“**Designated Business Manager**”) must attend and successfully complete to our satisfaction our initial training program and hold a valid real estate salesperson or brokerage license in the state in which you operate affiliated with a valid broker who has completed the We Sell Restaurants Broker Rider document and provide proof of errors and omission insurance. You may have 1 additional person attend the initial training program at no additional training fee. If the Designated Business Manager's employment with you is terminated, you must designate a new Designated Business Manager who must successfully complete our initial training program prior to operating the practice. You may be charged a training fee for a replacement Designated Business Manager and the costs for airfare, ground

transportation, lodging, meals, personal expenses, and the Designated Business Manager's salary and benefits must be paid by you. Notwithstanding any other provisions to the contrary, if your practice is associated with a state requiring a real estate license for business brokerage, anyone acting as the “Designated Business Manager” must be both a licensed real estate salesperson or licensed real estate broker and Certified Restaurant Broker in order for the business to operate in accordance with state law and requirements of the franchise agreement. If you are not in a license required state, but designate an alternate “Designated Business Manager” who has met the requirements as a Certified Restaurant Broker, you have a 90-day window to obtain a real estate license but in all instances, there must be a Certified Restaurant Broker operating the location. If there are listings or transactions involving the sale of real estate which requires a real estate license in all states, those listings will be transferred to the corporate office for closing. If your practice is licensed and legally allowed to accept referral fees, you will receive a referral fee to be negotiated between the parties for the home office assuming these duties. If your state requires a real estate license for business brokerage, you cannot legally operate without a licensed real estate salesperson or licensed real estate broker who is also a Certified Restaurant Broker. In the instance where you do not have a legally qualified and operationally qualified substitute in the practice, you agree and understand that any listings held by your practice must immediately roll over to the corporate office and licensed and trained individuals will take over until such time as you can meet the minimum legal and operational requirements. Failure to meet these requirements within the 90-day window will be deemed as abandonment of your practice and the termination of your franchise agreement.

There is no tuition or fee for the initial training program for up to 2 people. If you desire to have additional people attend the initial training program there will be an additional training fee for each person which is currently \$500 per person. We do not pay any travel expenses, lodging, meals, ground transportation or other personal expenses. We also provide approximately 10 additional days of training provided through an online learning platform.

On-going training and additional training programs are scheduled on an as needed basis.

Our training program consists of approximately 53 hours of independent study, 55 hours of classroom training, and 27 hours of training in the field as follows:

**TRAINING PROGRAM**

Subject	Hours of Classroom Training	Hours of Directed Independent Study	Hours of On-The-Job Training	Location
<b><i>Pre-Work Training Program</i></b>				
Industry Textbook on Buying a Business	0	25	0	In Market
Web Site Navigation: Public Web Site	0	4	0	In Market
Market Research	0	4	0	In Market
Industry Immersion	0	4	0	In Market
<b><i>Classroom Training Program</i></b>				

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of Directed Independent Study</b>	<b>Hours of On-The-Job Training</b>	<b>Location</b>
Brokerage Practice Basics	4	0	1	Palm Coast, FL
Legal Agreements & Protecting Commissions	2	0	1	Palm Coast, FL
Franchise Business Plan	2	0	1	Palm Coast, FL
Market Share & Obtaining Listings	5	0	4	Palm Coast, FL
Web Site Navigation: Tracking Seller Listing	2	0	1	Palm Coast, FL
Seller Representation & Listings	2	0	1	Palm Coast, FL
Restaurant Valuation and the Valuation Analysis Tool <sup>©</sup>	4	0	1	Palm Coast, FL
Web site Navigation: Entering a Listing	2	0	1	Palm Coast, FL
Buyer Representation	4	0	1	Palm Coast, FL
The Business Analysis Tool <sup>©</sup>	2	0	1	Palm Coast, FL
Web site Navigation: Tracking Buyer Activity	2	0	1	Palm Coast, FL
Tenant Representation	4	0	1	Palm Coast, FL
The Leasing Assessment Tool <sup>©</sup>	1	0	1	Palm Coast, FL
Marketing and Public Relations	2	0	1	Palm Coast, FL
Weekly Reporting	1	0	2	Palm Coast, FL
<b><i>Post Work Training Session</i></b>				
Restaurant Database Skills	0	4	0	Field Training
Network Development	0	4	0	Field Training
Brand and Marketing Exercises	0	4	0	Field Training
Practice of Valuation Skills	0	4	0	Field Training
<b><i>Field Training Session</i></b>				
One-on-One Coaching with Field Consultant	16	0	2	Field Training
Buyer On the Job Training	0	0	2	Field Training
Seller On the Job Training	0	0	2	Field Training
Networking On the Job Training	0	0	2	Field Training
<b>Total Hours</b>	<b>55</b>	<b>53</b>	<b>27</b>	

The initial training program and other on-going training will be conducted by training personnel under the direction of Eric Gagnon and Robin Gagnon, whose backgrounds are described in ITEM 2. We may change or substitute training personnel as necessary, and we may delegate our duties and share our responsibilities with regard to training. Our instructors have 20 years of experience in the industry that is relevant to the Restaurant Brokerage Business.

Our Operations Manual and an interactive slide show presentation serve as the primary instructional materials during the training program.

We may present seminars, conventions or continuing development programs for the benefit of Franchisees. Your attendance is mandatory. You must pay for any conference fee and your travel and living expenses incurred while attending any seminar, convention, or continuing development program.

Any additional training programs are scheduled on an as needed basis as determined by us.

### **Advertising Programs**

With the exception of your Initial Direct Mail Market Opening Campaign provided by Vendor, and the Website provided by us, if we require local advertising for your Restaurant Brokerage Business or establish a Franchise Marketing Accrual Fund, any Cooperative Advertising, or a Franchise Owners Advisory Council, that advertising will be controlled by you and/or other franchisees. Advertising agencies may be hired for advertising purposes but all advertising must be pre-approved by us. We, currently, are not required to place any advertising other than on our Website.

### **Franchise Marketing Accrual Fund**

When the Franchise Marketing Accrual Fund (“FMAF”) is established, your Restaurant Brokerage Business is required to pay to us a marketing fee equal to the greater of 2% of your Gross Revenues or \$150 per month at the same time you pay your Royalty Fee. The funds will be posted to the FMAF. We may increase your contributions if we determine it is necessary, but not to exceed 4% of Gross Revenues. These payments will be made in addition to and exclusive of any sums that you may be required to spend on cooperative and local advertising and promotion conducted independently. Any company-owned or Affiliate-owned units offering services and products similar to the Restaurant Brokerage Business which you will operate will make contributions to the FMAF equal to the contributions required of Restaurant Brokerage Businesses within the System.

The FMAF will be accounted for separately by us but we are not required to maintain the FMAF funds in a separate or segregated account at a bank or other financial institution. The FMAF is administered by us. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the FMAF on any terms we deem reasonable. This fund is unaudited, and we will make available to you once a year, upon your written request, an unaudited annual accounting for the FMAF that shows how the FMAF proceeds have been spent for the previous year within 120 days after our fiscal year end. We do not provide a periodic accounting of how Marketing Fees are spent.

We may use the marketing fees we collect from franchisees to (i) create marketing materials relating to the System and the services sold by our Franchisees; (ii) pay for public relations projects intended to enhance the goodwill and public image of the System; (iii) assist Franchisees in developing local marketing programs; (iv) pay for the cost of placing marketing

materials in various print, broadcast and Internet media; (v) undertake any other marketing efforts we deem necessary or beneficial to the System, in our discretion; and (vi) to reimburse us or our Affiliates for salaries and overhead expenses related to the marketing services provided to Franchisees and to cover part of the cost of maintaining the Internet web site. We will attempt to spend monies contributed to the FMAF in such a way as to provide advertising benefits to all participating Restaurant Brokerage Businesses, but we make no guarantees that you will benefit pro rata or at all from your contributions to the FMAF. We reserve the right to allocate Marketing Fees to various permitted uses as we see fit and we do not guarantee that you will receive equal benefits or identical coverage. Neither we nor our affiliates receive payment for providing goods or services to the FMAF, except for reimbursement of expenses as described above. We do not use any FMAF funds to advertise the sale of franchises.

We did not receive, or spend, any fees contributed to the FMAF in our last fiscal year ended December 31, 2024.

### **Website**

We have established a website and utilize other social media and internet resources (collectively, the “**Website**”) to provide information about the System and the Services that Restaurant Brokerage Businesses offer. We have sole discretion and control over the Website's design and contents. We reserve the right to use part of the marketing fees collected in the FMAF and part of the FMAF's revenues to pay or reimburse us for the costs of maintaining and updating the Website, except that we may not use FMAF revenues to pay for those components of the Website that are devoted to publicizing the franchise program or the sale of WSR franchises.

### **Local Advertising**

We have the right to require you to spend money for Local Advertising and promotions in the Territory in accordance with the marketing guidelines set forth in the Operations Manual. Such required local advertising expenditures do not include the costs of advertising restaurants for sale or lease by your Restaurant Brokerage Business, costs for recruiting Agents, or other advertising expenses related directly to the sale of restaurants.

You must pay our approved vendor \$2,500 to provide your Initial Direct Mail Market Opening Campaign, within 30 days of the day you first begin operating your Restaurant Brokerage Business. Vendor will ensure that you are provided with the best possible direct mail campaign in your new territory to help get your business jump started correctly. You must, at your expense, purchase a new direct mail list of restaurants within your Territory.

Each month, we have the right to require you to spend \$500 to \$1,500 of the Gross Revenues of your Restaurant Brokerage Business on local advertising and promotional advertising for the Franchise in your Territory (“**Local Advertising**”). We must approve all advertising before you use it. You must provide us with an advertising expenditure report to show that you have complied with the Local Advertising requirements. Costs and expenditures, you incur for any of the following, are not to be included in your expenditures on Local Advertising, unless approved in advance by us in writing:

1. Salaries, expenses and benefits of any of your employees, including salaries or expenses for attendance at advertising meetings or activities.
2. Seminar and educational costs and expenses of your employees or Agents.
3. Costs and expenditures you incur as a result of placing advertisements for specific restaurants or for recruiting Agents.

## **Cooperatives**

We may designate any geographic area, in which 2 or more Restaurant Brokerage Businesses are located, as a region for establishing an advertising cooperative (“**Cooperative**”). The members of the Cooperative for any area will consist of all franchised Restaurant Brokerage Businesses. We will advise and assist the members with the Cooperative’s organization and governance. Each Cooperative will be organized for the sole purpose of administering advertising programs and developing, subject to our approval, promotional materials for use by the members in Local Advertising. If a Cooperative has been established for a geographic area where your Restaurant Brokerage Business is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must become a member of the Cooperative and abide by the rules of the Cooperative. We reserve the right to form, change, dissolve or merge any Cooperative based on necessity. The governing documents will be available for franchisees located within the Cooperative area.

Cooperatives will be composed of all franchised Restaurant Brokerage Businesses only located in a designated market area. If a Cooperative is established, contributions to the Cooperative will be determined by a vote of the members of the Cooperative. We reserve the right to review the Cooperative contribution rate on an annual basis and to disapprove a rate of less than 1% of Gross Revenues. No Cooperatives have been established as of the date of this Disclosure Document.

## **Local Marketing Pre-Approvals**

All advertising and promotions you use must be conducted in a dignified manner and must conform to the standards and requirements that we state in the Operations Manual or otherwise in writing. You must first obtain our approval of all advertising and promotional plans and materials before your use of them if the plans and materials have not been prepared by us or previously approved by us during the 12 months before their proposed use. You must submit all unapproved plans and materials to us, and we will approve or disapprove the plans and materials within 14 days of our receipt. You may not use any unapproved plans or materials. You must promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, on notice from us. All use of any of the Marks included in the System must meet our standards and specifications.

Except as described above, we are not obligated to spend any amount on advertising in the area where your Restaurant Brokerage Business or Branch Offices are located.

## **Franchise Owners Advisory Council**

We may establish a Franchise Owners Advisory Council (“Council”) in the future. The Council may have up to 3 representatives who will be selected by the franchisees at large through an annual election process. The Council will serve in a purely advisory capacity on many matters, including advertising. We will have the power to change or dissolve the Council in our sole discretion.

## **Schedule for Opening**

If you are purchasing a standard franchise, we estimate that the typical length of time between the signing of the Franchise Agreement and the opening of your Restaurant Brokerage Business will be approximately 3 months. Some factors which may affect this timing are your ability to secure any necessary financing and your ability to obtain any necessary permits, licenses, and certifications.

The conversion of an existing restaurant brokerage business to a We Sell Restaurants Brokerage Business usually takes 1 to 3 months, depending on the extent of the conversion of the office location, equipment and operational systems that may be necessary.

We have standards and specifications which you must follow for your equipment, dress code, supplies, forms, Services, advertising and marketing materials, and most other services used in, sold or provided through your Restaurant Brokerage Business. You must only use the approved supplies and suppliers, if any, as are specified in our Operations Manual. You will be responsible for purchasing and installing all of the equipment, hardware and software for your Restaurant Brokerage Business.

You must apply for all real estate and/or brokerage licenses and permits within 10 business days after signing the Franchise Agreement. If you do not receive all required licenses and permits within 6 months of executing the Franchise Agreement, we may terminate the Franchise Agreement.

You may not open your Restaurant Brokerage Business until: (1) we notify you in writing that all of your pre-opening obligations have been fulfilled; (2) you have completed all components of the initial training program to our satisfaction; (3) all amounts due to us have been paid; (4) we have been furnished with copies of all insurance policies and certificates required under the Franchise Agreement, or other documentation of insurance coverage and payment of premiums that we request; (5) you notify us that all approvals and conditions set forth in the Franchise Agreement have been met; (6) you have obtained all necessary real estate and business brokerage licenses and permits and other applicable permits and licenses; (7) you have provided satisfactory evidence that all of your Agents are licensed to sell restaurants in your state; and (8) you have ordered, received and installed your equipment, supplies, inventory and Computer System. You must be prepared to begin operating your Restaurant Brokerage Business immediately after we determine that your Restaurant Brokerage Business is ready for opening. (See Section 9(12) of the Franchise Agreement)

## **Software and Computer Equipment**

You must purchase and use computer hardware and software required by us. Currently, you must purchase 1 laptop computer that runs on the Windows 10 Professional or above operating system and a high-capacity scanner (“**Hardware**”). The laptop computer must have Microsoft Office 10 Professional, or a more recent version installed and operating, and the web-based software and business management system required by us (“**Software**”). The Hardware and Software are referred to as the “**Computer System.**” The cost of purchasing the Computer System ranges from \$1,100 to \$4,500. In addition, you must pay a monthly website support and franchisee listings fee (“**Website Support Fee**”) of \$750 or such other amount as we determine in our sole discretion, for purposes of defraying the cost of providing website and technology support to you. This also covers the cost of Software license from us or our affiliates.

You must update your Computer System at your expense as we may require from time to time to meet our specifications as they evolve. Currently we require that your laptop must not be more than 4 years old. Upgrades, in some cases, may only be available through our suppliers or affiliates. We may change the designated suppliers or affiliates periodically on written notice to you. The annual cost of maintenance updates, upgrading of the system and software is estimated to be \$500 at this time.

You must have sufficient computer skills to be able to operate your Computer System and to access e-mail and the Internet. You must have access to the Internet and maintain an email account that allows us to communicate with you on a regular basis. If we determine that you require additional computer training, you must take and pay for, at your own expense, a computer training course at a local computer training school (which may be our affiliate). You must complete this training within 90 days from the date we advise you of this requirement, and you must present us with a certificate acceptable to us to show that you passed the course.

We have the right to independently access your electronic information and data through our proprietary data management, email, and intranet system, and to collect and use your electronic information and data in any manner we choose to promote the development of the System and the sale of franchises. There is no contractual limitation on our right to receive or use information through our proprietary data management, email, and intranet system.

You are solely responsible for protecting your computer equipment from computer viruses, computer hackers, and other communications and computer-related problems. We are not responsible for your computer equipment or any harm to your equipment caused by any of the above known events.

## **ITEM 12 TERRITORY**

You will receive a territory (“**Territory**”) in which to sell the Services you are authorized to sell under the Franchise Agreement. Each Territory will include a minimum of 500 restaurants. We will negotiate the size of your Territory before you sign the Franchise Agreement. Your Territory will be based on geographic or zip codes, boundaries. We have the exclusive right to

determine the boundaries of your Territory and approve your Office site in our sole discretion. Any relocation of your Office requires our written consent and will not change the boundaries of your Territory.

You are granted the right to operate a Restaurant Brokerage Business within your Territory. You must confine all your restaurant brokerage activities to your Territory including, but not limited to, meetings, conferences, community service, and educational programs. You are restricted from accepting unsolicited clients from outside your Territory, and you must restrict the targeting of public relations, promotional, sales and marketing activities and the activities of your agents to individuals and businesses located within your Territory. You shall not actively market areas outside of your Territory using the Internet, telemarketing or other forms of direct marketing and cannot indicate in any media, print or electronic, that you have a location or provide services in any area outside of your Territory. We will not permit advertising of any listing outside your Territory on the We Sell Restaurants platform or in any other form. Advertising of any listing outside your Territory without obtaining our prior written consent is a default of your Franchise Agreement.

You may accept a listing outside of your Territory in very limited circumstances. If a seller contacts you to sell multiple restaurants, where the majority are located in your Territory, and requests to “bundle” or only sell these restaurants together, you may accept the listing. If the stores are to be “split” as opposed to “bundled”, and some are located in your Territory, and others are located in a Territory operated by another franchisee or by us or our Affiliate, all listing appointments and conversations should occur jointly, and commission/fees split accordingly. If the other franchisee, Franchisor, or Affiliate declines to jointly participate in the listing appointments and work on the listing, you may accept the listing, and you are not required to split the commission/fees.

To maintain your Territory, you must meet the Minimum Annual Quota. Your failure to satisfy the Minimum Annual Quota may result in the reduction or elimination of your Territory or the termination of your Franchise Agreement, in our sole discretion. During your first franchise year, your minimum commission/fees collected must be \$50,000 or greater; \$75,000 or greater in your second year; and \$100,000 or greater each franchise year thereafter. Further, your minimum exclusive listing count must be 12 and your number of transactions must be 8 per the Minimum Annual Quota in Attachment B to your Franchise Agreement.

We reserve the right, among others, without making compensation to you:

1. to use, and to license others to use, the Marks and System for the operation of Restaurant Brokerage Businesses at any location other than in the Territory, regardless of proximity to the Territory;
2. to use, license, and franchise the use of trademarks or service marks other than the Marks, in association with operations that are the same as, similar to, or different from the Restaurant Brokerage Business;

3. to use the Marks and the System in connection with the provision of other services and products or in alternative channels of distribution, at any location including within the Territory;

4. to offer the Services or grant others the right to offer the Services, whether using the Marks or other trademarks or service marks, through alternative channels of distribution, including without limitation, distribution outlets other than Restaurant Brokerage Businesses, or by Internet commerce (e-commerce), mail order or otherwise, whether inside or outside the Territory;

5. to use any websites utilizing a domain name incorporating 1 or more of the words “We,” “Sell” and/or “Restaurants” or similar derivatives. We retain the sole and exclusive right to market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URL's, directory addresses, metatags, linking, advertising, social networking site, electronic marketing sites, and co-branding and other arrangements. You may not independently market on the Internet, or use any domain name, address, locator, link, social networking site, electronic marketing site, metatag, or search technique, with words or symbols similar to the Marks or otherwise establish any presence on the Internet without our prior written approval. We intend that any franchisee website be accessed only through our home page. You will provide us with the content for our Internet marketing, and will sign Internet and intranet usage agreements, if any. We retain the right to approve any linking or other use of our website; and

6. to implement multi-area marketing programs or national accounts programs (“**National Accounts Programs**”) which may allow us or others to solicit customers or sell Products or Services anywhere. We reserve the right to issue mandatory policies to coordinate such multi-area marketing programs or National Accounts Programs.

7. to accept a “bundled” listing where the majority of the restaurants are located outside your Territory.

8. No other franchisee or third party shall be permitted to engage in sales activities within your Territory unless prior written authorization is obtained from us. We or our designated agents are permitted to engage in activities such as listing and selling products or providing ancillary services within your Territory.

We do not currently operate, or franchise the operation of any business selling under different trademarks any products or services similar to the products and services offered by a We Sell Restaurants Restaurant Brokerage Business and we presently do not have any plans to do so. You do not receive any option, right of first refusal or similar right to acquire additional franchises within your Territory.

### **ITEM 13 TRADEMARKS**

The Franchise Agreement grants you the nonexclusive right to use our Marks, including the service mark “WE SELL RESTAURANTS®”, and other designs and logo types associated

with our Restaurant Brokerage Businesses. You may also use our other current or future Marks that we may authorize you to use to operate your Restaurant Brokerage Business.

The “WE SELL RESTAURANTS®” Mark and the original components of the System are owned by Holdings and are licensed exclusively to us. Holdings has granted us an exclusive license (“**Intellectual Property License**”) to use the intellectual property for purposes of franchising the We Sell Restaurants System around the world. The Intellectual Property License extends for 50 years, commencing April 1, 2013. In the event the Intellectual Property License is terminated, Holdings has agreed to license the use of the “WE SELL RESTAURANTS®” Mark and the System directly to our franchisees until such time as each Franchise Agreement expires or is otherwise terminated. The trademark words “We Sell Restaurants” may only be registered as a DBA in your state or with the state real estate commission when followed by the name of your territory as in, We Sell Restaurants – Tampa.

Holdings has registered the following Marks with the United States Patent and Trademark Office (“USPTO”) on the Principal Register:

Mark	Registration Date	Serial No. or Registration No.
WE SELL RESTAURANTS® (standard characters)	December 30, 2014	4,663,265
	October 18, 2016	5,063,688
CERTIFIED RESTAURANT BROKER®	April 17, 2018	5,450,315

We have filed and will continue to file all required affidavits of renewal and use, when due, to maintain registration for the Marks above with the U.S. Patent and Trademark Office (“USPTO”).

We may also use a number of unregistered, common-law trademarks which are not registered with the USPTO. Therefore, if you use these marks they would not have as many legal benefits and rights as a federally registered trademark. If our right to use any of these marks is challenged, you may have to change to an alternative trademark, which may increase your expenses. You must follow our rules when you use our Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate or business name or in any form on the Internet, including but not limited to URLs, domain names, e-mail addresses, locators, links, metatags or search techniques. You must get our prior written approval of your company name before you file any registration documents. You must indicate, as required in the Franchise Agreement and specified in the Operations Manual, that you are an independent restaurant broker. Guidelines regarding proper trademark use and notices are in the Operations Manual and will be updated periodically. You may not use our Marks with an unauthorized product or service, or in a manner not authorized in writing by us.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings or any pending material litigation involving any of our Marks which are relevant to the use of these Marks. No new trademark is being introduced. No currently effective litigation affects our use or ownership rights in any Mark. No currently effective agreement limits our right to use or license the use of our Marks.

You must notify us immediately when you learn about an infringement of or challenge to your use of our Marks. The franchise agreement does not require us to take any affirmative action when we receive such notice. We will take the action we think appropriate. We have no obligation under the Franchise Agreement to protect you against or reimburse you for any damages for which you are held liable in any proceeding arising out of your use of the marks. We will have control of any litigation or administrative hearing involving our marks. You agree to cooperate with us if we undertake the defense or prosecution of any litigation in connection with the marks, and to execute all documents that are necessary to obtain the protection of the marks or to maintain their continued validity and enforceability. We do not know of either superior prior rights or infringing uses that could materially affect your use of the WE SELL RESTAURANTS mark.

You must modify or discontinue the use of a trademark if we modify or discontinue the Mark. If this happens, we will reimburse you for your tangible costs of compliance (for example, signs). You must not directly or indirectly contest our right to our trademarks, trade secrets or business techniques that are part of our business. If you learn that a third party whom you believe is not authorized to use our marks is using them, you must promptly notify us. We will determine whether or not to take action against the third party. You will have no right to make any demand or prosecute any claim against the alleged infringement.

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

As a franchisee, you are granted a non-transferable right to access and use the proprietary BOSS platform for the operation of your Restaurant Brokerage Business. Your login credentials are confidential and must not be shared with any other party or individual under any circumstances. You are expressly prohibited from providing access to the BOSS platform to anyone not authorized by us, including but not limited to employees, contractors, or third parties.

Failure to comply with this requirement constitutes a material breach of your Franchise Agreement. Such a breach may result in termination of your Franchise Agreement, in addition to other remedies available to us under the agreement or applicable law. You acknowledge and agree that the protection of the BOSS platform's confidentiality is critical to preserving its proprietary nature and safeguarding the integrity of our system.

The information contained in the Operations Manual is proprietary and is protected by copyright and other laws. The Operations Manual and the limitations of the use of it by you and your employees and/or Agents are described in ITEM 11. The designs contained in the Marks, the layout of our advertising materials, the content and format of any other writings or copyright and

other laws also protect recordings in print or electronic form. Although we have not filed an application for copyright registration for the Operations Manual, the advertising materials, the content and format of any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (“**Copyright Works**”) in connection with your operation of your Restaurant Brokerage Business, but these copyrights remain our sole property.

There are currently no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are any proceedings pending, nor are there any currently effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit your use of our Copyrighted Works.

Our Operations Manual, electronic information and communications, sales and promotional materials, and certain software used in the Restaurant Brokerage Business, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation, and franchising of Restaurant Brokerage Businesses and Services sold at Restaurant Brokerage Businesses, information concerning sales, operating results, financial performance and other financial data of Restaurant Brokerage Businesses, all names, addresses, phone numbers, e-mail addresses, customer purchase and sales records, manuals and other related data and materials designated by us are proprietary and confidential (“**Confidential Information**”) and are considered to be our property information, to be used by you only as described in the Franchise Agreement or the Operations Manual. Where appropriate, certain information has also been identified as trade secrets (“**Trade Secrets**”). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and Confidential Information.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for the development of your Restaurant Brokerage Business during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners, if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement in the form attached to the Franchise Agreement as Attachment F. Nothing contained in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of your Restaurant Brokerage Business during the term of the Franchise Agreement.

You must notify us immediately after you learn about another’s use of language, a visual image, or a recording of any kind, that you perceive to be identical or substantially similar to 1 of our Copyright Works or use of our Confidential Information or Trade Secrets or if someone challenges your use of our Copyright Works, Confidential Information or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyright Works, Confidential Information and/or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does

not require us to take affirmative action in response to any apparent infringement of or challenge to your use of any Copyright Works, Confidential Information or Trade Secrets or claim by any person of any rights in any Copyright Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to any of our Copyright Works, Confidential Information or Trade Secrets. You may not communicate with anyone, except us and our counsel, with respect to any infringement, challenge or claim. We will have discretion to take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control exclusively any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyright Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give assistance, and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding or to protect and maintain our interests in the Copyright Works, Confidential Information or Trade Secrets.

No patents are material to us at this time.

We have the right to inspect, copy and use all records with respect to the customers, suppliers, and other service providers of, and related in any way to your Restaurant Brokerage Business. This includes all databases (whether in print, electronic, or other form), including all names, addresses, phone numbers, e-mail addresses, and customer purchase records. We may use or transfer the records in any way we wish, both before and after any termination, expiration, repurchase, transfer or otherwise of the Franchise Agreement or your Restaurant Brokerage Business. We may contact any or all of your customers, suppliers, and other service providers for quality control, market research, or any other purpose, as we deem appropriate, in our sole discretion.

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

If you are an individual, you must directly supervise the Restaurant Brokerage Business. If you are a business entity, the direct, on-site supervision of your Restaurant Brokerage Business must be done by a Designated Business Manager.

If we believe you lack sufficient business experience, you must appoint a Designated Business Manager to act as the operating manager for your Restaurant Brokerage Business. We must interview, screen, and approve the selection of the Designated Business Manager before signing the Franchise Agreement. You or the Designated Business Manager must attend and successfully complete the initial training program and earn the credentials of “Certified Restaurant Broker” as well as abide by the obligations in the Franchise Agreement and the Operating Manual, including but not limited to obtaining all required licenses and permits prior to commencing employment with you. The Designated Business Manager must agree to assume and guarantee the performance of all of your obligations, including, among others, confidentiality and non-competition.

If you are a legal or business entity, each individual who owns, directly or indirectly, a 5% or greater interest in you must sign the Guaranty and Assumption of Franchisee’s Obligations, in the form attached to the Franchise Agreement as Attachment C, assuming and agreeing to discharge all of your obligations and comply with all restrictions under the Franchise Agreement.

At the time you enter into a franchise agreement, you must disclose ownership or partial ownership in any restaurant location in which you have more than 5% interest. If you acquire an interest in any restaurant location greater than 5% at any time during the operation of your franchise, you are required to register for that location with the brand within fourteen days.

If you purchase the franchise offered in this disclosure document, you acknowledge that the risks, financial and otherwise, which are inherent with the beginning of any new business, are yours alone. We, as a matter of policy, will not assist you in any decision-making process that may affect the operations of your Restaurant Brokerage Business. The success or failure of the franchise as a business enterprise is dependent on your efforts. The purchase of this franchise should not be considered by anyone who is unfamiliar with standard business practices or is unwilling to accept the responsibilities associated with running a small business.

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

You cannot use or permit the use of your Restaurant Brokerage Business for any other purpose or activity at any time without first obtaining our written consent.

You must sell or offer for sale only those Services which are authorized by us and which meet our standards and specifications. You must follow our policies, procedures, methods of doing business, and techniques. We may change or add to the Services you must offer. There is no limitation on our right to change the products or services offered by your Restaurant Brokerage Business. You must discontinue selling and offering for sale any Services, which we may, in our discretion, disapprove in writing from time to time. You are not restricted in the customers you may serve.

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

**THE FRANCHISE RELATIONSHIP**

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

Provision	Section in franchise or other agreement	Summary
a. Length of the franchise term	Section 4	10 years
b. Renewal or extension	Section 4	If you are in good standing 1 additional term of 10 years

Provision	Section in franchise or other agreement	Summary
c. Requirements for franchisee to renew or extend	Section 4	Written notice to us, be 100% compliant on all minimum performance standards and not in default on any other measure, sign new agreement, be current in payments, sign release in the form attached to the franchise agreement as Attachment H, pay Successor Franchise Fee. When renewing, you may be asked to sign a new contract with materially different terms and conditions than your original contract including territory size.
d. Termination by franchisee	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Note Applicable
f. Termination by franchisor with cause	Section 18	We can terminate if you default.
g. "Cause" defined – curable defaults	Section 18	You have 10 days to cure: non-payment of fees. You have 30 days to cure non-submission of reports; failure to maintain standards; violation of laws or ordinances except failure to operate legally with a real estate license in a license state; failure to obtain our approval where required; unauthorized use of the Marks; failure to buy and maintain insurance; default under your lease; inaccurate reporting of Gross Revenues; failure to maintain bank accounts. Failure to operate with a real estate license or Certified Restaurant Broker in place results in the immediate suspension of the practice in a state requiring a license for business brokerage resulting in the transfer of all listings to corporate. The franchisee will have a 90-day period to cure these requirements. No business can be transacted by the practice without a Certified Restaurant Broker and real estate license in states requiring a real estate license for the practice of business brokerage. State real estate law does not allow for payment of commission to unlicensed persons. No income may be paid or received by the Office if they are not properly licensed.

Provision	Section in franchise or other agreement	Summary
h. “Cause” defined – non-curable defaults	Section 18	Non-curable defaults: disclosing Confidential Information and Trade Secrets; misuse of the Marks and System; abandoning or discontinuing your Restaurant Brokerage Business; insolvency; bankruptcy; felony conviction; crime of moral turpitude; failure to pay amounts due after receiving notice; 3 notices of default in any 12-month period; 2 or more invalid reports in any 12-month period; any misrepresentation to Franchisor; unauthorized sale or transfer.
i. Franchisee’s obligations on termination/non-renewal	Sections 11, 13, 15 & 18	De-identification, payment of amounts due, return of Operations Manual, all Confidential Information, and Trade Secrets; assign all email accounts, websites, social media; and turn over all of your records and data that were generated as a WE SELL RESTAURANTS® franchisee.
j. Assignment of contract by Franchisor	Section 16.1	No restriction on our right to assign.
k. “Transfer” by franchisee — definition	Section 16	Includes transfer of contract or assets or ownership change.
l. Franchisor approval of transfer by franchisee	Section 16	We have the right to approve all transfers.
m. Conditions for franchisor approval of transfer	Section 16	New franchisee qualifies, Transfer Fee paid, purchase agreement approved, training arranged, release signed by you and current agreement signed by new franchisee.
n. Franchisor’s right of first refusal to acquire franchisee’s business	Section 17	We can match any offer for your business.
o. Franchisor’s option to purchase franchisee’s business	Section 17	We may, but are not required to, purchase your inventory and equipment at fair market value if your franchise is terminated for any reason.
p. Death or disability of Franchisee	Section 16.9	Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 days. Notwithstanding this provision, the business must operate legally and in compliance with state law at all times and listings may transfer to corporate for handling in a license state and absent a Certified

<b>Provision</b>	<b>Section in franchise or other agreement</b>	<b>Summary</b>
		Restaurant Broker for the practice during this 120-day period.
q. Noncompetition covenants during the term of the franchise	Section 15.2	No involvement in any Competitive Business.
r. Noncompetition covenants after the franchise is terminated or expires	Section 15.3	No involvement in any Competitive Business for two years.
s. Modification of agreement	Sections 3.3, 4.5 & 21.11	No modifications during term generally, but Operating Manual subject to change. Modifications permitted upon Successor Term.
t. Integration/merger clause	Section 21.5	Only the terms of the Franchise Agreement are binding (subject to state law); any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 20	Except for certain claims, all disputes must be arbitrated, subject to applicable state law.
v. Choice of forum	Sections 20.1 & 21.1	Arbitration must be in Flagler County, Florida, subject to applicable state law.
w. Choice of law	Sections 20.1 & 21.1	Florida law applies, subject to applicable state law.

Upon final notice of termination, franchisee shall have 14 (fourteen) days to wind down all activity to include any of the following:

- Timely comply with winding up all affairs, notice to current clients, duties owed in brokerage matters, and notice to the real estate commission. This shall include but not be limited to:
  - Change status of real estate license to inactive. Remove any reference to We Sell Restaurants from all real estate records including any DBA.
  - In states where a DBA filing is required, take the steps to void that DBA.
  - Notify real estate broker of record of the franchise termination
  - Notify all clients who are in listing agreements that their listings shall immediately transfer to the control of We Sell Restaurants, Inc. as the listing agent.
  - Notify all clients not in listing agreements but in non-exclusive status (landlords) that those matters shall immediately transfer to the control of We Sell Restaurants, Inc.
  - Notify all clients who are in contract status that their listings and all matters associated with the listing shall immediately transfer to We Sell Restaurants, Inc.
  - Remove all references to the We Sell Restaurants brand including but not limited to, postings, hashtags, reels, or any other history on social media accounts.

- Any other matters related to notification that the corporation and individual are no longer associated with We Sell Restaurants.
- Keep in full force and effect their Errors and Omissions Insurance for a period of six months post termination.
- Indemnify We Sell Restaurants, Inc. for any actions associated with the takeover of any deals in progress where franchisee was previously working with clients.

Franchisee shall no longer be able to collect any fees associated with the practice of restaurant brokerage and any pending commissions shall be forfeited to We Sell Restaurants, Inc. Thus, franchisee shall also:

- Notify all landlords, clients, referral partners, etc. with payables pending for change of record regarding any pending fees.

At the time of non-renewal, the franchisee shall be subject to the same requirements within the 14-day window prior to the non-renewal of the franchise.

- Timely comply with winding up all affairs, notice to current clients, duties owed in brokerage matters, and notice to the real estate commission. This shall include but not be limited to:
  - Change status of real estate license to inactive. Remove any reference to We Sell Restaurants from all real estate records including any DBA.
  - In states where a DBA filing is required, take the steps to void that DBA.
  - Notify real estate broker of record of the franchise termination
  - Notify all clients who are in listing agreements that their listings shall immediately transfer to the control of We Sell Restaurants, Inc. as the listing agent.
  - Notify all clients not in listing agreements but in non-exclusive status (landlords) that those matters shall immediately transfer to the control of We Sell Restaurants, Inc.
  - Notify all clients who are in contract status that their listings and all matters associated with the listing shall immediately transfer to We Sell Restaurants, Inc.
  - Remove all references to the We Sell Restaurants brand including but not limited to, postings, hashtags, reels, or any other history on social media accounts.
  - Any other matters related to notification that the corporation and individual are no longer associated with We Sell Restaurants.
- Keep in full force and effect their Errors and Omissions Insurance for a period of six months post termination.
- Indemnify We Sell Restaurants, Inc. for any actions associated with the takeover of any deals in progress where franchisee was previously working with clients.

## **ITEM 18 PUBLIC FIGURES**

We do not currently 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.

The Table below presents certain historical revenue and related operating results for of all Restaurant Brokerage Businesses that were open and in operation for all of Fiscal Year 2024. As of December 31, 2024, we had a total of 53 franchised Restaurant Brokerage Businesses, 43 of which were open and operating for the full 12 months of fiscal year 2024. Of these 43 Restaurant Brokerage Businesses, all are owned and operated by 29 Franchisees who own and operate a total of 43 outlets. We have excluded the results of 11 outlets who were either new to the system or terminated and did not operate for the full fiscal year. We are reflecting the results of 43 outlets, operated by 29 franchisees, 100% of all franchisees and territories in operation for an entire calendar year.

The following is the financial performance of the 30 reporting franchisees:

**Table 1 Gross Revenue By Franchisee - Calendar Year 2024**

<b>Gross Revenues Average</b>	<b>Gross Revenues Median</b>	<b>Transactions</b>	<b>Average Gross Commission per Transaction</b>	<b>Median Gross Commission Per Transaction</b>
\$263,253	\$136,413	9	\$28,918	\$21,750

Of Gross Revenues, the highest was \$1,770,096 and the lowest was \$2,000. Of the representative group, 27% attained or surpassed the average Gross Revenues figure.

The following is the financial performance of the 43 reporting territories:

[The rest of this page intentionally left blank.]

**Table 2 Gross Revenue By Territory - Calendar Year 2024**

<b>Gross Revenues Average</b>	<b>Gross Revenues Median</b>	<b>Transactions</b>	<b>Average Gross Commission per Transaction</b>	<b>Median Gross Commission Per Transaction</b>
\$175,633	\$107,712	6	\$28,622	\$24,348

Of Gross Revenues, the highest was \$543,327 and the lowest was \$2,000. Of the representative group, 41% attained or surpassed the average Gross Revenues figure.

As used herein, “**Gross Revenues**” means the total of all commissions, monthly fees, transaction fees, valuation fees, consulting fees, professional witness fees, leasing fees, and other fees received by the Franchisee (prior to any payments made to Agents) from all sources (including but not limited to referral fees and finder’s fees received from brokers or agents in other brokerage companies) which is derived from the sale, lease, transfer or other disposition (including like-kind exchanges, barter exchanges, or other exchanges of property not involving money) of Restaurants, including any note, obligation, lien or other consideration given to Franchisee in lieu of a commission and insurance claims for lost profits if a claim is paid by the insurer, less commissions and referral fees paid to cooperating or referring brokers in other brokerage companies. Gross Revenues do not include the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any tax is shown separately and in fact paid by the Franchisee to the appropriate governmental authority.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance that you’ll earn as much.**

Written substantiation for the financial performance representations will be made available to the prospective franchisee upon reasonable request

Other than the financial performance representations set forth above, 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 Eric Gagnon at 6 Meridian Home Lane, Suite 101, Palm Coast, Florida 32137 and (404) 800-6700, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20  
OUTLETS AND FRANCHISEE INFORMATION**

**System-wide Outlet Summary  
For Years 2022 to 2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2022	22	32	+10
	2023	32	44	+12
	2024	44	54	+10
Company-Owned	2022	3	3	0
	2023	3	3	0
	2024	3	3	0
<b>Total Outlets</b>	2022	25	35	+10
	2023	35	47	+12
	2024	47	57	10

**Transfers of Outlets from Franchisee to New Owners  
For Years 2022 to 2024**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
None	2022	0
	2023	0
	2024	3
<b>Totals</b>	2022	0
	2023	0
	2024	3

**Status of Franchised Outlets  
(Other than the Franchisor) For Years 2022 to 2024**

<b>State</b>	<b>Year</b>	<b>Outlets at Start of the Year</b>	<b>Outlets Opened</b>	<b>Terminations</b>	<b>Non-Renewals</b>	<b>Reacquired By Franchisor</b>	<b>Ceased Operations Other Reasons</b>	<b>Outlets at End of Year</b>
Alabama	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Arizona	2022	0	2	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Colorado	2022	4	0	0	0	0	0	4
	2023	4	0	0	3	0	0	1
	2024	1	0	0	0	0	0	0
Florida	2022	6	3	0	0	0	0	9
	2023	9	9	0	0	0	0	17
	2024	17	2	0	0	0	0	19

Georgia	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	3	0	0	0	0	6
Indiana	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Kansas	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	0
Michigan	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Minnesota	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	0
Missouri	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	0
Nevada	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	0
New York	2022	2	0	2	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
North Carolina	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Rhode Island	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
South Carolina	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	5	1	0	0	0	0	6
Tennessee	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Texas	2022	2	0	0	0	0	0	2
	2023	2	2	0	0	0	0	3
	2024	4	0	0	0	0	0	4
Virginia	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	0
Wisconsin	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	0
<b>Totals</b>	2022	22	12	2	0	0	0	32
	2023	32	16	1	3	0	0	44
	2024	44	11	1	0	0	0	54

**Status of Company-Owned Outlets  
For Years 2022 to 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold To Franchisee	Outlets at End of Year
Florida	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	0
Georgia	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	0
North Carolina	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	0
<b>Total Outlets</b>	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3

**Projected Openings  
As of December 31, 2024**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in The Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	1	0
Colorado	0	2	0
Georgia	1	2	0
Indiana	0	1	0
Missouri	0	1	0
North Carolina	0	1	0
Texas	0	2	0
<b>Total</b>	1	9	0

The names, addresses and telephone numbers of all current franchisees as of the date of this Disclosure Document are listed in Exhibit C.

The names, city, state and current business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement during our last fiscal year, or who has not communicated with us within 10 weeks prior to the date of this Disclosure Document appear below. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak about their experience with us. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

During the last 3 fiscal years, we have not signed confidentiality agreements with any former or current franchisees restricting their ability to speak openly about their experience with us.

As of the date of this Disclosure Document, we do not have any trademark-specific franchisee organization or association.

## **ITEM 21 FINANCIAL STATEMENTS**

Attached to this Disclosure Document, as Exhibit A, are our audited financial statements for the periods ending December 31, 2024, December 31, 2023, and December 31, 2022.

Our fiscal year end is December 31<sup>st</sup>.

## **ITEM 22 CONTRACTS**

Attached are the following agreements proposed for use in connection with our offering of franchises:

- Exhibit B. Franchise Agreement
- Exhibit F. General Release
- Exhibit G. State Law Addenda
- Exhibit H. Franchisee Acknowledgement Statement

## **ITEM 23 RECEIPTS**

The last page of this Disclosure Document, **Exhibit J**, is a detachable Receipt to be signed by you, dated, and delivered to us. A copy of the Receipt for your records is also included in **Exhibit J**.



## **EXHIBIT A**

### **WSR FRANCHISE, LLC**

### **FINANCIAL STATEMENTS**

**WSR FRANCHISE, LLC**

**Financial Statements**

**For the years ended December 31, 2024 and 2023**

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# WESTON & GREGORY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

*100 La Costa Lane, Suite 100  
Daytona Beach, FL 32114-8158  
386.274.2747*

## INDEPENDENT AUDITORS' REPORT

To the Members' and Managers  
WSR Franchise, LLC  
Palm Coast, FL

### **Opinion**

We have audited the accompanying financial statements of WSR Franchise, LLC (a limited liability company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations and members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WSR Franchise, LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

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

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

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

*Neston & Gregory, LLC*

Daytona Beach, Florida  
February 12, 2025

**WSR Franchise, LLC**  
**Balance Sheets**  
**December 31, 2024 and 2023**

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	2024	2023
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and cash equivalents	\$ 2,989,723	\$ 2,017,031
Prepaid expenses	26,445	19,469
Account receivable	52,000	4,847
Total current assets	\$ 3,068,168	\$ 2,041,347
<b><u>LIABILITIES AND MEMBERS' EQUITY</u></b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 53,070	\$ 517,380
Income taxes payable	446,139	254,235
Total current liabilities	499,209	771,615
Members' equity	2,568,959	1,269,732
Total liabilities and members' equity	\$ 3,068,168	\$ 2,041,347

See accompanying notes to financial statements  
and independent auditors' report.

**WSR Franchise, LLC**  
**Statements of Operations and Members' Equity**  
**December 31, 2024 and 2023**

	2024	2023
Revenues:		
Royalty revenue from franchisees	\$ 1,296,850	\$ 880,813
Initial franchise fees	540,438	640,313
Website support fees	429,780	311,470
Interest income	132,239	-
Miscellaneous income	123,529	38,163
Total revenues	2,522,836	1,870,759
Operating expenses:		
Management fees	500,000	500,000
Advertising and promotion	98,519	45,988
Travel	46,796	43,500
Rent	44,700	33,210
Professional fees	36,942	24,567
Dues and subscriptions	19,816	11,123
Conference expense	18,587	8,559
Administrative expense	17,854	11,460
Commissions	10,000	118,585
Meals and entertainment	6,284	14,703
Telephone	5,233	1,784
Licenses and permits	2,284	3,667
Insurance	2,151	-
Website expense	816	4,468
Miscellaneous expense	288	250
Total operating expenses	810,270	821,864
Net income before income taxes	1,712,566	1,048,895
Income tax expense	413,339	254,235
Net income	1,299,227	794,660
Members' equity, beginning of year, as restated	1,269,732	475,072
Members' equity, end of year, as restated	\$ 2,568,959	\$ 1,269,732

See accompanying notes to financial statements  
and independent auditors' report.

**WSR Franchise, LLC**  
**Statements of Cash Flows**  
**December 31, 2024 and 2023**

	2024	2023
Cash flows from operating activities:		
Receipts from franchisees	\$ 2,338,597	\$ 1,870,759
Interest income	132,239	-
Cash paid for income taxes	(221,435)	-
Payment of operating expenses	(1,281,556)	(318,984)
Net cash provided by operating activities	967,845	1,551,775
Cash flows from investing activities:		
Loans to/from affiliates	4,847	(21,708)
Net cash used in investing activities	4,847	(21,708)
Net increase in cash and cash equivalents	972,692	1,530,067
Cash and cash equivalents, beginning of year	2,017,031	486,964
Cash and cash equivalents, end of year	\$ 2,989,723	\$ 2,017,031
Reconciliation of net income to net cash provided by operating activities:		
Net income	\$ 1,299,227	\$ 794,660
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) decrease in current assets:		
Accounts receivable	(52,000)	-
Prepaid expenses	(6,976)	389
Increase (decrease) in current liabilities:		
Accounts payable and accrued expenses	(464,310)	502,491
Income taxes payable	191,904	254,235
Net cash provided by operating activities	\$ 967,845	\$ 1,551,775

See accompanying notes to financial statements  
and independent auditors' report.

**WSR Franchise, LLC**  
Notes to the Financial Statements  
December 31, 2024 and 2023

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1. Summary of Significant Accounting Policies:

Nature of Business:

WSR Franchise, LLC (the “Company”), a Georgia limited liability company, was formed on July 26, 2011. The Company enters into franchise agreements with people licensed to sell real estate and businesses or negotiate leases that will utilize services provided by the Company in the restaurant brokerage industry within an assigned territory pursuant to the franchise agreement. As of December 31, 2024, the Company had 58 franchised outlets and 3 company owned outlets in 17 states.

The franchisor has developed a comprehensive system for the operation of a business offering restaurant brokerage services, franchise resale services for the food industry, restaurant site selection services, and consulting services related to restaurant sales and site selection issues.

The distinguishing characteristics of the Company’s system include the trademark We Sell Restaurants and other trademarks and trade names, confidential operating procedures, a confidential operation manual, standards and specifications for equipment, services, and products, methods of internet usage, methods of service, management and marketing programs, and sales techniques and strategies.

Cash and Cash Equivalents - the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. The Company maintains cash deposits with several financial institutions that at times may exceed federally insured limits. As of December 31, 2024 and 2023, cash deposits exceeded federally insured limits by \$2,489,723 and \$1,767,031, respectively.

Accounts Receivable and Allowance for Credit Losses - Accounts receivable consist of franchise receivables due from franchisees and are recorded at invoiced amounts. Royalty receivables are recorded at amounts earned based upon rates set forth in the related franchise agreements. Receivables are considered past due based on contractual and invoice terms. Management determines the allowance for credit losses by regularly evaluating individual franchisee receivables and considering a franchisee’s financial condition, credit history, and current economic conditions. At December 31, 2024 and 2023, management believes that all receivables are fully collectible and that an allowance for credit losses is not needed.

Risk and Uncertainties - The Company’s royalty revenue stream is greatly influenced by the performance of the underlying franchisees. This can be affected in either a positive or negative manner based upon current trends in the restaurant sales industry.

Income Taxes – The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, we determine deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

**WSR Franchise, LLC**  
Notes to the Financial Statements  
December 31, 2024 and 2023

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1. Summary of Significant Accounting Policies: (Continued)

The Company recognizes deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, and results of recent operations. If we determine that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

We record uncertain tax positions in accordance with ASC 740 on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

The Company files income tax returns in the US federal jurisdiction. With few exceptions, the Company is no longer subject to federal income tax examinations by tax authorities for years before 2021.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 - The Company has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 12, 2025, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

2. Revenue Recognition:

Revenue is recognized upon satisfaction of performance obligations by the transfer of a product or service to the customer. Revenue is the amount of consideration we expect to receive for our services and products. The majority of our products and services have multiple performance obligations. For our initial franchise fees, the various performance obligations such as site selection, interior and exterior design, and layout, training, marketing, and sales techniques, and opening assistance are generally provided simultaneously at a point in time, and revenue is recognized at that time. We have certain services and products where we have multiple performance obligations that are provided at various points in time. For these services and products, we allocate the transaction price to the various performance obligations based on relative standalone selling prices and recognize the revenue when the respective performance obligations have been satisfied.

**WSR Franchise, LLC**  
Notes to the Financial Statements  
December 31, 2024 and 2023

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3. Franchise Activity:

The Company sells individual franchises. The franchise agreements typically require the franchisee to pay an initial, non-refundable fee prior to opening the respective location(s), and continuing royalty fees on a monthly basis based upon a percentage of franchisee net sales. The initial term of franchise agreements are typically 10 years. Subject to the Company's approval, a franchisee may generally renew the franchise agreement upon its expiration. If approved, a franchisee may transfer a franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid by the current owner which then terminates that franchise agreement

The Company provides franchisees pre-opening activities such as support for site selection, interior and exterior design and layout, training, marketing, and sales techniques, and opening assistance. These pre-opening activities costs to the franchisor are normally more than the initial franchise fee. Revenue allocated to pre-opening activities is recognized when these services are performed. Franchisees bear all direct costs involved in the development, construction, and operation of their locations. The current standard franchise agreement provides for payment to the Company of an initial franchise fee of \$50,000 per location or a conversion franchise fee of \$40,000 for existing restaurant brokerage firms. A military discount of 25% is offered for qualified U.S. military veterans on initial franchise fees but not for conversion franchise fees. Fees are due at the time the franchise agreement is signed.

Royalty income is recognized during the respective franchise agreement based on the royalties earned each period as the underlying franchise location sales occur.

Website support fees and training fees are paid to the Company by franchisees and are recognized as revenue as such services are provided.

The following provides a summary of the number of franchises granted, acquired, and closed during the years ended December 31, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Number of franchises at the beginning of the year	48	36
New franchises granted	11	14
Franchises closed/converted to company locations	<u>(1)</u>	<u>(2)</u>
Number of franchises at the end of the year	<u><u>58</u></u>	<u><u>48</u></u>

4. Related Party Transactions:

The Company leases office space from an affiliate. The lease term is on a month to month basis. The lease calls for rent of \$3,500 per month. For the years ended December 31, 2024 and 2023, the Company paid rent in the amount of \$42,000 and \$42,000, respectively.

During the year ended December 31, 2024 and 2023, the Company paid an affiliate management fees in the amount of \$500,000 and \$500,000.

At December 31, 2024 and 2023, the Company has accounts payable to an affiliate in the amount of \$15,000 and \$515,000.

**WSR Franchise, LLC**  
Notes to the Financial Statements  
December 31, 2024 and 2023

---

5. Reclassification:

Certain accounts relating to the prior year have been reclassified to the current year presentation with no effect on previously reported net income.

6. Income Taxes:

The Company is taxed as a corporation on its taxable income. Income tax expense (benefit) consists of the following for the years ended December 31, 2024 and 2023:

2024	Federal	State	Total
Current	\$ 359,639	\$ 53,700	\$ 413,339
Deferred	-	-	-
	\$ 359,639	\$ 53,700	\$ 413,339
2023	Federal	State	Total
Current	\$ 221,435	\$ 32,800	\$ 254,235
Deferred	-	-	-
	\$ 221,435	\$ 32,800	\$ 254,235

The actual income tax expense differs from the "expected" tax expense computed by applying the U.S. Federal corporate income tax rate of 21% to earnings before the provision for income taxes as follows:

	2024	2023
Computed "expected" tax expense	\$ 359,639	\$ 221,435
State income taxes, net of federal income tax benefit	53,700	32,800
	\$ 413,339	\$ 254,235

7. Prior period adjustment:

During 2024, management discovered financial statement errors that caused an overstatement of December 31, 2023 previously reported members' equity of \$254,235.

The errors primarily related to the Company changing from being taxed as a partnership to being taxed as a C-Corporation effective January 1, 2023 and not recording accrued income taxes payable.

The following summarizes the prior period adjustment referred to above:

Balance at December 31, 2023, as previously reported	\$ 1,523,967
Prior period adjustment for accrued income taxes	(254,235)
Balance at December 31, 2023, as restated	\$ 1,269,732

**WSR FRANCHISE, LLC**

**Financial Statements**

**For the years ended December 31, 2023 and 2022**

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# WESTON & GREGORY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

*100 La Costa Lane, Suite 100  
Daytona Beach, FL 32114-8158  
386.274.2747*

## INDEPENDENT AUDITORS' REPORT

To the Members' and Managers  
WSR Franchise, LLC  
Palm Coast, FL

### **Opinion**

We have audited the accompanying financial statements of WSR Franchise, LLC (a limited liability company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations and members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of WSR Franchise, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

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

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

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

individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

*Neston & Gregory, LLC*

Daytona Beach, Florida  
March 14, 2024

**WSR Franchise, LLC**  
**Balance Sheets**  
**December 31, 2023 and 2022**

	2023	2022
<b><u>ASSETS</u></b>		
Current Assets:		
Cash and cash equivalents	\$ 2,017,031	\$ 486,964
Prepaid expenses	19,469	19,858
Due from affiliates	4,847	-
Total current assets	\$ 2,041,347	\$ 506,822
<b><u>LIABILITIES AND MEMBERS' EQUITY</u></b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 517,380	\$ 14,889
Due to affiliates	-	16,861
Total current liabilities	517,380	31,750
Members' equity	1,523,967	475,072
Total liabilities and members' equity	\$ 2,041,347	\$ 506,822

See accompanying notes to financial statements  
and independent auditors' report.

**WSR Franchise, LLC**  
**Statements of Operations and Members' Equity**  
**For the years ended December 31, 2023 and 2022**

	2023	2022
Revenues:		
Royalty revenue from franchisees	\$ 880,813	\$ 571,874
Initial franchise fees	640,313	685,250
Website support fees	311,470	180,500
Miscellaneous income	33,308	1,500
Advertising income	2,855	9,850
Training fees	2,000	2,000
Total revenues	1,870,759	1,450,974
Operating expenses:		
Management fees	500,000	350,000
Commissions	118,585	138,484
Advertising and promotion	45,988	261,941
Travel	43,500	42,000
Rent	33,210	17,033
Professional fees	24,567	50,261
Meals and entertainment	14,703	8,293
Administrative expense	11,460	8,195
Dues and subscriptions	11,123	11,323
Conference expense	8,559	10,425
Website expense	4,468	2,622
Licenses and permits	3,667	3,739
Telephone	1,784	4,574
Training and development	250	450
Total operating expenses	821,864	909,340
Net income	1,048,895	541,634
Members' equity, beginning of year	475,072	1,333,438
Members' distributions	-	(1,400,000)
Members' equity, end of year	\$ 1,523,967	\$ 475,072

See accompanying notes to financial statements  
and independent auditors' report.

**WSR Franchise, LLC**  
**Statements of Cash Flows**  
**For the years ended December 31, 2023 and 2022**

	2023	2022
Cash flows from operating activities:		
Receipts from franchisees	\$ 1,870,759	\$ 1,450,974
Payment of operating expenses	<u>(318,984)</u>	<u>(909,153)</u>
Net cash provided by operating activities	<u>1,551,775</u>	<u>541,821</u>
Cash flows from investing activities:		
Distributions to members'	-	(1,400,000)
Loans to/from affiliates	<u>(21,708)</u>	<u>(55,512)</u>
Net cash used in investing activities	<u>(21,708)</u>	<u>(1,455,512)</u>
Net increase (decrease) in cash and cash equivalents	1,530,067	(913,691)
Cash and cash equivalents, beginning of year	<u>486,964</u>	<u>1,400,655</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,017,031</u></u>	<u><u>\$ 486,964</u></u>
Reconciliation of net income to net cash provided by operating activities:		
Net income	\$ 1,048,895	\$ 541,634
Adjustments to reconcile net income to net cash provided by operating activities:		
(Increase) decrease in current assets:		
Prepaid expenses	389	(14,514)
Increase (decrease) in current liabilities:		
Accounts payable and accrued expenses	<u>502,491</u>	<u>14,701</u>
Net cash provided by operating activities	<u><u>\$ 1,551,775</u></u>	<u><u>\$ 541,821</u></u>

See accompanying notes to financial statements  
and independent auditors' report.

**WSR Franchise, LLC**  
Notes to the Financial Statements  
December 31, 2023 and 2022

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1. Summary of Significant Accounting Policies:

Nature of Business:

WSR Franchise, LLC (the “Company”), a Georgia limited liability company, was formed on July 26, 2011. The Company enters into franchise agreements with people licensed to sell real estate and businesses or negotiate leases that will utilize services provided by the Company in the restaurant brokerage industry within an assigned territory pursuant to the franchise agreement. As of December 31, 2023, the Company had 48 franchised outlets and 3 company owned outlets in 16 states.

The franchisor has developed a comprehensive system for the operation of a business offering restaurant brokerage services, franchise resale services for the food industry, restaurant site selection services, and consulting services related to restaurant sales and site selection issues.

The distinguishing characteristics of the Company’s system include the trademark We Sell Restaurants and other trademarks and trade names, confidential operating procedures, a confidential operation manual, standards and specifications for equipment, services, and products, methods of internet usage, methods of service, management and marketing programs, and sales techniques and strategies.

Cash and Cash Equivalents - the Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents. The Company maintains cash deposits with a financial institution that at times may exceed federally insured limits. As of December 31, 2023 and 2022, cash deposits exceeded federally insured limits by \$1,767,031 and \$236,964, respectively.

Accounts Receivable - Accounts receivable consists of franchise receivables due from franchisees and are recorded at invoiced amounts. Royalty receivables are recorded at amounts earned based upon rates set forth in the related franchise agreements. Receivables are considered past due based on contractual and invoice terms. Management determines the allowance for doubtful accounts by regularly evaluating individual franchisee receivables and considering a franchisee’s financial condition, credit history, and current economic conditions. At December 31, 2023 and 2022, management believes that all receivables are fully collectible and that an allowance for doubtful accounts is not needed.

Income Taxes – Under the Internal Revenue Code, a limited liability company may be treated as a partnership for income tax purposes. Therefore, taxable income or loss is includable in income tax returns of its members. Accordingly, no provision has been made for income taxes in the accompanying financial statements.

The Company files income tax returns in the US federal jurisdiction. With few exceptions, the Company is no longer subject to federal income tax examinations by tax authorities for years before 2020.

Risk and Uncertainties - The Company’s royalty revenue stream is greatly influenced by the performance of the underlying franchisees. This can be affected in either a positive or negative manner based upon current trends in the restaurant sales industry.

**WSR Franchise, LLC**  
Notes to the Financial Statements  
December 31, 2023 and 2022

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1. Summary of Significant Accounting Policies: (Continued)

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 - The Company has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 14, 2024, the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed.

2. Revenue Recognition:

Revenue is recognized upon satisfaction of performance obligations by the transfer of a product or service to the customer. Revenue is the amount of consideration we expect to receive for our services and products. The majority of our products and services have multiple performance obligations. For our initial franchise fees, the various performance obligations such as site selection, interior and exterior design, and layout, training, marketing, and sales techniques, and opening assistance are generally provided simultaneously at a point in time, and revenue is recognized at that time. We have certain services and products where we have multiple performance obligations that are provided at various points in time. For these services and products, we allocate the transaction price to the various performance obligations based on relative standalone selling prices and recognize the revenue when the respective performance obligations have been satisfied.

3. Franchise Activity:

The Company sells individual franchises. The franchise agreements typically require the franchisee to pay an initial, non-refundable fee prior to opening the respective location(s), and continuing royalty fees on a monthly basis based upon a percentage of franchisee net sales. The initial term of franchise agreements are typically 10 years. Subject to the Company's approval, a franchisee may generally renew the franchise agreement upon its expiration. If approved, a franchisee may transfer a franchise agreement to a new or existing franchisee, at which point a transfer fee is typically paid by the current owner which then terminates that franchise agreement

The Company provides franchisees pre-opening activities such as support for site selection, interior and exterior design and layout, training, marketing, and sales techniques, and opening assistance. These pre-opening activities costs to the franchisor are normally more than the initial franchise fee. Revenue allocated to pre-opening activities is recognized when these services are performed. Franchisees bear all direct costs involved in the development, construction, and operation of their locations. The current standard franchise agreement provides for payment to the Company of an initial franchise fee of \$50,000 per location or a conversion franchise fee of \$40,000 for existing restaurant brokerage firms. A military discount of 25% is offered for qualified U.S. military veterans on initial franchise fees but not for conversion franchise fees. Fees are due at the time the franchise agreement is signed.

**WSR Franchise, LLC**  
Notes to the Financial Statements  
December 31, 2023 and 2022

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3. Franchise Activity: Continued)

Royalty income is recognized during the respective franchise agreement based on the royalties earned each period as the underlying franchise location sales occur.

Website support fees and training fees are paid to the Company by franchisees and are recognized as revenue as such services are provided.

The following provides a summary of the number of franchises granted, acquired, and closed during the years ended December 31, 2023 and 2022.

	2023	2022
Number of franchises at the beginning of the year	36	22
New franchises granted	14	16
Franchises closed/converted to company locations	(2)	(2)
Number of franchises at the end of the year	48	36

4. Related Party Transactions:

The Company paid for operating expenses of affiliate's during the years ended December 31, 2023 and 2022. The affiliates owed the Company \$4,847 and \$-0- at December 31, 2023 and 2022, respectively. The Company owed the affiliates \$-0- and \$16,861 at December 31, 2023 and 2022, respectively.

The Company leases office space from an affiliate. The lease term is on a month to month basis. The lease calls for rent of \$3,500 per month. For the years ended December 31, 2023 and 2022, the Company paid rent in the amount of \$42,000 and \$42,000, respectively.

During the year ended December 31, 2023 and 2022, the Company paid an affiliate management fees in the amount of \$500,000 and \$350,000.

At December 31, 2023 and 2022, the Company has accounts payable to an affiliate in the amount of \$515,000 and \$15,000.

5. Reclassification:

Certain accounts relating to the prior year have been reclassified to current year presentation with no effect on previously reported net income.

**THESE FINANCIAL STATEMENTS ARE PREPARED  
WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES  
OR SELLERS OF FRANCHISES SHOULD BE ADVISED  
THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD  
AUDITED THESE FIGURES OR EXPRESSED HIS/HER  
OPINION WITH REGARD TO THE CONTENT OR FORM.**

7:03 AM

06/20/25

Cash Basis

**WSR Franchise  
Balance Sheet  
As of May 31, 2025**

	<u>May 31, 25</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
Cadence Bank Sweep Account	1,637,177.61
Raymond James Account	2,016,827.81
<b>Total Checking/Savings</b>	<u>3,654,005.42</u>
<b>Other Current Assets</b>	
Due From We Sell Restaurants	7,000.00
<b>Franchise Income Receivable</b>	
FL Clermont	2,466.90
FL Sarasota	45,250.00
TX Fort Worth	3,500.00
<b>Total Franchise Income Receivable</b>	<u>51,216.90</u>
<b>Prepaid Expenses</b>	<u>19,469.00</u>
<b>Total Other Current Assets</b>	<u>77,685.90</u>
<b>Total Current Assets</b>	<u>3,731,691.32</u>
<b>TOTAL ASSETS</b>	<b><u>3,731,691.32</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Credit Cards</b>	
Chase 0341	22,756.26
<b>Total Credit Cards</b>	<u>22,756.26</u>
<b>Other Current Liabilities</b>	
Accrued Expenses - Rent Payable	15,000.00
Due to We Sell Restaurants	-18,000.00
Income Taxes Payable	82,557.00
<b>Total Other Current Liabilities</b>	<u>79,557.00</u>
<b>Total Current Liabilities</b>	<u>102,313.26</u>
<b>Total Liabilities</b>	102,313.26

7:03 AM  
06/20/25  
Cash Basis

**WSR Franchise  
Balance Sheet  
As of May 31, 2025**

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	<u>May 31, 25</u>
Equity	
Retained Earnings	2,568,959.39
Net Income	<u>1,060,418.67</u>
Total Equity	<u>3,629,378.06</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u><u>3,731,691.32</u></u></b>

**WSR Franchise  
Profit & Loss  
January through May 2025**

	Jan - May 25
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
Ask Robin II	10,000.00
Franchise Fee Income	
Franchise Royalties	768,366.95
Monthly Franchise Fees	206,575.00
	974,941.95
Total Franchise Fee Income	974,941.95
Franchise Invoice Income	25,146.10
Franchise Sales Income	200,500.00
Transfer Fee	30,000.00
	1,240,588.05
<b>Total Income</b>	<b>1,240,588.05</b>
<b>Gross Profit</b>	<b>1,240,588.05</b>
<b>Expense</b>	
Advertising and Promotion	23,278.25
Ask Robin	76,188.44
Automobile Expense	88.21
Computer and Internet Expenses	256.04
Continuing Education	139.00
Dues and Subscriptions	11,350.63
Licenses	730.00
Meals and Entertainment	
Entertainment	250.00
Meals and Entertainment - Other	4,221.66
	4,471.66
<b>Total Meals and Entertainment</b>	<b>4,471.66</b>
Office Supplies	153.50
Parking / Tolls	135.00
Postage and Delivery	333.48
Printing and Reproduction	168.85
Professional Fees	
Accounting	14,601.26
Consulting	37,554.91
Legal Fees	11,070.63
Professional Fees - Other	310.00
	63,536.80
<b>Total Professional Fees</b>	<b>63,536.80</b>

7:02 AM

06/20/25

Accrual Basis

**WSR Franchise  
Profit & Loss  
January through May 2025**

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	<u>Jan - May 25</u>
Referral Fees	5,000.00
Rent Expense	17,500.00
Supplies	191.41
Telephone Expense	2,328.81
Travel	26,973.56
Website	50.00
<b>Total Expense</b>	<u>232,873.64</u>
<b>Net Ordinary Income</b>	1,007,714.41
<b>Other Income/Expense</b>	
<b>Other Income</b>	
Conference Fees	3,500.00
Dividends	25,905.26
Sponsorship	23,299.00
<b>Total Other Income</b>	<u>52,704.26</u>
<b>Net Other Income</b>	<u>52,704.26</u>
<b>Net Income</b>	<u><u>1,060,418.67</u></u>



**EXHIBIT B**

**WSR FRANCHISE, LLC**

**FRANCHISE AGREEMENT**



**WSR FRANCHISE, LLC**  
**FRANCHISE AGREEMENT**

**Franchise #:** \_\_\_\_\_

**Legal Name of Franchisee:** \_\_\_\_\_

**Designated Business Manager:** \_\_\_\_\_

**Contact Name:** \_\_\_\_\_

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

**City, State, Zip:** \_\_\_\_\_

**Primary Phone #:** \_\_\_\_\_

**Secondary Phone** \_\_\_\_\_

**Email Address** \_\_\_\_\_

**Fax Number:** \_\_\_\_\_

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

**Territory:** \_\_\_\_\_

\_\_\_\_\_

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## FRANCHISE AGREEMENT

**THIS FRANCHISE AGREEMENT (“Agreement”)** is made this day of \_\_\_\_\_, by and between **WSR FRANCHISE, LLC**, a Georgia limited liability company, located at 6 Meridian Home Lane, Suite 101, Palm Coast, Florida 32137 (“**Franchisor**”), \_\_\_\_\_ and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_ and \_\_\_\_\_’s principals \_\_\_\_\_, an individual residing at \_\_\_\_\_ and \_\_\_\_\_, an individual residing at \_\_\_\_\_ (“**Principal(s)**”). \_\_\_\_\_ and **Principal(s)** shall be individually and collectively referred to, and each is, the “**Franchisee**”.

### RECITALS

**WHEREAS**, the Franchisor has developed a comprehensive system for the operation of a business offering Restaurant brokerage services, Restaurant site selections services, and consulting services related to Restaurant sales and site selection issues (“**Restaurant Brokerage Business**”); and

**WHEREAS**, the Restaurant Brokerage Businesses are operated under a business format with a unique system of high standards of service, including valuable know-how, information, Trade Secrets, Confidential Information, methods, confidential Operations Manual, standards, designs, methods of trademark usage, copyrights, sources and specifications, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development; and

**WHEREAS**, the distinguishing characteristics of the System include the trademark “**We Sell Restaurants®**” and other trademarks and trade names, confidential operating procedures, confidential Operations Manual, standards and specifications for equipment, services and products, method of Internet usage, methods of service, management and marketing programs and sales techniques and strategies. All of these distinguishing characteristics may be changed, improved, and further developed by the Franchisor periodically. They are Franchisor's Confidential Information and Trade Secrets and are designated by and identified with the Marks described in this Agreement; and

**WHEREAS**, the Franchisor continues to use, develop and control the use of the Marks to identify for the public the source of services and products marketed under the System, and which represent the System's high standards of quality, service and customer satisfaction; and

**WHEREAS**, the Franchisee acknowledges the benefits to be derived from being identified with the System and also recognizes the value of the Marks and the continued uniformity of image to the Franchisee, the Franchisor, and other franchisees of the Franchisor; and

**WHEREAS**, the Franchisee acknowledges the importance to the System of the Franchisor's high and uniform standards of quality, service and customer satisfaction, and further recognizes the necessity of opening and operating a Restaurant Brokerage Business in conformity with the System; and

**WHEREAS**, the Franchisee recognizes that to enhance the value of the System and goodwill associated with it, this Agreement places detailed obligations on the Franchisee, including strict adherence to the Franchisor's reasonable present and future requirements regarding the types of services offered, advertising used, operational techniques, marketing and sales strategies and related matters; and

**WHEREAS**, the Franchisee is aware of the foregoing and desires to obtain the right to use the System and in association with the System, the right to use the Marks, and wishes to be assisted, trained, and franchised to operate a Restaurant Brokerage Business within the Territory specified in this Agreement and subject to the terms and conditions contained in this Agreement.

**NOW, THEREFORE**, in consideration of the premises and other valuable consideration, the parties hereto agree as follows:

## **ARTICLE 1 - DEFINITIONS**

For the purposes of this Agreement, the following terms are hereby defined:

(1) **“Agent”** - means a person or group of persons licensed to sell real estate, businesses or negotiate leases within the Territory who are affiliated with the Restaurant Brokerage Business and uses services provided by the Franchisee pursuant to this Agreement. An Agent may be an employee of Franchisee or independent contractor based on the laws of the state in which the Restaurant Brokerage Business is operated.

(2) **“Agreement”** - means this agreement, and all exhibits, schedules, attachments, instruments and amendment.

(3) **“Affiliate”** - means any person or entity that controls, is controlled by, or is in common control with, the Franchisor.

(4) **“Business”** or **“Restaurant Brokerage Business”** - means the Restaurant Brokerage Business operations conducted or to be conducted by the Franchisee pursuant to this Agreement and consisting of a Business offering restaurant brokerage services.

(5) **“Confidential Information”** - means all knowledge, know-how, standards, methods and procedures related to the establishment and operation of the System and includes all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, Franchisee's Restaurant Brokerage Business including, without limitation, all databases (whether in print, electronic or other form), all names, addresses, phone numbers, email addresses, customer purchase or sales records, manuals, promotional and marketing materials, marketing

strategies and any other data which the Franchisor designates as confidential or Franchisee reasonably should know Franchisor would consider confidential.

(6) **“Franchisor's System”** or **“System”** - means the standards, systems, concepts, identifications, methods, and procedures developed or used by the Franchisor, or which may hereafter be developed or used by the Franchisor, including the trademark **“We Sell Restaurants®”** and other trademarks and trade names, confidential operating procedures, confidential Operations Manual, standards and specifications for equipment, services and products, method of Internet usage, training methods, methods of service, management and marketing programs and sales techniques and strategies for the sale and marketing of the Franchisor's Services.

(7) **“Franchise”** - means the business operations, including the Restaurant Brokerage Business, conducted or to be conducted by Franchisee using the Franchisor's System and in association with the Marks.

(8) **“Gross Revenues”** - means the total of all commissions, monthly fees, transaction fees, valuation fees, consulting fees, professional witness fees, leasing fees, and other fees received by the Franchisee (prior to any payments made to Agents) from all sources (including but not limited to referral fees and finder's fees received from brokers or agents in other brokerage companies) which is derived from the sale, lease, transfer or other disposition (including like-kind exchanges, barter exchanges, or other exchanges of property not involving money) of Restaurants, including any note, obligation, lien or other consideration given to Franchisee in lieu of a commission and insurance claims for lost profits if a claim is paid by the insurer, less commissions and referral fees paid to cooperating or referring brokers in other brokerage companies. Gross Revenues do not include the amount of any tax imposed by any federal, state, municipal or other governmental authority directly on sales and collected from customers, provided that the amount of any tax is shown separately and in fact paid by the Franchisee to the appropriate governmental authority.

Gross Revenues will be deemed received by the Franchisee at the earlier of the closing of any transaction described above or when payment for any Services is received by Franchisee or an Agent. Gross Revenues consisting of property or services will be valued at the fair market value of the property or services at the time that they are received.

(9) **“Lease”** - means any agreement (whether oral or written) under which the right to occupy an Office has been obtained, and any amendment made to the lease periodically, including, any offer to lease, license or lease agreement.

(10) **“Marks”** - means the trademark **“WE SELL RESTAURANTS®”**, to the extent of the Franchisor's rights to the same, together with those other trade names, trademarks, symbols, logos, distinctive names, service marks, certification marks, logo designs, insignia or otherwise which may be designated by the Franchisor periodically as part of the System for use by Franchisees, and not withdrawn.

(11) **“National Accounts Programs”** - means any program designated by Franchisor to serve any national or regional franchise company, Restaurant chain, chain food service operator, or other multi-unit Restaurant operator owning and operating Restaurants in more than one franchised Territory.

(12) **“Office(s)”** - means the approved location or locations where Franchisee operates the Restaurant Brokerage Business.

(13) **“Operations Manual”** - means, but is not limited to, collectively, all directives, books, pamphlets, bulletins, memoranda, order forms, invoices, letters, e-mail, Internet or intranet data, or other publications, documents, software programs, video tapes, transmittances or communications, in whatever form (including electronic form) prepared by or on behalf of the Franchisor for use by the franchisees generally or for the Franchisee in particular, setting forth information, advice and standards, requirements, marketing information and procedures, operating procedures, instructions or policies relating to the operation of the Restaurant Brokerage Business or the operation of Franchises, as same may be added to, deleted or otherwise amended by the Franchisor periodically.

(14) **“Products”** - means all supplies and other materials used by Franchisee or provided to Franchisee's customers in connection with the Restaurant Brokerage Business and associated with the Marks.

(15) **“Restaurant”** - means any business related to the sale of food or beverages or the production of food including, but not limited to, restaurants, bars, night clubs, commissaries, food trucks, catering operations, USDA food production facilities, liquor stores, wine stores, and businesses operating in the food service and hospitality industry.

(16) **“Services”** - means any and all assistance, guidance, recommendations, marketing and other services for the sale, transfer or other disposition of Restaurants, including franchise resale services for Restaurant companies and franchise companies operating in the food industry (**“Restaurant Brokerage Services”**), the provision of site selection services to restaurant companies or franchisees (**“Site Selection Services”**), the provision of consulting, valuation or professional witness services, due diligence services, or the provision of any ongoing advice regarding Restaurant-related issues (collectively, **“Consulting Services”**), or any other approved services conducted or otherwise provided by Franchisee and the Agents in connection with the Restaurant Brokerage Business or associated with the Marks.

(17) **“Trade Secret(s)”** - means information, including a formula, pattern, compilation, program, device, method, technique or process related to the System that both derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use and is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

## **ARTICLE 2 - COVENANTS, REPRESENTATIONS, AND WARRANTIES OF THE FRANCHISEE**

The Franchisee covenants, represents and warrants as follows and acknowledges that the Franchisor is relying upon these covenants, representations and warranties in making its decision to enter into this Agreement.

(1) The Franchisee acknowledges that it has received, has had ample time to read, and has read this Agreement, the Franchise Disclosure Document, and all related agreements with the Franchisor. The Franchisee acknowledges that the Franchisor has advised it to obtain independent legal and accounting advice with respect to this Agreement and the transactions arising out of this Agreement. The Franchisee further acknowledges that it has had an adequate opportunity to be advised by legal, accounting and other professional advisors of its own choosing regarding all pertinent aspects of the Restaurant Brokerage Business, the Franchisor and this Agreement.

(2) The Franchisee has, or has made firm arrangements to acquire, funds to commence, open and operate the Restaurant Brokerage Business. Franchisee is financially and otherwise able to accept the risks attendant upon entering into this Agreement.

(3) All statements made by the Franchisee in writing in connection with its application for the Franchise were true when made and continue to be true as of the date of this Agreement.

(4) There are no material financial obligations of the Franchisee whether actual or contingent which are outstanding as of the date of this Agreement other than those disclosed to the Franchisor by the Franchisee in writing.

(5) The Franchisee is not a party to or subject to any court or administrative order or action of any governmental authority which would limit or interfere in any way with the performance by the Franchisee of its obligation hereunder.

(6) The Franchisee is not a party to any litigation or legal proceedings other than those which have been disclosed to the Franchisor by the Franchisee in writing.

(7) The Franchisee represents that it is not a party to or subject to agreements or arrangements that might conflict with the terms of this Agreement and agrees not to enter into any conflicting agreements or arrangements during the Initial Term or any Interim Period.

(8) The Franchisee agrees and acknowledges that it has not been induced to enter into this Agreement in reliance upon, nor as a result of, any statements, representations, warranties, conditions, covenants, promises or inducements, whatsoever, whether oral or written, and whether directly related to the contents of this Agreement or collateral thereto, made by the Franchisor, its officers, directors, agents, employees or contractors except as provided herein. The Franchisee acknowledges that the Franchise has been granted in reliance upon the information supplied to the Franchisor in the Franchisee's application for a Franchise.

(9) The Franchisee represents that, if required by law, it or its owners are licensed real estate brokers or otherwise are in compliance with the laws related to the offering of business brokerage services in the state or states in which the Franchisee's Office is located or Franchisee is licensed by Franchisor to operate the Restaurant Brokerage Business; are familiar with the real estate laws and regulations of the state or states; and, the Franchisee is being acquired to use the System and the Marks in the operation of a Restaurant Brokerage Business and not for speculative or investment purposes.

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

a. Franchisee and its owners certify that they, their respective employees, and anyone associated with Franchisee are not listed in the Annex to Executive Order 13224 (<http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>). Franchisee agrees not to hire (or, if already employed, retain the employment of) any individual who is listed in the Annex.

b. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its owners, their employees, or anyone associated with Franchisee to be listed in the Annex.

c. Franchisee is solely responsible for ascertaining what actions it must take to comply with the Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that its indemnification responsibilities set forth in this Agreement pertain to its obligations to comply with this Section (10).

d. Any misrepresentation under this Section or any violation of the Anti-Terrorism Laws by Franchisee, its owners, agents, or its employees constitutes grounds for immediate termination of this Agreement and any other agreement Franchisee has entered with Franchisor or any of its Affiliates.

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

### ARTICLE 3 - GRANT OF LICENSE

(1) Subject to all the terms and conditions of this Agreement, the Franchisor hereby grants to the Franchisee, and the Franchisee accepts, for the Initial Term of this Agreement and any Interim Period, the right and license (“**License**”) to:

- a. Operate a Restaurant Brokerage Business at the approved Office upon the terms and conditions of this Agreement in the territory described in **Attachment A (“Territory”)**;
- b. Use the Marks and the System; and
- c. Offer and market **ONLY** the Franchisor's approved Services and Products unless the Franchisor approves in writing (approval to be in the Franchisor's sole and absolute discretion) the Franchisee's request to offer and market complementary and non-competing services or products.

(2) The Franchisee recognizes that variations and additions to the System may be required periodically to preserve and/or enhance the System. Therefore, the Franchisor expressly reserves the right to add to, subtract from, revise, modify or change periodically the System or any part thereof, and the Franchisee agrees to promptly accept and comply with any addition, subtraction, revision, modification or change and to make those reasonable expenditures as may be necessary to comply with this Agreement.

(3) Franchisee recognizes that the rights granted to the Franchisee hereunder are for the specific Territory defined in Attachment A and no other and cannot be transferred to an alternate Territory without the prior written approval of the Franchisor, which approval may be granted or withheld in Franchisor's sole discretion.

### ARTICLE 4 - TERM OF THE AGREEMENT AND LICENSE

(1) This Agreement and the License granted hereunder will continue for a period of ten (10) years (“**Initial Term**”). This Initial Term begins on the date this Agreement is signed by the Franchisor, subject, however, to termination in accordance with the provisions of this Agreement. When the Initial Term and any Interim Period expires, the Franchisee will have the right, subject to Section (4)2 of this Article, to extend its rights to operate the Restaurant Brokerage Business for one additional term (“**Successor Term**”) equal to the initial term then being offered to new franchisees of Franchisor. If the Franchisee's rights to operate the Restaurant Brokerage Business are extended, the Franchisee must pay the Franchisor the Successor Franchise Fee set forth in Section (4)2 of this Article.

(2) The Franchisor may refuse to extend the Franchisee's rights to operate the Restaurant Brokerage Business if the Franchisee has:

1. Failed to remedy any breach of this Agreement by Franchisee specified by the Franchisor in a written notice to the Franchisee as per Section 18(1) or Section 18(2) herein; or

2. Committed and received notice of two (2) or more breaches of this Agreement in the twenty-four (24) months before the end of the Initial Term, even if those breaches were timely remedied; or

3. Failed to meet all elements of the Minimum Annual Quota, as set forth in Section 5(4) of this Agreement, for any year during the Initial Term or any Interim Period; or

4. The Franchisee has not given the Franchisor a written notice of intent to extend Franchisee's rights to operate the Restaurant Brokerage Business no less than six (6) months or more than nine (9) months before the expiration of the Initial Term; or

5. The Franchisee is not current in all its payment obligations to the Franchisor or to the Franchisee's trade creditors.

(3) If the Franchisor agrees to extend the Franchisee's rights to operate the Restaurant Brokerage Business at the end of the Initial Term, the Franchisee will sign a successor franchise agreement (“**Successor Franchise Agreement**”) and all other agreements in the form then being used by the Franchisor in granting new franchises and pay the Successor Franchise Fee set forth in Section (4)2 of this Article. The Franchisor reserves the right to change any term(s) of the Successor Franchise Agreement form to be signed by the Franchisee upon the extension of the Franchisee's rights to operate the Restaurant Brokerage Business (except as specified below). There will not, however, be another Initial Franchise Fee or Conversion Fee charged in connection with the extension of the Franchisee's rights to operate the Restaurant Brokerage Business. IN FRANCHISOR'S SOLE DETERMINATION, THE FRANCHISEE MAY BE DEEMED TO HAVE IRREVOCABLY DECLINED TO RENEW THE FRANCHISE (AND AT FRANCHISOR'S OPTION IT WILL THEREUPON TERMINATE) IF FRANCHISEE FAILS TO SIGN AND RETURN TO THE FRANCHISOR THE SUCCESSOR FRANCHISE AGREEMENT AND OTHER DOCUMENTS REQUIRED BY THE FRANCHISOR WITHIN THIRTY (30) DAYS AFTER THEIR DELIVERY TO THE FRANCHISEE OR FAILS TO COMPLY IN ANY OTHER WAY WITH THE PROVISIONS OF THIS ARTICLE 4.

(4) As additional conditions to the extension of the Franchisee's rights to operate the Restaurant Brokerage Business, the Franchisor may, in its sole discretion, require the Franchisee to:

1. Sign a general release of all claims the Franchisee may have against the Franchisor, its officers, directors, members, shareholders, agents, Affiliates, and employees, whether in their corporate and/or individual capacities. This release will include all claims arising under any federal, state, or local law, rule, or ordinance arising out of or concerning this Agreement (to the fullest extent permitted by law) and will be in the form attached hereto as Attachment H;

2. Pay the successor franchise fee (“**Successor Franchise Fee**”) equal to Five Thousand Dollars (\$5,000), which is due and payable to the Franchisor at the time of signing the Successor Franchise Agreement;

3. Agree to give the Franchisor not less than six (6) months nor more than nine (9) months prior written notice of the Franchisee's election to extend (or not to extend) the Franchisee's rights to operate the Restaurant Brokerage Business. Failure to give timely notice of the Franchisee's intention to extend its rights to operate the Restaurant Brokerage Business will be deemed an election not to extend the Franchisee's rights to operate the Restaurant Brokerage Business;
4. Upgrade the computer system and any related software used in operations of the Restaurant Brokerage Business to Franchisor's then-current standards and specifications;
5. Comply with all other provisions contained in the Operations Manual, as modified periodically by Franchisor; and
6. Provide proof of current certificates, authorizations, licenses, insurance and permits.

## **ARTICLE 5 - TERRITORY**

(1) During the Initial Term and for so long as the Franchisee is in compliance with all of its obligations hereunder, except as otherwise provided in this Agreement, and subject to the Franchisor's reservation of rights as set forth in Section (2) and as provided in Section (4) below, neither the Franchisor nor any Affiliate will establish or license another person or entity to establish an Office for the purposes of operating a Restaurant Brokerage Business using the Marks licensed to Franchisee within the Territory encompassed by the boundaries set forth in **Attachment A**, attached and incorporated by reference. In addition, subject to the provisions set forth in Section 5(2) of this Article, Franchisee shall have the sole right to market Franchisee's Restaurant Brokerage Business directly to Restaurants operating in the Territory. The rights granted to Franchisee in this Section do not prohibit Franchisor or agents of Franchisor from listing and selling Restaurants or providing Site Selection Services or Consulting Services in Franchisee's Territory. Except as otherwise specifically provided in this Agreement, this Agreement does not restrict the Franchisor or its Affiliates from pursuing any other business concept and does not grant rights to the Franchisee to pursue any of Franchisor's or its Affiliates other business concepts other than the Restaurant Brokerage Business.

(2) The Franchisee acknowledges that the Franchise granted hereunder is nonexclusive and that the Franchisor and its Affiliates retain the exclusive right to, among others:

1. Use, and to license others to use, the Marks and System for the operation of Restaurant Brokerage Businesses at any location other than in the Territory, regardless of proximity to the Territory;
2. Use, license and franchise the use of trademarks or service marks other than the Marks, whether in alternative channels of distribution or at any location including within the Territory, in association with operations that are the same as, similar to or different from the Restaurant Brokerage Business;

3. Use the Marks and the System in connection with the provision of other services and products or in alternative channels of distribution such as those described in Section (2)4 of this Article, at any location including within the Territory;

4. Offer the Services or Products, or grant others the right to offer the Services or Products, whether using the Marks or other trademarks or service marks, through alternative channels of distribution, including without limitation, distribution outlets other than Restaurant Brokerage Businesses, or by Internet commerce (e-commerce), mail order or otherwise, whether inside or outside the Territory;

5. Use any websites utilizing a domain name incorporating one or more of the words “**We**”, “**Sell**” and/or “**Restaurants**” or similar derivatives. The Franchisor retains the sole and exclusive right to market on the Internet and use the Marks on the Internet, including all use of websites, domain names, URL's, directory addresses, metatags, linking, advertising, social networking site, electronic marketing sites, and co-branding and other arrangements. The Franchisee may not independently market on the Internet, or use any domain name, address, locator, link, social networking site, electronic marketing site, metatag, or search technique, with words or symbols similar to the Marks or otherwise establish any presence on the Internet without Franchisor's prior written approval. The Franchisor intends that any Franchisee website be accessed only through the Franchisor's home page. The Franchisee will provide the Franchisor with content for the Franchisor's Internet marketing, and will sign Internet and intranet usage agreements, if any. The Franchisor retains the right to approve any linking or other use of its website; and

6. To implement multi-area marketing programs or National Accounts Programs which may allow the Franchisor or others to solicit customers or sell Products or Services anywhere. The Franchisor reserves the right to issue mandatory policies to coordinate such multi-area marketing programs or National Accounts Programs.

(3) In determining the Territory, as set forth in **Attachment A**, Franchisor will use geographic or zip codes, boundaries. Franchisee acknowledges and agrees that once the Territory has been established, it will not be changed regardless of any increase or decrease of the number of licensed Agents within in the Territory.

(4) To maintain the Territory, Franchisee must meet the Minimum Annual Quota set forth in **Attachment B**. Franchisee's failure to satisfy the Minimum Annual Quota may result in the reduction or elimination of the Franchisee's Territory or the termination of this Agreement, in Franchisor's sole discretion.

## **ARTICLE 6 - FEES**

(1) The Franchisee will pay a non-recurring initial franchise fee of Forty-nine Thousand Seven Hundred Fifty Dollars (\$49,750) (“**Initial Franchise Fee**”) or a conversion fee of Forty Thousand Dollars (\$40,000.00) (“**Conversion Fee**”), as applicable, to the Franchisor upon the execution of this Agreement, plus, if due and payable, all applicable federal, state or municipal taxes. The Initial Franchise Fee or Conversion Fee will be paid by means of cashier's check, money

order or wire transfer. The Initial Franchise Fee or Conversion Fee is deemed fully earned by the Franchisor when paid. **The Initial Franchise Fee or Conversion Fee is non-refundable.** Any fee paid by Franchisee to Franchisor in connection with Franchisee's application to Franchisor for approval to become a franchisee will be credited, in full, towards the Initial Franchise Fee.

(2) The Franchisee will pay to the Franchisor a royalty fee (“**Royalty Fee**”) equal to the greater of fifteen percent (15%) of Gross Revenue for each transaction of the Initial Term of this Agreement and any Interim Period or a minimum royal fee during the first four (4) month after training of \$0, during months 5 through 12 of \$500, during months 13 through 24 of \$750, and during months 25 through 120 of \$1,000. If Franchisee permits a party to finance or otherwise extend the time for payment of a sales commission, the full Royalty Fee shall still be paid to Franchisor within one (1) month of the closing of the sale, lease, transfer or other disposition of the applicable Restaurant. The minimum Royalty Fee to be paid by Franchisee to Franchisor on each sale, lease, transfer or other disposition of a Restaurant by Franchisee shall be One Thousand Dollars (\$1,000).

(3) The Royalty Fee is payable to Franchisor on or before the 10th day of each month for the preceding calendar month and is payable through the entire Initial Term of this Agreement and any Interim Period. The Franchisee will pay the Royalty Fee monthly or in any other frequency including as part of the closing of each transaction, as the Franchisor may in its sole discretion require upon written notice to the Franchisee by the Franchisor. The Franchisee will not subordinate to any other obligation its obligation to pay the Royalty Fee or any other fee or charge hereunder. Each Royalty Fee payment will be accompanied by a report.

(4) Each Royalty Fee payment must be accompanied by a statement of the previous month's Gross Revenues, based on data entered into the Broker's Operations and Sales System (“BOSS”), on a form approved and provided to the Franchisee by the Franchisor. All revenue is tracked down and entered into BOSS, and Franchisees receive monthly reports at the beginning and end of each month reflecting all transactions, commissions earned, and Royalty Fee calculations. While regular listing inventory is calculated automatically, the Franchisee is obligated to enter certain non-standard transactions—such as lease payments, consulting payments, and referral fees—into BOSS to ensure accurate reporting. **Each failure to include a fully completed statement of the previous month's Gross Revenues with the Royalty Fees payable to the Franchisor when due constitutes a material breach of this Agreement.**

(5) The Franchisor requires the Franchisee to remit fees and other amounts due to the Franchisor hereunder via electronic funds transfer (“**EFT**”) or other similar means utilizing a Franchisor approved computer system or otherwise. The EFT Authorization is attached to this Agreement as **Attachment E**. If the Franchisor directs the Franchisee to use this payment method, the Franchisee agrees to comply with procedures specified by the Franchisor and/or perform those acts and deliver and sign those documents, including authorization for direct debits from the Franchisee's business bank operating account, as may be necessary to accomplish payment by this method. Under this procedure, the Franchisee will authorize the Franchisor to initiate debit entries and/or credit correction entries to a designated checking or savings account for payments of fees and other amounts payable to the Franchisor, including any interest charged thereon. The Franchisee will make funds available to the Franchisor for withdrawal by electronic transfer no

later than the due date for payment, therefore. If the Franchisee has not timely reported the Gross Revenues to the Franchisor for any reporting period, then the Franchisor is authorized, at the Franchisor's option, to debit the Franchisee's account in an amount equal to (a) the fees transferred from the Franchisee's account for the last reporting period for which a report of the Gross Revenues was provided to the Franchisor as required hereunder; or (b) the amount due based on information retrieved from the Franchisor approved computer system.

## **ARTICLE 7 - ACCOUNTING, RECORDS, AUDITS AND LATE PAYMENT CHARGES**

(1) The Franchisee will keep those complete records of its Restaurant Brokerage Business as a prudent and careful businessperson would normally keep. The Franchisee must use the accounting system and the pre-formatted template required by the Franchisor, if any. The Franchisee will keep its financial books and records as the Franchisor may periodically direct in the Operations Manual or otherwise, including retention of all invoices, order forms, payroll records, check records, bank deposit receipts, sales tax records, commission reports, settlement statements, refunds, cash disbursements, journals, and general ledgers. The Franchisee will advise the Franchisor of the location of all original documents and will not destroy any records without the written consent of the Franchisor.

(2) The Franchisee will prepare, on a current basis, complete and accurate records concerning all financial, marketing and other operating aspects of the Restaurant Brokerage Business conducted under this Agreement, as the Franchisor will prescribe periodically. The Franchisee will maintain an accounting system which accurately reflects all operational aspects of the Restaurant Brokerage Business including uniform reports as may be required by the Franchisor. The Franchisee's records will include tax returns, daily reports, statements of Gross Revenues (to be prepared each month for the preceding month), profit and loss statements (to be prepared at least quarterly by an independent Certified Public Accountant), and balance sheets (to be prepared at least annually by an independent Certified Public Accountant).

(3) The Franchisee will also submit to the Franchisor current financial statements and other reports as the Franchisor may reasonably request to evaluate or compile research and performance data on any operational aspect of the Restaurant Brokerage Business. On or before April 15 of each year, the Franchisee will provide the Franchisor with a copy of its federal tax return for the previous tax year.

(4) The records required under this Article 7 pertain only to the Franchisee's operation of the Restaurant Brokerage Business. The Franchisor has no right to inspect, audit or copy the records of any of Franchisee's unrelated business or personal activities. The Franchisee will keep the books and records of the Restaurant Brokerage Business separate from the records of any unrelated business or personal activity.

(5) From the date the Franchisee and the Franchisor sign this Agreement until three (3) years after the end of the expiration or termination of this Agreement, the Franchisor or Franchisor's authorized agent will have the right to request, receive, inspect and audit any of the records referred to above wherever they may be located. The Franchisor agrees to conduct its inspections and audits at reasonable times. The Franchisee agrees to keep all records and reports

for six (6) years from the date these records are created. Should any inspection or audit disclose a deficiency in the payment of any Royalty Fee, FMAF funds or other amounts required to be paid under this Agreement, the Franchisee will immediately pay the deficiency to the Franchisor, without the need for further action or notice on the part of Franchisor and without prejudice to any other remedy of the Franchisor under this Agreement or otherwise. In addition, if the deficiency for any audit period discloses a deficiency in the amount of any Royalty Fee, FMAF funds or other amounts due by two percent (2%) or more, the Franchisee will also immediately pay to the Franchisor the entire cost of the inspection or audit including travel, lodging, meals, salaries and other expenses of the inspecting or auditing personnel. For the purposes of this Section (5), an audit period will be each fiscal year. Should the audit disclose an overpayment of any Royalty Fees, FMAF funds, or other amounts due, the Franchisor will credit the amount of the overpayment to the Franchisee's payments of Royalty Fees and FMAF funds next falling due.

(6) If the Franchisee's records and procedures are insufficient to permit a proper determination of Gross Revenues, the Franchisor will have the right to either require Franchisee to deliver to the Franchisee an estimate, prepared by the Franchisor, of Gross Revenues for the period under consideration and the Franchisee will immediately pay to the Franchisor any amount shown thereby to be owing on account of the Royalty Fee, FMAF funds and other sums due on account of any understatement. Any estimate is final and binding upon the Franchisee.

(7) To encourage prompt payment and to cover the costs and expenses involved in handling and processing late payments, the Franchisee will also pay, upon demand, a late charge equal to ten percent (10%) of the amount of the late payment plus interest of one and one-half percent (1.5%) per month on the late amount on all payments due to the Franchisor during the period of time said payments are due and unpaid. Each failure to pay Royalty Fees, FMAF funds, or any other amount payable when due to the Franchisor constitutes a material breach under this Agreement. Franchisee acknowledges that this Section (7) does not constitute an agreement by Franchisor to accept these payments after the same are due or a commitment by Franchisor to extend credit to or otherwise finance Franchisee's operation of the Restaurant Brokerage Business. Further, Franchisee acknowledges that failure to pay all such amounts when due will, notwithstanding the provisions of this Section (7), constitute grounds for termination of this Agreement.

(8) Any report of the Franchisor's auditor rendered periodically pursuant to Section 7(5) above is final and binding upon all of the parties.

(9) The Franchisee hereby authorizes the Franchisor to make reasonable inquiries of the Franchisee's bank, suppliers and trade creditors concerning the Restaurant Brokerage Business and hereby directs those persons and companies to provide to the Franchisor this information and copies of documents pertaining to the Restaurant Brokerage Business as the Franchisor may request.

(10) The Franchisee acknowledges and agrees that the Franchisor owns all Restaurant Brokerage Business records ("**Business Records**") with respect to customers and other service professionals of, and/or related to, the Restaurant Brokerage Business including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses,

telephone numbers, e-mail addresses, customer purchase and sale records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access these Business Records, and may utilize, transfer, or analyze these Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion.

(11) If the Franchisee pays the Royalty Fee or any other sums due to Franchisor under this Agreement with a check returned for non-sufficient funds more than one time in any calendar year, in addition to all other remedies which may be available, the Franchisor will have the right to require that Royalty Fee payments and any other sums due to Franchisor under this Agreement be made by certified or cashier's checks. If the Franchisee fails to pay the Royalty Fee or any other sums due to Franchisor under this Agreement by the due date two (2) times during the Initial Term or any Interim Period, in addition to all other remedies which may be available, the Franchisor reserves the right to require, in its sole discretion, that the Franchisee pay the Royalty Fee or any other sums due to Franchisor under this Agreement on a weekly basis.

(12) The Franchisee agrees that, during the Initial Term and for the three (3) years after the expiration or termination of this Agreement, the Franchisee will supply to the Franchisor the Franchisee's home (or business location, if other than the Franchisee's home) address and telephone number.

## **ARTICLE 8 - SERVICES AND ASSISTANCE**

(1) The Initial Franchise Fee or Conversion Fee and Royalty Fee are paid for the License, which includes the use of the Marks, the System and the use of the Franchisor's Trade Secrets and Confidential Information provided pursuant to this Agreement and for certain services rendered by the Franchisor.

(2) The Franchisor will offer the Franchisee initial and continuing services, as the Franchisor deems necessary or advisable in furthering the Franchisee's Restaurant Brokerage Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of the Franchisor. Failure by the Franchisor to provide any particular service, either initial or continuing, will not excuse the Franchisee from any of its obligations under this Agreement.

(3) Currently, prior to Franchisee's opening of the Restaurant Brokerage Business, Franchisor will:

1. Agree upon the Franchisee's Territory, which will be set forth in Attachment A;
2. Approve Franchisee's proposed Office. Franchisee acknowledges and agrees that Franchisor's approval of an Office in no way constitutes a warranty by Franchisor that the Office will achieve any particular level of sales or profits or that the

Office satisfies any or all federal, state or local laws, ordinances or regulations for the operation of Franchisee's Restaurant Brokerage Business;

3. Within ninety (90) days after the execution of this Agreement and Franchisee's receipt of all required licenses and permits to operate the Office, and after Franchisee has completed the Pre-Training Work required by Section 9(2)1 to Franchisor's satisfaction, provide the Franchisee, or if the Franchisee is an entity, a person designated to manage the Restaurant Brokerage Business ("Designated Business Manager") and up to one (1) additional person without extra charge with an initial training program. In addition, there is approximately ten (10) additional days of training provided through an online learning platform. The initial training program ("Initial Training Program") is for five (5) business days at the Franchisor's facilities in Palm Coast, Florida (or other location designated by the Franchisor). The Initial Training Program may include a discussion of the System, techniques, procedures, methods of operation, advertising, sales techniques, promotional ideas, marketing plans, customer relations, instructions on quality standards and practical experience in the operation of the Restaurant Brokerage Business; and

4. Loan the Franchisee, during the Initial Term (including any Interim Period), one (1) copy of the Franchisor's confidential Operations Manual containing mandatory and suggested specifications, standards, operating procedures and rules prescribed periodically by the Franchisor as further stipulated in this Article 8 and containing information relative to other obligations of the Franchisee hereunder. Specifications, standards and operating procedures prescribed periodically by the Franchisor in the Operations Manual or otherwise communicated to the Franchisee in writing constitutes provisions of this Agreement as if fully set forth herein. The Franchisee will operate the Restaurant Brokerage Business strictly in accordance with the Operations Manual. Failure to comply with the standards set forth in the Operations Manual constitutes a material breach of this Agreement. The Franchisor reserves the right to provide the Operations Manual and updates to the Operations Manual in electronic form or other form determined by the Franchisor. The Franchisor will have the right to add to, and otherwise modify, the Operations Manual periodically to reflect changes in authorized Services, business image or the operation of the Restaurant Brokerage Business; provided, however, none of these additions or modifications will alter the Franchisee's fundamental status and rights under this Agreement. Some of the revisions to the Operations Manual may include changes with respect to: (i) sales and marketing strategies; (ii) equipment and supplies; (iii) accounting and reporting systems and forms; (iv) insurance requirements; (v) operating procedures; and (vi) Services. The Franchisee agrees to accept, implement and adopt any of these modifications at its own cost. The Franchisee will keep its printed copy of the Operations Manual updated with replacement pages and insertions, as instructed by the Franchisor. The Franchisee acknowledges that the Operations Manual is loaned to the Franchisee and will always remain the sole and exclusive property of the Franchisor. Upon termination of this Agreement, for any reason whatsoever, the Franchisee will promptly return the Operations Manual together with all copies of any portion of the Operations Manual which the Franchisee may have made, to the Franchisor.

will: (4) Currently, after Franchisee opens the Restaurant Brokerage Business, Franchisor

1. Continued support through 100-day calls, mentoring, lunch and learn events, standing office hours, online knowledge base, and other items, at the franchisor's discretion to create opportunities for learning and sharing of best practices;

2. Make support available to the Franchisee through the BOSS Knowledge Base and ChatBot 24 hours a day. In addition, Franchisor will make its Help Desk ticketing system and personal representatives available during regular business hours to respond to inquiries and discuss the Franchisee's operational issues and support needs. Questions regarding technological support may be referred to third parties (including but not limited to Affiliates of Franchisor), who may charge a fee for providing such services;

3. In its sole discretion, hold periodic conferences to discuss sales techniques, new service developments, bookkeeping, training, accounting, performance standards, advertising programs, marketing procedures and other topics. These conferences may be held at the Franchisor's Palm Coast, Florida headquarters, the Franchisee's Office or at a location chosen by the Franchisor, as determined by the Franchisor. Franchisee will be required to pay any conference fee charged by Franchisor and must pay all its travel and living expenses to attend;

4. In its sole discretion, hold a mandatory annual conference to discuss sales techniques, new service developments, training, bookkeeping, accounting, performance standards, advertising programs, marketing procedures and other topics. Franchisee must pay any conference fees charged by Franchisor, and all personal travel and living expenses. These mandatory annual conferences are held at the Franchisor's Palm Coast, Florida headquarters or at a location chosen by the Franchisor;

5. Post listings of Restaurants for sale on Franchisor's national website and in other databases as determined by Franchisor;

6. Provide search engine optimization for Franchisor's website and other internet marketing support for Franchisee;

7. Provide reports from time to time on business trends and business forecasts;

8. Assist Franchisee on social and traditional marketing campaigns, as determined by Franchisor;

9. Assist Franchisee in drafting marketing documents, press releases, form marketing materials and marketing strategy, as determined by Franchisor;

10. Inform Franchisee of mandatory specifications, standards and procedures for the operations of the Restaurant Brokerage Business;

11. Research new Services and methods of doing business, periodically, and provide Franchisee with information concerning developments of this research;

12. Provide advertising materials to Franchisee as Franchisor deems necessary in Franchisor's sole discretion; and

13. A representative of Franchisor may, in Franchisor's sole discretion, provide additional assistance. There may be additional charges for this additional assistance. If Franchisor provides additional assistance, the Franchisor and Franchisee must agree in advance on the charges for the visit and the length of the visit.

(5) If Franchisee believes Franchisor has failed to adequately provide pre-opening services to Franchisee as provided in Section 8(3) above, Franchisee will notify Franchisor in writing within thirty (30) days following the opening of the Restaurant Brokerage Business. Absent the timely delivery of this notice to Franchisor, Franchisee is deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by Franchisor were sufficient, timely, and satisfactory to Franchisee.

(6) Franchisor is not obligated to perform services set forth in this Agreement to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge and judgment. Franchisor does not represent or warrant that any other services will be provided to Franchisee, other than as set forth in this Agreement. If any other services, or any specific level or quality of service is expected, Franchisee must obtain a commitment to provide this service or level of service in writing signed by an authorized officer of Franchisor, otherwise Franchisor will not be obligated to provide any other services or specific level or quality of services.

## **ARTICLE 9 - FRANCHISEE'S DUTIES, OBLIGATIONS AND OPERATING STANDARDS**

(1) The Franchisee will, consistent with the terms of this Agreement, diligently develop and operate the Restaurant Brokerage Business and use its best efforts to market and promote the Services and Products. Such efforts shall specifically include, without limitation, joining sales leads and networking groups, placing networking telephone calls to local restaurants, conducting direct mail and electronic marketing campaigns, and conducting a launch marketing campaign within the first sixty (60) days of operation, all as proscribed by Franchisor.

(2) Subject to the terms of this Agreement, during the Initial Term and any Interim Period, the Franchisee will strictly comply with all present and future standards, specifications, processes, procedures, requirements, and instructions of the Franchisor regarding the operation of the Restaurant Brokerage Business and must comply with the following requirements:

1. Before opening the Restaurant Brokerage Business, the Franchisee or the Franchisee's Designated Business Manager must attend and successfully complete Franchisor's Initial Training Program. Franchisee is responsible for travel, meals, personal expenses and living expenses incurred by itself, the Designated Business Managers, and

additional persons that participate in the initial training program. Prior to attending the initial training program at Franchisor's facilities in Palm Coast, Florida, Franchisee, or anyone designated by Franchisee to attend the Initial Training Program, shall complete, to Franchisor's satisfaction, one week of computer-based training and pre-training work ("**Pre-Training Work**") as prescribed by Franchisor in the Operations Manual. Franchisee's or such attendees' failure to complete such Pre-Training Work to Franchisor's satisfaction shall entitle Franchisor to require Franchisee or its designated attendees to leave the Initial Training Program and to return, at Franchisee's sole cost and expense, to Palm Coast, Florida, or another location designated by Franchisor, for a subsequent Initial Training Program.

2. Unless otherwise specified by Franchisor in writing, upon the opening the Restaurant Brokerage Business, the Franchisee must complete the renovations to the Office necessary to comply with Franchisor's standards and specifications; comply with Franchisor's opening procedures for the Office, as set forth in the Operations Manual; and, obtain Franchisor's written approval that Franchisee has complied with the foregoing requirements.

3. The Franchisee or a Designated Business Manager must attend mandatory annual conferences at locations the Franchisor may reasonably designate, and the Franchisee will pay all salary and other expenses of persons attending, including any conference fees, travel expenses, meals, living expenses and personal expenses.

4. Any additional required Service introduced into the System by the Franchisor must be offered for sale on a continuing basis at the Restaurant Brokerage Business at the time and in the manner required by the Franchisor. Franchisor will provide at least thirty (30) days' prior written notice of any new required Service introduced into the System. All equipment, products, supplies, and other items necessary to add the newly required Services must be acquired, installed, and utilized at the time and in the manner required by the Franchisor. The marketing of new Services must begin at the Restaurant Brokerage Business as reasonably required by the Franchisor.

5. No service, except approved Services, may be offered for sale within the Territory, unless the Franchisee receives the prior written consent of the Franchisor (which may be granted or denied in the Franchisor's sole discretion).

6. Only advertising and promotional materials, services, equipment, tools, inventory, products, signage, supplies, and uniforms that meet the Franchisor's standards and specifications are used at the Restaurant Brokerage Business. Advertising and promotional materials, services, equipment, inventory, products, signage, supplies and uniforms produced or approved by Franchisor for use by the Franchisee may be used only in the manner and during the period specified by the Franchisor.

7. Equipment, Services, inventory, supplies, signage, uniforms and other items must be added, eliminated, substituted and modified at the Restaurant Brokerage Business

as soon as possible in accordance with changes in the Franchisor's specifications and requirements.

8. The Restaurant Brokerage Business and everything related to the Restaurant Brokerage Business must be maintained in good condition and must be kept clean, neat, and sanitary. All maintenance, repairs and replacements reasonably requested by the Franchisor or needed in connection with the Restaurant Brokerage Business must be promptly made. All employees must be clean and neat in appearance.

9. No alterations of the Restaurant Brokerage Business materially affecting the image of the Restaurant Brokerage Business may be made except at the Franchisor's request or approval, and any alterations must strictly conform to specifications and requirements established or approved by the Franchisor.

10. The Restaurant Brokerage Business and the Services provided by Franchisee must comply with all applicable federal, state, and local laws, ordinances, rules, regulations and other requirements applicable to the brokerage of commercial business and the offering of Site Selection Services. The Franchisee must obtain all real estate, brokerage, and business licenses and permits required by federal, state and local laws, ordinances, rules and regulations before operating its Restaurant Brokerage Business. If the Franchisee does not obtain all required permits and licenses necessary to operate the Restaurant Brokerage Business within six (6) months after the mutual execution of the Franchise Agreement, Franchisor may terminate this Franchise Agreement.

11. The employees, Agents, equipment, supplies, products, and other items on hand at the Restaurant Brokerage Business, must be at all times sufficient to efficiently meet the anticipated volume of business.

12. The payment of all debts and taxes arising in connection with the Restaurant Brokerage Business, except those duly contested in a bona fide dispute, must be paid when due.

13. Franchisee will use its best efforts to ensure customer satisfaction; use good faith in all dealings with customers, other agents and brokers, potential customers, referral sources, suppliers and creditors; respond to customer complaints in a courteous, prompt and professional manner; use its best efforts to promptly and fairly resolve customer disputes in a mutually agreeable manner; and take any actions Franchisor deems necessary or appropriate to resolve customer disputes.

14. Franchisee will comply with all terms and pay all fees that may be due under a software license agreement for any software Franchisee is required to use in the operation of its Restaurant Brokerage Business as prescribed by the Franchisor.

15. Franchisee shall also pay to Franchisor, at the same time and in the same manner that Franchisee pays Royalties, a basic monthly website support fee (“**Website Support Fee**”) of Seven Hundred Fifty Dollars (\$750.00), or such other amount as

Franchisor determines in Franchisor's sole discretion, for purposes of defraying the cost of providing website and technology support to Franchisee. This basic monthly Website Support Fee covers Franchisee and one (1) additional agent. Franchisee shall pay Franchisor's then-current fee for additional agents. Franchisor shall be entitled to use the Website Support Fee in any way it determines necessary or desirable in supporting and developing Franchisor's website and any other technology used in the System. Franchisee shall also pay Franchisor's then-current fee for any enhancement to the Website. The Website Support Fee is non-refundable for any reason once paid.

16. Franchisee will pay any training fee required by Franchisor in order to train Franchisee's Agents in the proper operation of the Restaurant Brokerage Business.

17. Franchisee will comply with the advertising requirements set out in Article 12.

18. Franchisee will not use any materials that are false or misleading.

19. Franchisee will ensure that all advertising and other materials associated with the Services fully conform to all applicable laws and regulations.

20. Franchisee will conduct its business operations in accordance with all applicable laws and regulations, including but not limited to, business and real estate brokerage and sales laws and regulations, and consumer protection laws and regulations. Franchisee will control the quality of the Services to avoid quality problems or liability claims that could reflect adversely on Franchisee or Franchisor in the minds of consumers.

21. The Franchisee will maintain and require its Agents and employees to maintain a high ethical standard in the conduct of the Franchisee's Restaurant Brokerage Business, and Franchisee will join and remain a member in good standing of any local board of business brokers within the Territory and any applicable national association of business brokers. In addition, Franchisee must enter into written agreements with all of its Agents that include a fee structure which entitles Franchisee to collect monthly fees, transaction fees, and other fees on all of the Agents' transactions. The fee structure and any changes or modifications to the fee structure must be approved by Franchisor prior to being implemented by Franchisee.

22. The Franchisee recognizes and acknowledges the importance of referrals between franchisees of Franchisor and agrees, if lawful and when reasonable and appropriate, to refer requests for Restaurant Brokerage Services and Site Selection Services to franchisees of Franchisor operating in territories in which Franchisee does not operate a Restaurant Brokerage Business or provide Services.

23. Franchisee will provide each of its Agents with the supervision as a reasonable business broker would provide its agents in the proper conduct of its business as a business broker. Franchisee shall conduct background checks on all of its brokers and provide such information to Franchisor upon request.

(3) In prescribing standards, specifications, processes, procedures, requirements or instructions under Section 9(2) above or any other provision of this Agreement, the Franchisor will provide guidance to the Franchisee, as required in Franchisor's sole determination, including but not limited to, determining the minimum fees to be charged by the Franchisee for Services. Franchisor will not have control over the day-to-day managerial operations of the Restaurant Brokerage Business, and the Franchisee is free to establish its own fees in excess of the minimum and other charges for Services. Notwithstanding Franchisor's right to require Franchisee to conduct its business in accordance with the System, Franchisee and Franchisor recognize that the sale and brokerage of commercial businesses is a profession requiring independent judgment, skill and training and is governed in many particulars by state and federal authorities. Any inconsistency between the System or Franchisor's advice and the dictates of good business brokerage practice, or any legal requirement of that practice, is inadvertent and not an effort to cause Franchisee to deviate from proper practices. Therefore, Franchisee and Franchisor understand and agree that (i) in all cases, lawful, regulatory requirements take precedence over both any inconsistent advice, counsel or other guidance, whether written or oral, given by Franchisor on any topic and anything inconsistent in the System; (ii) no business advice given by Franchisor nor any part of the System is taken as advice in respect of the practice of the profession of commercial business sales and brokerage, as defined by law; (iii) Franchisee's judgment, or the judgment of Franchisee's Designated Restaurant Brokerage Business Managers, governs in all matters pertaining to each and every aspect of the professional practice of commercial business sales and brokerage; (iv) in any case in which Franchisee believes Franchisor's advice or the System contravene the practice of the profession of commercial business sales and brokerage or any legal requirements of that practice, Franchisee will notify Franchisor, orally and in writing, immediately; and (v) Franchisee and Franchisee's Designated Business Managers are solely responsible for the operation of the Restaurant Brokerage Business and the results of that operation.

(4) Franchisor and Franchisor's representatives will have the right during Business hours to inspect the Restaurant Brokerage Business and all Offices. Franchisor and Franchisor's representatives will have the right to observe the manner in which Franchisee is rendering its Services and conducting its operations of the Restaurant Brokerage Business. Franchisor and Franchisor's representatives will have the right to discuss with Franchisee or other personnel Franchisee may designate all matters that may pertain to compliance with this Agreement and with the Franchisor's standards, specifications, requirements, instructions and procedures. Franchisor and Franchisor's representatives will have the right to have any of the Franchisor's required Services rendered by any employee at the Restaurant Brokerage Business. The Franchisee will in all respects cooperate with the Franchisor's rights under this Section (4); provided, however, that the Franchisor's exercise of these rights will not unreasonably interfere with the Franchisee's conduct of the Restaurant Brokerage Business.

(5) Franchisor may require the Franchisee's compliance with the provisions of this Article 9 even if it does not require this compliance by all franchisees.

(6) If the Franchisee is an individual, the Franchisee must directly supervise the Restaurant Brokerage Business. If the Franchisee is a corporation or other Restaurant Brokerage Business entity, or if the Franchisee has, in the Franchisor's sole judgment, insufficient experience in a business similar to the franchise or experience in business management in general, then the

Franchisee will nominate a Designated Business Manager having required experience who will have direct responsibility for all operations of an Office. Any change in a Designated Business Manager will be subject to Franchisor's approval, in the Franchisor's sole discretion.

(7) The Franchisee and its Agents must become members of local, state and national business brokerage boards, associations or organizations which in the reasonable opinion of the Franchisor are useful in the operation of the Restaurant Brokerage Business. The Franchisee will have the option to become a member of all benefit programs which are offered periodically by the Franchisor to all of its Franchisees. The costs of participating in these boards, associations and benefit programs shall be borne by the Franchisee and its employees (if applicable to the employees). Nothing in this Section 9(7) limits the Franchisee's freedom to join any franchise or franchisee's association of its choosing.

(8) Franchisee will at all times have sufficient computer skills to operate Franchisee's computer, understand how to utilize any software Franchisor requires to be used in the Restaurant Brokerage Business, and to access email and the Internet. If Franchisor determines that Franchisee requires additional computer training, Franchisor will notify Franchisee in writing regarding the nature of the additional training required, and Franchisee will have ninety (90) days to complete this training at a local computer training school at Franchisee's sole cost and expense. Franchisor reserves the right to designate the computer training school at which Franchisee must attend (which may be an Affiliate). At the end of the training program, Franchisee will present a certificate reasonably acceptable to Franchisor establishing that Franchisee passed the training course. Franchisee's failure to seek additional training or to pass the course constitutes a default of this Agreement.

(9) Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor does not guarantee that information or communication systems supplied by Franchisor, or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, firewalls, access code protection, anti-virus systems, and use of backup systems.

(10) Franchisee will acquire, maintain, and upgrade hardware, software, information processing and communication systems, and Internet and other network access providers, as prescribed in the Operations Manual and as modified periodically by Franchisor in Franchisor's sole discretion. Franchisee will comply with any separate software or other license agreements that Franchisor or its designees use or require in connection with the System. Franchisee will utilize Franchisor's required software, proprietary database management, equipment, and intranet system as the exclusive means for tracking and maintaining customer, vendor, and lead information, and for other uses as prescribed by Franchisor periodically in the Operations Manual, in Franchisor's sole discretion. Monthly sales and royalty reporting may occur through mandatory software including the automatic draft via electronic transfer of Royalty Fees and FMAF funds.

(11) Franchisee will at all times maintain an active email account and will check the account at least once each day. If available, Franchisee will maintain an email account on Franchisor's proprietary database management and intranet system and Franchisee may only use such email account for correspondence directly related to the Restaurant Brokerage Business.

(12) Franchisee may not open the Restaurant Brokerage Business until: (1) Franchisor notifies Franchisee in writing that all of Franchisee's obligations have been fulfilled; (2) all components of the initial training program has been completed to Franchisor's satisfaction; (3) the Office has been renovated in accordance with Franchisor's standards and specifications; (4) all amounts due to Franchisor have been paid; (5) Franchisor has been furnished with copies of all insurance policies and certificates required by this Agreement, or other documentation of insurance coverage and payment of premiums that Franchisor may request; (6) Franchisee notifies Franchisor that all approvals and conditions set forth in this Agreement have been met; (7) Franchisee has obtained all necessary business brokerage licenses and permits and other applicable permits and licenses; (8) Franchisee has provided Franchisor with a fully signed copy of the Lease for the Office; (9) Franchisee has provided satisfactory evidence to Franchisor that all of Franchisee's Agents are licensed to sell Restaurants in the Territory; and (10) Franchisee has ordered, received and installed all equipment, supplies, inventory, tools, products, uniforms and computer hardware and software required by Franchisor. Franchisee will begin operating the Restaurant Brokerage Business immediately after Franchisor determines that the Restaurant Brokerage Business is ready for opening.

## **ARTICLE 10 - PURCHASE OF EQUIPMENT, INVENTORY AND SUPPLIES**

(1) The Franchisee must purchase all services, equipment, supplies and hardware and software from only those suppliers, manufacturers and distributors who have been designated or approved in advance by Franchisor. The standards and specifications for equipment, computer hardware and software, tools, vehicles, signage, supplies, and services required by the Franchisor are maintained in the Operations Manual. The Franchisor has the right to require Franchisee to discontinue purchasing any services, equipment, supplies, hardware or software from an approved or designated supplier, manufacturer or distributor and may designate new suppliers, manufacturers or distributors at any time in its sole discretion.

(2) The Franchisee acknowledges and agrees that the Franchisor may receive from approved and designated suppliers of the Franchisee's Services, equipment, tools, supplies and hardware and software, periodic volume rebates or other revenue as a result of the Franchisee's purchases. The Franchisee further acknowledges and agrees that the Franchisor is entitled to keep for its own use and account these rebates and this revenue.

(3) The names and addresses of the Franchisor's approved and designated suppliers, manufacturers and distributors are maintained in the Operations Manual. Franchisor reserves the right to approve all of the supplies, Services, equipment, hardware and software used in connection with the Franchisee's Restaurant Brokerage Business.

(4) The Franchisee acknowledges and agrees that certain approved or designated suppliers, distributors, and service providers may be Affiliates.

## ARTICLE 11 - MARKS, COPYRIGHTED WORKS AND OWNERSHIP OF IMPROVEMENTS

(1) Franchisee acknowledges and agrees that:

1. Franchisor and its Parent are the sole and exclusive owners of all right, title and interest, together with all the goodwill, of the Marks. Franchisee further acknowledges that the Marks designate the origin or sponsorship of the System, the Restaurant Brokerage Business, and the Services, and that Franchisor desires to protect the goodwill of the Marks and to preserve and enhance the value of the Marks. In the event that Franchisee acquires any rights, title or interest in the Marks, Franchisee agrees to assign and hereby assigns all rights, title or interest to Franchisor.

2. All right, title and interest in and to all materials, including but not limited to, all artwork and designs, created by Franchisor, and used with the Marks or in association with the Restaurant Brokerage Business (“**Copyrighted Materials**”) are the sole and exclusive property of the Franchisor. Additionally, all Copyrighted Materials created by Franchisee or any other person or entity retained or employed by Franchisee are works made for hire within the meaning of the United States Copyright Act and are the sole and exclusive property of the Franchisor, who is entitled to use and license others to use the Copyrighted Materials unencumbered by moral rights. If the Copyrighted Materials are not works made for hire or rights in the Copyrighted Materials do not automatically accrue to the Franchisor, Franchisee irrevocably assigns and agrees to assign to the Franchisor, its successors and assigns, the entire right, title, and interest in perpetuity throughout the world in and to any and all rights, including all copyrights and related rights, in these Copyrighted Materials, which the Franchisee and the author of these Copyrighted Materials warrant and represent as being created by and wholly original with the author. Where applicable, Franchisee agrees to obtain any other assignments of rights in the Copyrighted Materials from another person or entity necessary to ensure Franchisor's right in the Copyrighted Materials as required in this Section 11(1)2.

3. Franchisee will never dispute, contest, or challenge, directly or indirectly, the validity or enforceability of the Marks or Copyrighted Materials or Franchisor's ownership of the Marks or Copyrighted Materials, nor counsel, procure, or assist anyone else to do the same, nor will it take any action that is inconsistent with Franchisor's ownership of the Marks or Copyrighted Materials, nor will it represent that it has any right, title, or interest in the Marks or Copyrighted Materials other than those expressly granted by this Agreement.

4. Franchisor may decide, in its sole and absolute discretion, to apply to register or to register any trademarks or copyrights with respect to the Services, Products and any other products and services and the Copyrighted Materials. Failure of Franchisor to obtain or maintain in effect any of these applications or registrations is not a breach of this Agreement. Franchisee will not, before or after termination or expiration of the Agreement, register or apply to register any of the Marks or any trademark, service mark or logo confusingly similar or any Copyrighted Materials, anywhere in the world.

5. Upon Franchisor's request, Franchisee will cooperate fully, both before and after termination or expiration of this Agreement, in confirming, perfecting, preserving, and enforcing Franchisor's rights in the Marks and Copyrighted Materials, including but not limited to, executing and delivering to Franchisor documents Franchisor reasonably requests for any purpose, including but not limited to, assignments, powers of attorney, and copies of commercial documents showing sale and advertising of the Services and Products and other products and services. Franchisee hereby irrevocably appoints Franchisor as its attorney-in-fact for the purpose of executing these documents.

6. All usage of the Marks by Franchisee and any goodwill established by Franchisee's use of the Marks will inure to the exclusive benefit of Franchisor. This Agreement does not confer any goodwill or other interests in the Marks to the Franchisee upon expiration or termination of the Agreement.

7. FRANCHISOR MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE USE, EXCLUSIVE OWNERSHIP, VALIDITY OR ENFORCEABILITY OF THE MARKS OR COPYRIGHTED MATERIALS.

(2) Franchisee acknowledges and agrees that:

1. Franchisee's right to use the Marks and Copyrighted Materials are derived solely from this Agreement. Franchisee may only use the Marks and Copyrighted Materials in its operation of the Restaurant Brokerage Business and only in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor in the Operations Manual and elsewhere periodically during the Initial Term and any Interim Period. Franchisee will make every effort consistent to protect, maintain, and promote the Marks as identifying the System and only the System.

2. Any unauthorized use of the Marks or Copyrighted Materials by Franchisee constitutes a breach of this Agreement and an infringement of the rights of Franchisor and in and to the Marks and Copyrighted Materials.

3. Franchisee will not use any Marks or portion of any Marks as part of a corporate or trade name, or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee will obtain any fictitious or assumed name registrations as may be required by Franchisor or under applicable law.

4. To preserve the validity and integrity of the Marks and Copyrighted Materials licensed herein and to assure that Franchisee is properly employing the same in the operation of its Restaurant Brokerage Business, Franchisor or its agents will have the right of entry and inspection of Franchisee's Restaurant Brokerage Business and operating procedures.

5. Franchisee will safeguard and maintain the reputation and prestige of the System, Marks and Copyrighted Materials and will not do anything that would tarnish the image of or adversely affect the value, reputation or goodwill associated with the Marks.

Franchisee will not do anything that would dilute, directly or indirectly, the value of the goodwill attached to the Marks, nor counsel, procure or assist anyone else to do the same.

6. Franchisee will use the Marks and Copyrighted Materials only in lettering, logos, print styles, forms, and formats, including but not limited to, advertising and promotional materials, invoices, signage, business checks, business cards, invoices, stationery, and promotional items such as clothing, pens, mugs, etc., which have been approved by Franchisor in accordance with this Agreement, and promptly follow instructions regarding the Marks and Copyrighted Materials as provided in the Operations Manual and otherwise given by Franchisor periodically.

7. Franchisee will use the following copyright notice at least once on each piece of advertising, promotional, or other material used in connection with the Products and Services: © (year of first publication). WSR Franchise, LLC. All Rights Reserved.

8. Franchisee will use the Marks with a superscript “®” or “™”, as specified by Franchisor, unless and until advised by Franchisor to use a different notice.

(3) Franchisee acknowledges and agrees that:

1. If, in Franchisor's reasonable determination, the use of Marks or Copyrighted Materials in connection with the Services, other products and services or the Restaurant Brokerage Business will infringe or potentially infringe upon the rights of any third party, weakens or impairs Franchisor's rights in the Marks or Copyrighted Materials, or it otherwise becomes advisable at any time in Franchisor's sole discretion for Franchisor to modify or discontinue of the Marks or Copyrighted Materials then, upon notice from Franchisor, Franchisee will immediately terminate or modify this use in the manner prescribed by Franchisor. Franchisor may require Franchisee to use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols or copyrighted materials. Franchisee will have no rights of damages, offset, or right to terminate this Agreement as a result thereof and Franchisor will have no liability or obligation whatsoever with respect to Franchisee's modification or discontinuance of any Marks or Copyrighted Materials.

2. Franchisee will notify Franchisor within three (3) days after receiving notice of any claim, demand or cause of action based upon or arising from any attempt by any other person, firm or corporation to use the Marks or any colorable imitation thereof or the Copyrighted Materials. Upon receipt of timely notice of an action, claim or demand against Franchisee relating to the Marks or Copyrighted Materials, Franchisor will have the sole right, but not the duty, to defend any action. Franchisor will have the exclusive right to contest or bring action against any third party regarding the third party's use of any of the Marks or Copyrighted Materials and will exercise this right in the sole discretion of Franchisor. Franchisor will control all actions but not be obligated to take any action. In any defense or prosecution of any litigation relating to the Marks, Copyrighted Materials or components of the System undertaken by Franchisor, Franchisee will cooperate with Franchisor, execute any and all documents, and take all actions as may be desirable or

necessary in the opinion of Franchisor's counsel, to carry out this defense or prosecution. At Franchisor's option, Franchisee will join in any action. If Franchisee joins in an action, then the recovery, if any, from this legal action is first applied to the total expenses associated therewith and the remainder going to the Franchisor.

(4) All provisions of this Agreement applicable to the Marks and Copyrighted Materials apply to any and all additional trademarks, service marks, commercial symbols and copyrighted materials authorized for use by and licensed to Franchisee by Franchisor after the date of this Agreement.

(5) If Franchisee during the Initial Term of the franchise relationship or any Interim Period conceives or develops any improvements or additions to the System, Copyrighted Materials, website or any other documents or information pertaining to or relating to the System or the Restaurant Brokerage Business, or any new trade names, trade and service marks, logos, or commercial symbols related to the Restaurant Brokerage Business or any advertising and promotional ideas or inventions related to the Restaurant Brokerage Business (collectively, the “**Improvements**”) Franchisee will fully disclose the Improvements to Franchisor, without disclosure of the Improvements to others, and will obtain Franchisor's written approval before using these Improvements. Any of these Improvements may be used by Franchisor and all other franchisees without any obligation to Franchisee for royalties or other fees. Franchisee will assign and does hereby assign to Franchisor, all right, title and interest in and to the Improvements, including the right to grant sublicenses to any of these Improvements. Franchisor, at its discretion, may make application for and own copyrights, patents, trade names, trademarks and service marks relating to any of these Improvements and Franchisee will cooperate with Franchisor in securing these rights. Franchisor may also consider these Improvements as the property and Trade Secrets of Franchisor. In return, Franchisor may authorize Franchisee to utilize any Improvement that may be developed by other franchisees and is authorized generally for use by other franchisees.

(6) Neither Franchisee nor its Designated Business Managers or Agents will attempt to register a top-level or second level Domain Name that contains any portion of the Marks without the prior written approval of Franchisor and subject to any conditions Franchisor may request in its sole discretion.

## **ARTICLE 12 - ADVERTISING AND PROMOTION**

(1) Within thirty (30) days of opening the Restaurant Brokerage Business, Franchisee shall pay to Vendor Two Thousand Five Hundred Dollars (\$2,500) for an Initial Direct Mail Market Opening Campaign. Vendor shall use the funds for a direct mail campaign in order to introduce Franchisee's services to Restaurant operators and other referral sources in Franchisee's Territory.

(2) Marketing Fees and Materials.

1. When the Franchise Marketing Accrual Fund (“**FMAF**”) is established, Franchisee agrees to pay Franchisor continuing marketing fees equal to the greater of One Hundred Fifty Dollars (\$150) per month or two percent (2%) of Gross Revenues at the time

and in the manner prescribed in Section 6(3). The funds will be posted to the FMAF. The FMAF is accounted for separately by Franchisor, but the FMAF funds will not be maintained in a separate or segregated account at a bank or other financial institution.

2. Franchisor will use the FMAF fees it collects from franchisees (i) to create marketing materials relating to the System, (ii) to pay for public relations projects intended to enhance the goodwill and public image of the System, (iii) to assist franchisees in developing local marketing programs in their respective Territories; (iv) to pay for the cost of placing marketing materials in various print, broadcast and Internet media; (v) to undertake any other marketing efforts as Franchisor deems necessary or beneficial to the System, in Franchisor's sole discretion; and (vi) to reimburse Franchisor (based on reasonable allocations calculated by Franchisor's management) for (a) salaries and other overhead expenses that are directly related to projects of a character described in clauses (i), (ii), (iii) and (iv), including the payment of a salary to a field marketing manager, and (b) for part of the cost of maintaining Franchisor's website, as authorized in Section (5). Franchisor will use the FMAF in a manner that is reasonably designed to provide some level of marketing benefits to all Franchisees. However, Franchisor reserves the right to allocate the FMAF funds to various permitted uses as it sees fit and does not guarantee that all Franchisees will receive equal benefits or identical coverage.

3. If the FMAF operates at a deficit or requires additional funds at any time, Franchisor may loan funds to the FMAF in amounts and on the terms, including repayment terms, Franchisor deems necessary or advisable in Franchisor's sole discretion.

4. Franchisor will furnish Franchisee upon request one slick, master or other "suitable for reproduction" sample of all newspaper inserts, direct mail flyers, television and radio commercials, and other marketing materials that Franchisor creates and approves for system-wide use. Franchisee must pay to reproduce and use these materials in Franchisee's local advertising campaigns.

5. Franchisor will use commercially reasonable efforts to spend FMAF contributions in a manner that provides advertising benefits to all participating Restaurant Brokerage Businesses. However, Franchisor does not guarantee that all participants will receive identical media exposure or advertising benefits in view of regional differences in media costs, varying degrees of market penetration in different DMAs, and other relevant factors.

### (3) Local Advertising.

1. Franchisor has the right to require Franchisee to spend monies for local advertising and promotions in the Territory in accordance with local Restaurant Brokerage Business marketing guidelines set forth in the Operating Manual. Expenditures Franchisee incurs for any of the following will not qualify as local advertising for purposes of this Section, unless approved in advance by Franchisor in writing:

y. Salaries, expenses or benefits of any employees or Agents of Franchisee, including expenses for attendance at advertising meetings or activities and expenses incurred in recruiting employees;

z. In-office materials consisting of fixtures or equipment;

aa. Seminar and educational costs and expenses of Franchisee's employees and Agents; and

bb. Costs and expenditures Franchisee incurs as a result of placing advertisements for the sale or leasing of a specific Restaurant.

2. Franchisee will pay its pro rata share of the cost of print or electronic classified directory listings to be placed by Franchisor on behalf of all Restaurant Brokerage Businesses in the Franchisee's market. If Franchisee operates the only Restaurant Brokerage Business in the market, Franchisee is responsible for full payment of the classified directory advertisement.

3. Franchisee agrees to participate in all system-wide promotions and advertising campaigns that Franchisor creates. Except for Franchisee's commitments to participate in system-wide promotions and advertising campaigns and to pay its share of the cost of a classified directory advertisement, Franchisee will initially have discretion over the approach Franchisee takes to local advertising and promotions. This discretion will continue until an Area Cooperative is established in the Franchisee's Designated Market Area ("DMA"), as defined by Neilson Rating Service. Franchisor reserves the right to approve in advance the use by Franchisee of any graphic or electronic materials or commercials developed by Franchisee that feature any of the Marks.

4. Franchisee may at its sole expense plan and carry out a grand opening promotion relating to the opening of the Restaurant Brokerage Business.

5. All advertising and promotion by Franchisee is conducted in a dignified manner and will conform to the standards and requirements set forth in the Operations Manual or otherwise.

Franchisee will obtain Franchisor's prior approval of all advertising and promotional plans and materials before their use if the plans and materials were not prepared by Franchisor or previously approved by Franchisor during the twelve (12) months before their proposed use. Franchisee will submit any unapproved plans and materials to Franchisor, and Franchisor will approve or disapprove these plans and materials within fourteen (14) days of Franchisor's receipt. If Franchisor has not responded to Franchisee by the end of the fourteen (14) day approval period, the advertising material will be deemed disapproved. Franchisee will not use unapproved plans or materials until they have been approved by Franchisor and will promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from Franchisor.

6. Within thirty (30) days after the end of each fiscal year, Franchisee will submit a Local Area Marketing Report (“**LAM Report**”) to Franchisor on a form Franchisor provides. Each LAM Report will show the amount Franchisee spent for local advertising and promotions during the preceding year and the manner in which Franchisee spent those funds. Upon Franchisor's request, Franchisee will also submit documents substantiating that Franchisee incurred and paid particular expenditures during the year.

(4) Area Cooperatives.

1. At the time the DMA in which the Restaurant Brokerage Business is located encompasses Restaurant Brokerage Businesses operated by at least two owners, the owners in the DMA will, at Franchisor's request and with its advice and assistance, form a cooperative advertising association among themselves (“**Area Cooperative**”) for the purpose of jointly advertising and promoting their Restaurant Brokerage Businesses.

2. If, in connection with an Area Cooperative's formation or functioning, its members are unable to reach agreement with respect to any disagreement over organization, administration, “spill” policy, contribution waivers or exceptions, budget or other matters that the members cannot resolve within 45 days, the issue will be referred to Franchisor for resolution. Franchisor's decision with respect to the issue's resolution will be binding on all members of the Area Cooperative. In addition, Franchisor reserves the right to review each Area Cooperative's contribution rate on an annual basis and to disapprove a rate of less than one percent (1%) of Gross Revenues.

3. Franchisee agrees: (i) to join, participate in, and actively support any Area Cooperative established in the Restaurant Brokerage Business's DMA, and (ii) to make contributions to each Area Cooperative on the payment schedule adopted by the Area Cooperative's members and at the contribution rate Franchisor approves.

4. Franchisor will have the sole right, in its discretion, to form, change, dissolve or merge any Area Cooperative.

(5) Website.

1. Franchisor has established a Website that provides information about the System and the services that Restaurant Brokerage Businesses offer. Franchisor shall have sole discretion and control over the website's design and contents, except that the site will contain the pages described in this Section. Franchisor may use part of the marketing fees it collects under Section (1) and part of the FMAF's revenues to pay or reimburse itself for the costs of maintaining and updating the website, except that Franchisor may not use FMAF revenues to pay for those components of the website that are devoted to publicizing the We Sell Restaurants franchise program or the sale of We Sell Restaurants franchises.

2. The website will include a section that provides the address, telephone number and e-mail address of each Restaurant Brokerage Business in the WSR Franchise, LLC, chain, including Franchisee's Restaurant Brokerage Business. At Franchisee's

request, Franchisor will also include at the website an interior page devoted to information about Franchisee's Restaurant Brokerage Business. The page must be developed by Franchisee, at Franchisee's expense, with a template that Franchisor provides and will be subject to Franchisor's approval before posting as to form, content and programming quality. The page will also be subject to Franchisor's policies regarding linking with and framing other websites, the use of so-called metatags and ghost script, and other aspects of electronic advertising and communication. The Franchisee shall not operate any website without the Franchisor's prior written approval.

## **ARTICLE 13 - INSURANCE AND INDEMNITY**

(1) The Franchisee and, with respect to automobile coverage, Franchisee's Agents, will upon commencement of the Initial Term, purchase and at all times maintain in full force and effect:

1. Insurance policies, in the amounts and on the terms prescribed by the Operations Manual, issued by an insurance company acceptable to Franchisor at all times during the Initial Term of this Agreement and any Interim Period. Insurance coverage must include, but is not limited to, comprehensive general liability, combined single limit, automobile (including automobile coverage for Franchisee and Franchisee's Agents and other sales and marketing personnel who may have customers riding in the automobiles of these persons), bodily injury and all-risk property damage insurance, errors and omissions, business interruption and all other occurrences against claims of any person, employee, customer, agent or otherwise in an amount per occurrence of not less than the amount set forth in the Operations Manual and adjusted by Franchisor periodically in Franchisor's sole discretion, unemployment and workers compensation insurance and any other additional insurance required by the terms of any lease or lender for the Restaurant Brokerage Business. Insurance policies must insure Franchisee, Franchisor, Franchisor's Affiliates, and Franchisor's and Franchisor Affiliates' respective officers, directors, shareholders, members and all other parties designated by Franchisor, as additional named insureds against any liability which may accrue against them because of the ownership, maintenance or operation by Franchisee of the Restaurant Brokerage Business. The policies must also stipulate that Franchisor will receive a thirty (30) day prior written notice of cancellation and must contain endorsements by the insurance companies waiving all rights of subrogation against Franchisor. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Franchisor, including original endorsements effecting the coverage required by this Section, is furnished to Franchisor together with proof of payment within ten (10) days of issuance thereof. Franchisee will also furnish Franchisor with certificates and endorsements evidencing this insurance coverage within 10-days after each of the following events: (i) at all policy renewal periods, no less often than annually, and (ii) in all instances of any change to, addition to, or replacement of any insurance. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are subject to approval by Franchisor. Franchisor reserves the right to require complete, certified copies of all required insurance policies at any time in Franchisor's sole discretion. In the event Franchisee fails to obtain the required insurance and to keep the same in full force and effect, Franchisor may, but is

not obligated to, purchase insurance on Franchisee's behalf from an insurance carrier of Franchisor's choice, and Franchisee will reimburse Franchisor for the full cost of this insurance, along with a reasonable service charge to compensate Franchisor for the time and effort expended to secure this insurance, within five (5) days of the date Franchisor delivers an invoice detailing these costs and expenses to Franchisee. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement or exercise any or a combination of the other default remedies set forth in Article 18 of this Agreement. Franchisee will also procure and pay for all other insurance required by state or federal law. Franchisor reserves the right to modify minimum insurance requirements at any time in its sole discretion by updating the Operations Manual.

2. All liability insurance policies procured and maintained by Franchisee and Agents in connection with the Restaurant Brokerage Business will require the insurance company to provide and pay for attorneys to defend any legal actions, lawsuits or claims brought against Franchisee, Franchisor, Franchisor's Affiliates and their respective officers, directors, agents, employees, and all other entities or individuals designated by the Franchisor as additional insureds.

(2) Franchisee will, during the Initial Term and any Interim Period and after the termination or expiration of the Franchise Agreement, indemnify the Franchisor, its Affiliates and their respective officers, owners, directors and employees, and hold them harmless against all claims, demands, losses, damages (including punitive damages), costs, suits, judgments, penalties, expenses (including reasonable attorneys' fees and amounts paid in settlement or compromise) and liabilities of any kind, whether or not ultimately determined to be meritorious (and including damages suffered by the Franchisee or any of its property) (collectively, "Damages") for which they are held liable, or which they incur (including travel, investigation and living expenses of employees and witness fees) in any litigation or proceeding as a result of or arising out of:

1. a breach of this Agreement, or any other agreement between the parties, or any breach of a lease or other instrument by which the right to occupy an Office or any other premises used by Franchisee to operate the Restaurant Brokerage Business is held, by the Franchisee;

2. any injury to or loss of property of any person in, or on, an Office or any other premises used by Franchisee to operate the Restaurant Brokerage Business, or in or on any Restaurant shown to a customer by Franchisee or its Agents or employees, or in an automobile of those persons;

3. the Franchisee's taxes, liabilities, costs or expenses of its Restaurant Brokerage Business;

4. any negligent or willful act or omission of the Franchisee, its employees or Agents, agents, servants, contractors or others for whom it is, in law, responsible; and

5. any advertising or promotional material distributed, broadcasted or in any way disseminated by the Franchisee, or on its behalf unless this material has been produced, or approved in writing, by the Franchisor.

#### **ARTICLE 14 - RELATIONSHIP**

(1) The Franchisee acknowledges that it is an independent contractor and is not an agent, partner, joint venture, or employee of the Franchisor and no training or supervision given by, or assistance from, the Franchisor is deemed to negate this independence. Neither party is liable or responsible for the other's debts or obligations, nor will either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. The Franchisor and the Franchisee agree that no partnership, fiduciary relationship, joint venture or employment relationship exists between them. The Franchisee will conspicuously identify itself in all dealings with the public as a sole operator that is an entity separate from the Franchisor and state that the Franchisor has no liability for the Restaurant Brokerage Business being conducted from the Restaurant Brokerage Business location. It is expressly agreed that the parties intend by this Agreement to establish between the Franchisor and the Franchisee the relationship of franchisor and franchisee. It is further agreed that the Franchisee has no authority to create or assume in the Franchisor's name or on behalf of the Franchisor, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of the Franchisor for any purpose whatsoever. The Franchisee agrees that it will not hold itself out as the agent, employee, partner or co-venturer of the Franchisor. All Agents and employees hired by or working for the Franchisee is the Agent or employees of the Franchisee and will not, for any purpose, be deemed Agents or employees of the Franchisor or subject to the Franchisor control. Each of the parties agrees to file its own tax, regulatory and payroll reports with respect to its respective employees and operations, saving and indemnifying the other party of and from any liability of any nature whatsoever by virtue thereof.

(2) Neither party will make any agreements, representations or warranties (except by the Franchisor in advertising as provided herein) in the name of, or on behalf of, the other party; neither party is obligated by, nor have any liability for, any agreements, representations or warranties made by the other (except by the Franchisor in advertising as provided herein) nor will the Franchisor be liable for any damages to any person or property, directly or indirectly, arising out of the operation of the Franchisee's Restaurant Brokerage Business, whether caused by the Franchisee's or its Agents' negligent or willful action or failure to act.

(3) The Franchisor will have no liability for the Franchisee's obligations to pay any third parties, including without limitation, any product vendors, or any value added, sales, use, service, occupation, excise, Gross Revenues, income, property or other tax levied upon the Franchisee, the Franchisee's property, the Restaurant Brokerage Business or upon the Franchisor in connection with the sales made or business conducted by the Franchisee (except any taxes the Franchisor is required by law to collect from the Franchisee with respect to purchases from the Franchisor).

## ARTICLE 15 - RESTRICTIVE COVENANTS

(1) The Franchisee acknowledges and agrees that:

1. Franchisee's knowledge of the operation of the Restaurant Brokerage Business, the System, and the concepts and methods of promotion of the Restaurant Brokerage Business hereunder that it has now or obtains in the future is derived from Franchisor's Confidential Information and Trade Secrets. The Franchisee further acknowledges and agrees that all of the Confidential Information and Trade Secrets are the sole property of the Franchisor, represent valuable assets of the Franchisor and that the Franchisor has the right to use the Confidential Information and Trade Secrets in any manner it wishes at any time.

2. During the Initial Term and any Interim Period, Franchisee, and the Franchisees' owners, Designated Business Managers, Agents, and employees who have access to the Confidential Information and Trade Secrets agree that they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; (3) will not make unauthorized copies of any portion of the Confidential Information and Trade Secrets; and (4) will adopt and implement all reasonable procedures the Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets. Franchisee shall obtain execution of nondisclosure and non-competition covenants (including covenants applicable upon the termination of a person's employment with Franchisee) from all employees, agents, Designated Business Managers, training class attendees, and Franchisee owners who have access to the Confidential Information and Trade Secrets, and provide the Franchisor with signed copies of each of those agreements. Such covenants shall be substantially in the form set forth in Attachment G as revised and updated from time to time and contained in the Manual. Franchisor will be named as a third-party beneficiary on these nondisclosure and non-competition agreements.

3. After the Agreement expires or is terminated, Franchisee, and Franchisee's owners, Designated Business Managers, Agents, and employees who have access to the Confidential Information and Trade Secrets agree that for a period of five (5) years after the termination or expiration of the Agreement (unless this information is a Trade Secret in which case the requirements in this Section (1)3 will remain in place while this information constitutes a Trade Secret) they: (1) will not use the Confidential Information or Trade Secrets in any other business or capacity or for their own benefit; (2) will maintain the absolute confidentiality of the Confidential Information and Trade Secrets; (3) will not make unauthorized copies of any portion of the Confidential Information or Trade Secrets; and (4) will adopt and implement all reasonable procedures the Franchisor periodically requires to prevent unauthorized use or disclosure of the Confidential Information and Trade Secrets including requiring written nondisclosure and non-competition agreements for those individuals as the Franchisor may require and provide the Franchisor, at the Franchisor's request, with signed copies of each of those agreements. Franchisor will be

named as a third-party beneficiary on these nondisclosure and non-competition agreements.

4. Notwithstanding the foregoing, the restrictions on the disclosure and use of the Confidential Information will not apply to the following: (a) Confidential Information in the public domain after it was communicated to the Franchisee through no fault of the Franchisee, its owners, Designated Business Managers, Agents or employees; (b) Confidential Information in the Franchisee's possession free of any obligation of confidence at the time it was communicated to the Franchisee; or (c) the disclosure of the Confidential Information in judicial or administrative proceedings if the Franchisee is legally compelled to disclose the information, if the Franchisee has notified the Franchisor before disclosure and used the Franchisee's best efforts, and afforded the Franchisor the opportunity to obtain an appropriate protective order or other assurance satisfactory to the Franchisor of confidential treatment for the information required to be so disclosed.

(2) The Franchisee covenants and agrees that:

1. during the Initial Term of this Agreement and any Interim Period thereof, Franchisee, its owners and Designated Business Managers will not, without the prior written consent of the Franchisor, either individually or in a partnership, corporation, limited liability company, joint venture or other business entity or jointly or in conjunction with any person, firm, association, syndicate or corporation, as principal, agent, shareholder, member, partner or in any manner whatsoever, carry on or be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of or permit its name or any part thereof to be used or employed in any business engaging in the sale of Restaurants or offering Site Selection Services to Restaurant operators ("Competitive Business") as carried on periodically during the Initial Term of this Agreement, including any Interim Period thereof.

2. Upon termination or expiration of the Term or any Successor Term, or the transfer, sale or assignment of this Agreement by Franchisee, neither Franchisee, the Designated Business Manager nor Franchisee's owners, officers, directors, managers, members, or partners will have any direct or indirect interest (i.e. through a relative) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, for two years, in any Competitive Business in: (1) the Territory or any other franchisee's territory; (2) within 100 miles of the Territory or any other franchisee's territory; or (3) within 100 miles of any Franchisor or Affiliate-owned We Sell Restaurants Business.

(3) Reserved.

(4) If any person restricted by this Article 15 refuses to voluntarily comply with the foregoing obligations, the two (2) year period stated in Section 15(2)(b) or 15(3) and the five (5) year period stated in Section 15(1)3 will commence with the entry of any order of a court or arbitrator enforcing this Article 15.

(5) The parties have attempted in Section 15(2) above to limit the Franchisee's right to compete only if necessary to protect the Franchisor from unfair competition. The parties hereby expressly agree that if the scope of enforceability of the provision of Section 15(2) is disputed at any time by the Franchisee, a court or arbitrator, as the case may be, may modify Section 15(2) if it deems necessary to make the provision enforceable under applicable law. In addition, the Franchisor reserves the right to reduce the scope of said provision without the Franchisee's consent, at any time or times, effective immediately upon notice to the Franchisee. The Franchisee expressly acknowledges that it possesses skills and abilities of a general nature and has other opportunities to exploit these skills. Consequently, enforcement of the covenants set forth above will not deprive the Franchisee of the ability to earn a living.

(6) Nothing in this Article 15 will prevent any active officer of Franchisee or member of the Franchisee's family, either individually or collectively, from owning not more than a total of five percent (5%) of the stock of any company which is subject to the reporting requirements of the U.S. Securities and Exchange Act of 1934, provided that Franchisee is otherwise not actively involved in the management or operation of that business and does not serve that business in any capacity other than as a shareholder.

(7) Franchisor must be protected against the potential for unfair competition by Franchisee's use of Franchisor's training, assistance, Confidential Information and Trade Secrets in direct competition with Franchisor. Franchisee further acknowledges that Franchisor would not have entered into this Agreement or shared the Confidential Information, Trade Secrets and other information with Franchisee, absent Franchisee's agreement to strictly comply with the provisions of this Article 15. The Franchisee acknowledges that as a franchisee of Franchisor, it will have access to the Franchisor's Trade Secrets and Confidential Information and therefore be in a unique position to use the special knowledge gained as a franchisee. The Franchisee acknowledges that a breach of the covenants contained in this Article 15 will be deemed to threaten immediate and substantial irreparable injury to the Franchisor. Accordingly, the Franchisee agrees that the Franchisor will have the right, without prior notice to the Franchisee, to obtain immediate injunctive relief for breach of this Article 15 without limiting any other rights or remedies and without posting a bond.

(8) In the event that the Franchisee is not an individual, this Article 15 will also apply to the officers, directors, stockholders, partners, owners, members, trustees, beneficiaries and/or principals of the Franchisee, the Franchisee, and any persons controlled by, controlling or under common control with the Franchisee.

## **ARTICLE 16 - ASSIGNMENT**

(1) The Franchisee acknowledges that the Franchisor's obligations under this Agreement are not personal. Franchisor will have the absolute right, in its sole discretion, to unconditionally transfer or assign this Agreement or any of its rights or obligation under this Agreement to any person, corporation or other party.

(2) Franchisor reserves the right to assign the System to anyone, including the operator of a competing franchise, restaurant brokerage, business brokerage, or real estate brokerage

system. The Franchisee acknowledges and agrees that the Franchisor may sell its assets, the Marks or the System to any third party of the Franchisor's choice; may offer its securities privately or publicly; may merge with or acquire other corporations or be acquired by another corporation; may undertake a refinancing, recapitalization, leverage buyout, or other economic or financial restructuring; or may terminate or cease to exist or dissolve, in any case without the Franchisee's consent, and Franchisee will look only to the transferee to perform the Franchisor's obligations in all material respects, and Franchisor is free of any responsibility or liability whatsoever to the Franchisee after the transaction occurs.

(3) With regard to any of the above sales, assignment and dispositions, the Franchisee expressly and specifically waives any claims, demands, or damages against the Franchisor arising from or related to the transfer of the Marks, assets or the System from the Franchisor to any other party.

(4) The Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to the Franchisee. Accordingly, this Agreement, the Franchisee's rights and interests hereunder, the property and assets owned and used by the Franchisee in connection with the Restaurant Brokerage Business, and any shares, stock, membership or interest in any corporation, limited liability company, or other entity having an interest in the Restaurant Brokerage Business, will not be voluntarily or involuntarily, directly or indirectly, sold, pledged, assigned, transferred, shared, subdivided, sub-franchised, encumbered or transferred in any way (including, without limitation, in the event of the death of the Franchisee if the Franchisee is an individual), in whole or in part, in any manner whatsoever without the prior written approval of the Franchisor and compliance with all terms of this Article 16. Any unauthorized sale, assignment, transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, is deemed void and grounds for termination of this Agreement by the Franchisor.

(5) With and after each valid assignment of this Agreement pursuant to this Article 16, the assignee or assignees of the Franchisee is deemed to be the Franchisee under this Agreement and will be bound by and liable for all of the Franchisee's existing and future obligations. No stockholder in any corporation, member in any limited liability company or partner in any partnership which becomes the Franchisee will have any rights under this Agreement by reason of his, her or its stock ownership, membership interest or partnership interest.

(6) If the Franchisee will at any time determine to sell, in whole or in part, the Restaurant Brokerage Business, the Franchisee will obtain a bona fide, signed, written offer ("**Purchase Offer**") for the Restaurant Brokerage Business together with all real or personal property, leasehold improvements and other assets used by the Franchisee in its Restaurant Brokerage Business from a responsible, arms' length, and fully disclosed purchaser and will submit an exact copy of this Purchase Offer to the Franchisor. Franchisor will have a right of first refusal to purchase the Restaurant Brokerage Business as provided in Article 17.

(7) No transfer or assignment of this Agreement will be approved by the Franchisor or be effective unless and until all the following conditions are satisfied:

1. The Franchisee being then in full compliance herewith and having paid to the Franchisor all outstanding debts or amounts owing to the Franchisor before the transfer;

2. The transferee executing the Franchisor's then current franchise agreement (which, in Franchisor's sole discretion, may have a term equal to the remainder of Franchisee's Initial Term, but which may contain provisions substantially different from those contained herein, including a higher royalty and greater expenditures for advertising and promotion than are provided hereunder, and any other documents then customarily used by the Franchisor to grant franchises), all other documents as may be reasonably requested by the Franchisor and paying to the Franchisor a transfer fee in the amount equal to Fifteen Thousand Dollars (\$15,000) (“**Transfer Fee**”);

3. The Franchisee's execution of a general release of the Franchisor, including its officers, directors, agents, employees, and Affiliates from the parties' obligations under the Agreement;

4. The transferee purchasing all of the Franchisee's assets used in the Restaurant Brokerage Business in accordance with all applicable bulk sales legislation and assuming all of the liabilities of the Restaurant Brokerage Business unless these liabilities have been paid before the closing of the transaction of purchase and sale or unless the sale is a sale of shares in the capital stock or membership interest of the Franchisee;

5. The transferee is an individual, corporation, limited liability company, partnership, or other business entity having adequate financial resources and who will meet all criteria established by the Franchisor for franchisees. The transferee will also complete, at its expense, the Franchisor's then current training program established by the Franchisor for franchisees before the transfer unless: (i) the transferee is a current franchisee in good standing in the System, or (ii) the transferee is or has been a Designated Business Manager for a period of one (1) year or more of a Restaurant Brokerage Business in good standing;

6. The parties to the proposed transaction will have entered into a binding agreement subject only to the rights of the Franchisor set out in Article 17. Franchisor is furnished a copy of this binding agreement, and this agreement is subject to the Franchisor's approval in writing. The Franchisee must advise each prospective transferee of this provision and the other terms of this Agreement;

7. The proposed transferee or the stockholders, partners, members or owners of a beneficial interest in a proposed corporation, partnership, limited liability company or other entity transferee, providing jointly and severally those personal guarantees which the Franchisor may request, guaranteeing the proposed transferee's performance of its obligations under the agreements to be entered into;

8. The proposed transferee will have demonstrated to the Franchisor's satisfaction that it, he or she will meet in all respects the Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote its, his or her full time and best efforts to the operation of the Restaurant Brokerage Business, and any other conditions as the Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as the Franchisor may reasonably require.

Because of the confidential information and trade secrets available to a franchisee, no assignment to a competitor of the Franchisor will be permitted; and

9. The transferee paying all costs of: (i) the Franchisor with respect to the granting of its approval, as hereinbefore contemplated, including but not limited to all of its legal costs with respect to the preparation and execution of the above noted Franchise Agreement, and all other documents then customarily used by the Franchisor to grant franchises; and (ii) the transfer, including but not limited to all professional fees (attorney's fees, broker fees, and the like), leasing expenses, document preparation costs and due diligence.

(8) Notwithstanding anything to the contrary herein contained, if Franchisee is an individual, the Franchisor will, upon the Franchisee's compliance with any requirements as may periodically be prescribed by the Franchisor (including the obtaining of all necessary approvals to the assignment of leases, if any, of Franchisee's Office(s)), consent to an assignment of the Franchisee's right, title and interest in and to this Agreement, and the property and assets owned and used by the Franchisee in connection therewith and any other agreement then in effect between the Franchisee and the Franchisor to a corporation, limited liability company or other business entity which is wholly owned and controlled by the Franchisee, subject to the following (provided that this assignment will in no way release the Franchisee from any liability under this Agreement):

1. Contemporaneously with this assignment and upon the appointment or election of any person as director, officer, partner or manager of the corporation, limited liability company or other business entity, the corporation, limited liability company, partnership or other business entity will cause each shareholder, partner, member, manager, director(s) and officer(s) of the corporation, limited liability company, partnership or other business entity to execute a written agreement with the Franchisor under seal, personally guaranteeing full payment and performance of the Franchisee's obligations to the Franchisor and individually undertaking to be bound, jointly and severally, by all the terms of this Agreement or any new current form of Franchise Agreement and jointly and severally liable;

2. No shares or interest in the capital of the corporation, limited liability company, partnership or other business entity is issued nor will the Franchisee directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, convey, donate, pledge, mortgage or otherwise encumber any shares or interest or offer or attempt to do so or permit the same to be done without the Franchisor's prior written consent;

3. The corporation will maintain stop transfer instructions against the transfer of shares on its records subject to the restrictions of this Section and will have all outstanding shares endorsed with the following legend printed conspicuously upon the face of each certificate:

“The transfer of this certificate is subject to the terms and conditions of a certain Franchise Agreement with WSR Franchise, LLC. Reference is made

to said Franchise Agreement and to the restrictive provisions of the articles of this corporation.”

4. The articles of incorporation, articles of organization, operating agreement, partnership agreement, shareholder agreement, and by-laws of the corporation, limited liability company, partnership or other business entity will provide that its objectives or business is confined exclusively to the operation of the Restaurant Brokerage Business as provided for in this Agreement, and recite that the issuance and transfer of any shares, membership interest, partnership interest or other interest is restricted by the terms of this Agreement, and copies thereof is furnished to the Franchisor upon request;

5. The Franchisor's consent to a transfer of any subject of interest to the restrictions of this Section will not constitute a waiver of any claim it may have against the assignor, nor will it be deemed a waiver of the Franchisor's right to demand exact compliance with any of the terms of this Agreement by the assignee;

6. The corporation, partnership, limited liability company or other business entity will advise the Franchisor and keep the Franchisor current as to the names and addresses of the directors, officers, members, partners and shareholder of and those persons financially involved in the corporation, partnership, limited liability company or other business entity; and

7. The Franchisee agrees to devote its full time and best efforts to manage the day-to-day operations of the franchised business unless it has an operational partner or Designated Business Manager approved by the Franchisor.

(9) Upon the death of the Franchisee, shareholder, partner, or member the rights granted by this Agreement may pass to the next of kin or legatees, provided that the Franchisee's legal representatives will within ninety (90) calendar days of the Franchisee's death apply in writing to the Franchisor for the right to transfer to the next of kin or legatee the Franchisee's rights under this Agreement. Franchisor will not unreasonably withhold its permission so long as the proposed transferees meet each of the requirements set forth in this Article 16 within thirty (30) days of the receipt of a conditional permission for the transfer.

(10) Any attempt by the Franchisee to transfer any of its rights or interest under this Agreement or the License, without having received the Franchisor's prior written consent, will constitute a material breach of this Agreement. However, if the Franchisee dies and its personal representative does not desire to sell the Restaurant Brokerage Business, and if under controlling local law the Franchisee's interest in the Restaurant Brokerage Business, the License and Agreement are distributable to heirs or legatees who are members of his or her immediate family and who otherwise would qualify as assignees, then this attempted assignment by operation of law will not be deemed in violation of this Agreement, provided that these heirs or legatees accept the conditions imposed on otherwise permitted assignees.

(11) The Franchisee will not have the right to grant a sub-franchise.

## **ARTICLE 17 - OPTION TO PURCHASE—RIGHT OF FIRST REFUSAL**

(1) Unless otherwise explicitly provided by this Agreement, the Franchisor is entitled to exercise the rights provided in this Section immediately upon:

1. The expiration without the extension of Franchisee's rights to operate the Restaurant Brokerage Business or the termination for any reason of the License or this Agreement;

2. Any breach, default or other event that gives the Franchisor the right to terminate the License or this Agreement, after expiration of any applicable notice and cure period; or

3. The receipt by the Franchisor of a copy of a Purchase Offer.

(2) Upon any event described in Section 17(1), the Franchisor will have the option to purchase all of the Franchisee's rights, title and interest in the Restaurant Brokerage Business, and all its improvements, furniture, fixtures, equipment, and all of the Franchisee's accounts, contract rights, customer and vendor lists, work in progress and all other business assets. The right and option granted to Franchisor by this Article 17 is assignable by Franchisor to any other person or entity.

(3) The purchase price for the assets described in Section 17(2) will be, subject to Section 17(4): (i) the current fair market value if Section 17(1)1 or 17(1)2 is applicable; or (ii) the price specified in the Purchase Offer received by the Franchisee if this Section 17(1)3 is applicable. If the Franchisee and the Franchisor cannot agree on fair market value within a reasonable time, an independent appraiser will be designated by each of the Franchisee and the Franchisor and an average of the two (2) appraised values will be binding. Appraised values will exclude any and all consideration for goodwill or going concern value created by the Marks and business system licensed to the Franchisee.

(4) If the Franchisor elects to exercise any option to purchase provided in this Article 17, the Franchisor will have the right to set off all amounts due from the Franchisee to Franchisor or its Affiliates under the Franchise Agreement or any other agreements between these parties, any commissions or fees payable to any broker, agent or other intermediary and the cost of the appraisal, if any, against any payment. Franchisor will also have the right to substitute cash for any other form of consideration specified in the Purchase Offer and to pay in full the entire purchase price at the time of closing.

(5) Franchisor will notify the Franchisee of its intention to exercise or to not exercise its rights to purchase ("Notice of Intent") within sixty (60) days following an event described in Section 17(1)1 or 17(1)2 or within fifteen (15) days following an event described in Section 17(1)3. The Notice of Intent will specify the assets to be purchased, and the current fair market value as determined by the Franchisor if Section 17(1)1 or 17(1)2 is applicable. In the event the Franchisor is purchasing the assets pursuant to Sections 17(1)1 or 17(1)2, the Franchisee will have fourteen (14) days following receipt of the Franchisor's Notice of Intent to object to any of the prices

specified therein, and any disputes over pricing shall be resolved through appraisal as specified by Section 17(3). If the Franchisor declines to exercise its rights under this Section or fails to notify the Franchisee within the fifteen (15) or sixty (60) day period described above, as applicable, the Franchisee may sell or dispose of the Restaurant Brokerage Business to any third party in the event of a sale under Section 17(1)1 or 17(1)2 or to the third party identified in the Purchase Offer in the event of a sale under Section 17(1)3, but not at a lower price nor on more favorable terms than set forth in the Purchase Offer, if any, or the Notice of Intent and subject to the prior written permission of the Franchisor and satisfaction of the other conditions to assignment set forth in Article 16. If the sale to this third-party purchaser is not completed within ninety (90) days after Franchisor delivers or is deemed to have delivered the Notice of Intent not to purchase the assets to Franchisee, the Franchisor will again have the right of first refusal herein provided.

(6) If the Franchisor provides Franchisee with its Notice of Intent to exercise its rights under this Article 17, the purchase and sale contemplated in this Section is consummated as soon as possible. In the event the Franchisor is purchasing the assets pursuant to Sections 17(1)1 or 17(1)2, following the delivery of a Notice of Intent as specified in Section 17(5), the Franchisor or the Franchisor's assignee or designee will have the immediate right to take possession of the Restaurant Brokerage Business and to carry on and develop the Restaurant Brokerage Business for the exclusive benefit of the Franchisor, or its assignee or designee.

## **ARTICLE 18 - DEFAULT AND TERMINATION**

(1) The Franchisor will have the right, at its option, to (i) suspend performance of certain or all of its services to the Franchisee during the time period Franchisee is in default of this Agreement; or (ii) terminate this Agreement and all rights granted the Franchisee hereunder, (subject to the provisions of applicable state law governing franchise termination and renewal), effective upon receipt of notice by the Franchisee, addressed as provided in Article 19, upon the occurrence of any of the following events:

1. The Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of the Franchisor's Operations Manual, Confidential Information or Trade Secrets of the Franchisor;

2. The Franchisee voluntarily abandons the Restaurant Brokerage Business for a period of five (5) consecutive days, or any shorter period that indicates an intent by the Franchisee to discontinue operation of the Restaurant Brokerage Business, unless this abandonment is due to a Force Majeure Event, as defined in Section 21(6) and not related to the availability of funds to the Franchisee;

3. The Franchisee becomes insolvent or is adjudicated a bankrupt, or any action is taken by the Franchisee or by others against the Franchisee, under any insolvency, bankruptcy or reorganization act, or if the Franchisee makes an assignment for the benefit of creditors or a receiver is appointed to the Franchisee;

4. Any material judgment (or several judgments which in the aggregate are material) is obtained against the Franchisee and remains unsatisfied or of record for thirty

(30) days or longer (unless a supersedeas or other appeal bond has been filed); or if execution is levied against the Franchisee's Restaurant Brokerage Business or any of the property used in the operation of the Restaurant Brokerage Business and is not discharged within five (5) days; or if the real or personal property of the Franchisee's Restaurant Brokerage Business is sold after levy thereupon by any sheriff, marshal or constable;

5. The Franchisee or any owner of greater than twenty percent (20%) of the Franchisee entity or operator has its real estate broker license terminated or suspended for a period of greater than thirty (30) days or is charged or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the System, Marks, goodwill or reputation thereof;

6. The Franchisee fails to pay any amounts due the Franchisor or its Affiliates within ten (10) days after receiving notice that these fees or amounts are overdue;

7. The Franchisee misuses or fails to follow the Franchisor's directions and guidelines concerning use of the Marks and fails to correct the misuse or failure within ten (10) days after notification from the Franchisor;

8. The Franchisee has received two (2) notices of default with respect to Franchisee's obligations hereunder from the Franchisor within a twelve (12) month period, regardless of whether the defaults were cured by the Franchisee;

9. The Franchisee sells, transfers or otherwise assigns the Restaurant Brokerage Business, an interest in the Restaurant Brokerage Business or the Franchisee entity, this Agreement, the Restaurant Brokerage Business or a substantial portion of the assets of the Restaurant Brokerage Business owned by the Franchisee without complying with the provisions of Article 16 and Article 17;

10. The Franchisee submits on two (2) or more occasions during the Initial Term or any Interim Period a report, financial statement, tax return, schedule or other information or supporting record which understates its Gross Revenue by more than two percent (2%), unless the Franchisee demonstrates that this understatement resulted from inadvertent error;

11. The Franchisee fails, or refuses, to submit any report, financial statement, tax return, schedule or other information or supporting records required herein, or submits these reports more than five (5) days late on two (2) or more occasions during the Initial Term or any Interim Period unless due to circumstances beyond the control of the Franchisee;

12. The Franchisee sells or offers for sale any unauthorized merchandise, product or service, engages in any unauthorized business or practice or sells any unauthorized product or service under the Marks or under a name or mark which is confusingly similar to the Marks;

13. The Franchisee contests in any court or proceeds with the validity of, or the Franchisor's ownership of the Marks or copyrighted materials;

14. The Franchisee is a corporation, limited liability company, partnership or other business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate this entity without the Franchisor's prior written consent;

15. The Franchisee or its Designated Business Manager fails to successfully complete the Franchisor's training or retraining course(s);

16. The Franchisee receives from the Franchisor during the Initial Term and any Interim Period three (3) or more notices of default regardless of whether these notices of default relate to the same or different defaults, or whether these defaults have been remedied by the Franchisee; or

17. Any misrepresentation under Section 2(10) of this Agreement or any violation of Anti-Terrorism Laws by Franchisee, its Designated Business Manager, its owners, agents or employees.

(2) The Franchisor will have the right, at its option, to (i) suspend performance of certain or all of its services to the Franchisee during the time period Franchisee is in default of this Agreement; or (ii) terminate this Agreement (subject to any state laws to the contrary, where state law will prevail), effective upon thirty (30) days written notice to the Franchisee, if the Franchisee breaches any other provision of this Agreement and fails to cure the default during such thirty (30) day period. In that event, this Agreement will terminate without further notice to the Franchisee, effective upon expiration of the thirty (30) day period. Defaults include, but are not limited to, the following:

1. The Franchisee fails to maintain the then-current operating procedures and standards established by the Franchisor as set forth herein or in the Operations Manual or otherwise communicated to the Franchisee;

2. The Franchisee fails, refuses or neglects to obtain the Franchisor's prior written approval or consent as required by this Agreement;

3. The Franchisee fails or refuses to comply with the then-current requirements of the Operations Manual;

4. The Franchisee, or any partnership, joint venture, limited liability company, corporation or other Restaurant Brokerage Business entity in which Franchisee has a controlling equity interest, defaults under any term of the lease of an Office or any other premises used by Franchisee to operate the Restaurant Brokerage Business, any other franchise agreement with the Franchisor or any other agreement material to the Restaurant Brokerage Business and such default is not cured within the time specified in this Lease, other franchise agreement or other agreement;

5. The Franchisee fails, refuses or neglects to submit a statement of monthly revenues accompanying the Royalty Fee or FMAF funds or any other report required under the Agreement when due;

6. The Franchisee fails, refuses or neglects to accurately report Gross Revenues, sales information or other information required by Franchisor to be reported; or

7. The Franchisee fails to comply with any other provision of this Agreement or any specification, standard or operating procedure prescribed by the Franchisor and does not correct this failure within ten (10) days (or thirty (30) days if this is the first non-compliance or breach) after written notice from the Franchisor (which will describe the action that the Franchisee must take) is delivered to the Franchisee.

(3) Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within this 30-day period and the Franchisee has commenced and is continuing to make good faith efforts to cure the breach during this 30-day period, the Franchisee is given an additional reasonable period of time to cure the same, but in no event longer than thirty (30) additional days.

(4) Any attempted termination of this Agreement by the Franchisee for any reason or no reason at all is deemed to be a termination without cause, and a breach hereof, by the Franchisee. The Franchisee agrees that it will not, on grounds of an alleged nonperformance by the Franchisor of any of its obligations or any other reason, withhold payment of any amount due to the Franchisor whatsoever or set off amounts owed to the Franchisor under this Agreement, against any monies owed to the Franchisee, which right of set off is hereby expressly waived by the Franchisee.

(5) No endorsement or statement on any check or payment of any sum less than the full sum due to the Franchisor is construed as an acknowledgment of payment in full or an accord and satisfaction, and the Franchisor may accept and cash this check or payment without prejudice to its right to recover the balance due or pursue any other remedy provided herein or by law. The Franchisor may apply any payments made by the Franchisee against any past due indebtedness of the Franchisee as the Franchisor may see fit. The Franchisor may set off against any payment due to the Franchisee hereunder any outstanding debts of the Franchisee to the Franchisor, and may, at the Franchisor's option, pay the Franchisee's trade creditors out of any sum otherwise due to the Franchisee.

(6) The Franchisee agrees to pay within five (5) days of the effective date of termination or expiration of the Franchise all amounts owed to the Franchisor, Franchisor's Affiliates, the landlord of an Office or other premises used in the Restaurant Brokerage Business, and the Franchisee's trade and other creditors which are then unpaid.

(7) All royalty and advertising contributions, all amounts due for goods purchased by the Franchisee periodically from the Franchisor or its Affiliates and any other amounts owed to the Franchisor or its Affiliates by the Franchisee pursuant to this Agreement or any other agreement accrue interest after the due date at the rate of eighteen percent (18%) per annum or the highest rate permitted by law, whichever is lower, both before and after default, with interest on overdue interest at the aforesaid rate. The acceptance of any interest payment will not be construed

as a waiver by the Franchisor of its rights in respect of the default giving rise to this payment and is without prejudice to the Franchisor's right to terminate this Agreement in respect of this default.

(8) Should the Franchisee, or any partnership or joint venture or corporation in which the Franchisee has a controlling equity interest, be a franchisee pursuant to another Franchise Agreement with the Franchisor, respecting another franchised Restaurant Brokerage Business using the Marks, a default under this Agreement constitutes a default under any other Franchise Agreement and vice versa, with like remedies available to the Franchisor. Should any other Franchise Agreement cease to be valid, binding and in full force and effect for any reason then the Franchisor may, at its option terminate this Agreement and this Agreement is forthwith surrendered by the Franchisee and terminated, and likewise should this Agreement cease to be valid binding and in full force and effect for any reason, the Franchisor may at its option terminate the other Franchise Agreement and the other Franchise Agreement is forthwith surrendered and terminated. In the event that there is more than one Franchisee, or if the Franchisee should consist of more than one legal entity, the Franchisee's liability hereunder is both joint and several. A breach hereof by one of these entities or the Franchisee is deemed to be a breach by both or all.

(9) The Franchisee agrees that upon termination or expiration of this Agreement for any reason, it will take the following action:

1. Immediately discontinue the use of all Marks, signs, structures, forms of advertising, telephone listings, facsimile numbers, e-mail addresses, the Operations Manual, and all materials, Services of any kind which are identified or associated with the System and return all these materials to the Franchisor;

2. Immediately turn over to Franchisor all materials, including the Operations Manual, customer lists, records, files, instructions, brochures, advertising materials, agreements, Confidential Information, Trade Secrets and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Restaurant Brokerage Business (all of which are acknowledged to be Franchisor's property). Under no circumstances will Franchisee retain any printed or electronic copies of the Operations Manual, Confidential Information or Trade Secrets or portions thereof upon expiration or termination of this Agreement;

3. Franchisee hereby acknowledges that all telephone numbers, facsimile numbers and Internet addresses used in the operation of the Restaurant Brokerage Business constitute assets of the Franchisor; and upon termination or expiration of this Agreement, Franchisee will take action within five (5) days to cancel or assign to Franchisor or its designee as determined by Franchisor, all Franchisee's right, title and interest in and to Franchisee's telephone numbers, facsimile numbers and Internet addresses and will notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and Internet and e-mail addresses, and any regular, classified or other telephone directory listing associated with the Marks and to authorize a transfer of same to or at the direction of Franchisor. Franchisee acknowledges that, as between Franchisor and Franchisee, Franchisor has the sole rights to, and interest in, all telephone numbers, facsimile numbers, directory listings and Internet addresses used

by Franchisee to promote the Restaurant Brokerage Business and/or associated with the Marks. Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute these directions and authorizations as may be necessary or prudent to accomplish the foregoing. **Attachment F** evidences this appointment;

4. Make no representation nor state that the Franchisee is in any way approved, endorsed or licensed by the Franchisor or associated or identified with the Franchisor or the System in any manner;

5. Immediately take all steps necessary to amend or terminate any registration or filing of any D/B/A or Restaurant Brokerage Business name or fictitious name or any other registration or filing containing the Marks so as to delete the Marks and all references to anything associated with the System, and provide evidence of such registrations or filings to Franchisor;

6. Provide the Franchisor the option to purchase as set forth in Article 17;

7. Comply with the provisions of Sections 11(1)3, 11(1)4, and Article 15;

8. Pay to the Franchisor the sum of \$25,000.00 as liquidated damages and not as a penalty.

9. The following actions in connection with the winding down of the Restaurant Brokerage Business:

- a. Timely compliance with all obligations associated with the cessation of business operations, including, without limitation, providing formal notice to all current and former clients and notifying all applicable real estate regulatory bodies, commissions, or boards as required under applicable law.
- b. Effectuate a change of status of all real estate licenses to “inactive” or otherwise terminate licensure as necessary, from all state and local real estate licensing records.
- c. Provide notice to the real estate broker of record, and any supervising broker if applicable, regarding the termination of Franchisee’s affiliation with the System.
- d. Notify all clients subject to active exclusive listing agreements that such agreements, including all rights and obligations thereunder, shall immediately transfer to and be administered solely by Franchisor or its affiliate or designee.

- e. Notify all clients with whom Franchisee had a non-exclusive arrangement (including, but not limited to, landlords) that any such matters shall immediately be assigned and transferred to the Franchisor or its affiliate or designee.
- f. Notify all clients who are in contract status that their listings and all matters associated with the listing shall immediately transfer to Franchisor or its affiliate or designee.
- g. All other actions which Franchisor may require in its sole discretion to satisfy Franchisee's obligations pursuant to this Article 18.
- h. Keep in full force and effect Franchisee's Errors and Omissions Insurance for a period of six months post termination, in such amounts and limits as may be required by Franchisor.
- i. Indemnify Franchisor, its affiliate(s), designees, employees, agents, officers, managers, directors, appointees, shareholders and members for any actions associated with Franchisor or its affiliate or designee's assumption of any real estate listing agreements or other transactions in progress and in connection with which Franchisee was previously engaged or otherwise involved.

(10) If, within thirty (30) days after termination or expiration of this Agreement by the Franchisor, the Franchisee fails to remove all displays of the Marks from the Restaurant Brokerage Business, the Franchisor may enter the Restaurant Brokerage Business to effect removal. In this event, the Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials.

(11) If, within thirty (30) days after termination or expiration of this Agreement, the Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any business name or d/b/a or any other registration or filing containing the Marks, the Franchisee hereby irrevocably appoints the Franchisor as the Franchisee's true and lawful attorney for the Franchisee, and in the Franchisee's name, place and stead and on the Franchisee's behalf, to take action as may be necessary to amend or terminate all registrations and filings, this appointment being coupled with an interest to enable the Franchisor to protect the System.

(12) Termination or expiration of this Agreement will not affect, modify or discharge any claims, rights, causes of action or remedies which the Franchisor may have against the Franchisee, whether these claims or rights arise before or after termination or expiration.

(13) All obligations of the parties which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect notwithstanding this expiration or termination. In particular, but without limiting the generality of the foregoing, the provisions of Article 11, Article 13, Article 15 and Article 17, hereof will survive termination or expiration of this Agreement.

(14) In the event that this Agreement expires or is terminated for any reason whatsoever and the Franchisor is the lender under any loan agreement (“**Loan**”) or the holder of any promissory note (“**Note**”) or the holder of any personal property, security interest, chattel mortgage, debenture or mortgage of any nature whatsoever (“**Security Interest**”) from the Franchisee concerning assets used at any time by the Franchisee in the Restaurant Brokerage Business or which are situated on the Restaurant Brokerage Business premises, this Loan, Note or Security Interest will, upon the effective date of termination or expiration, immediately become fully due and payable as to all principal and interest so loaned and secured.

(15) If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required hereunder, the prior notice or other action required by that law or rule is substituted for the notice requirements hereof. Those modifications to this Agreement are effective only in that jurisdiction and are enforced as originally made and entered into in all other jurisdictions.

(16) In the event of termination of the Agreement for any reason whatsoever the parties will accept the default remedies contained herein as full and final satisfaction of all claims. The parties waive, if permitted by law, any claim against the other for punitive or exemplary damages; except for punitive or exemplary damages for violation of the Lanham Act, trademark infringement or dilution, unauthorized dissemination of the Confidential Information or Trade Secrets or arising under the indemnification set out in Article 13.

(17) The rights of the parties are cumulative and no exercise or enforcement by a party of any right or remedy hereunder will preclude the exercise or enforcement by that party of any other right or remedy herein contained, or to which it is entitled by law.

(18) Nothing herein will prevent the Franchisor or the Franchisee from seeking injunctive relief to prevent irreparable harm, in addition to all other remedies. If it is necessary for the Franchisor to seek preliminary or permanent injunctive relief, the Franchisor may do so without a bond.

(19) THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, THE STATE OR FEDERAL LAW WILL GOVERN THE FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

## **ARTICLE 19 - NOTICES**

Any notice of default under this Agreement is delivered personally or by courier to the appropriate location. Any other notice, request, demand, approval, consent or other communication which the parties may be required or permitted to be given under this Agreement is in writing and may be given to the party for whom it is intended by personal delivery, facsimile transmission or delivering it to the party by mailing it by prepaid registered mail or by sending it through a nationally recognized overnight courier service as follows:

To Franchisor: WSR Franchise, LLC  
6 Meridian Home Lane, Suite 101  
Palm Coast, Florida 32137  
Fax No.: (888) 668-8625

To Franchisee: As stated on Cover Page.

Any notice or other document delivered personally or by facsimile transmission is deemed to have been received by and given to the addressee on the day of delivery and any other notice or other document mailed as aforesaid, is deemed to have been received by and given to the addressee on the third business day following the date of mailing or the first day following the day the notice is deposited with a nationally recognized overnight courier service. Any party may at any time give notice in writing to any other party of any change of address.

## **ARTICLE 20 - ARBITRATION**

(1) Prior to the initiation of any arbitration or other legal proceeding, excluding any action for injunctive relief, each party shall provide the other party at least ten (10) days written notice and the parties agree to discuss such demands during this time in a good faith attempt to resolve the applicable dispute.

**(2) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, ANY CONTROVERSY OR DISPUTE ARISING OUT OF, OR RELATING TO THE FRANCHISE OR THIS AGREEMENT INCLUDING, ANY CLAIM BY THE FRANCHISEE OR ANY PERSON IN PRIVACY WITH OR CLAIMING THROUGH, ON BEHALF OF OR IN THE RIGHT OF THE FRANCHISEE, CONCERNING THE ENTRY INTO, PERFORMANCE UNDER, OR TERMINATION OF, THIS AGREEMENT OR ANY OTHER AGREEMENT ENTERED INTO BY THE FRANCHISOR, OR ITS SUBSIDIARIES OR AFFILIATES, AND THE FRANCHISEE, ANY CLAIM AGAINST A PAST OR PRESENT EMPLOYEE, OFFICER, DIRECTOR, MEMBER, SHAREHOLDER OR AGENT OF THE FRANCHISOR; ANY CLAIM OF BREACH OF THIS AGREEMENT; AND ANY CLAIMS ARISING UNDER STATE OR FEDERAL LAWS, IS SUBMITTED TO FINAL AND BINDING ARBITRATION AS THE SOLE AND EXCLUSIVE REMEDY FOR ANY CONTROVERSY OR DISPUTE. "PERSONS IN PRIVACY" WITH OR CLAIMING THROUGH, ON BEHALF OF OR IN THE RIGHT OF THE FRANCHISEE INCLUDE BUT ARE NOT LIMITED TO, SPOUSES AND OTHER FAMILY MEMBERS, HEIRS, EXECUTORS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS. SUBJECT TO THIS SECTION, THE RIGHT AND DUTY OF THE PARTIES TO THIS AGREEMENT TO RESOLVE ANY DISPUTES BY ARBITRATION IS GOVERNED EXCLUSIVELY BY THE FEDERAL ARBITRATION ACT, AS AMENDED, AND ARBITRATION WILL TAKE PLACE ACCORDING TO THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION IN EFFECT AS OF THE DATE THE DEMAND FOR ARBITRATION IS FILED. THE ARBITRATION WILL BE HELD IN FLAGLER COUNTY, FLORIDA OR FRANCHISOR'S THEN-CURRENT PRINCIPAL PLACE OF BUSINESS. HOWEVER, ARBITRATION WILL NOT BE REQUIRED TO BE USED FOR ANY DISPUTE WHICH**

**INVOLVES THE FRANCHISEE'S OR FRANCHISOR'S CONTINUED USAGE OF ANY OF THE MARKS, THE SYSTEM, OR RESTAURANT BROKERAGE BUSINESS CONCEPT; ANY ISSUE WHERE INJUNCTIVE RELIEF AGAINST THE FRANCHISEE OR THE FRANCHISOR IS AN APPROPRIATE REMEDY; DISPUTES SOLELY INVOLVING THE PAYMENT OF MONEY; OR, ANY ISSUES RELATED TO DISCLOSURE OR MISUSE OF CONFIDENTIAL INFORMATION OR TRADE SECRETS, ALL OF WHICH SUCH ISSUES MAY BE SUBMITTED TO A STATE OR FEDERAL COURT WITHIN THE STATE OF FLORIDA. THE PARTIES EXPRESSLY CONSENT TO PERSONAL JURISDICTION IN THE STATE OF FLORIDA AND AGREE THAT ITS COURTS WILL HAVE EXCLUSIVE JURISDICTION OVER ANY OF THESE ISSUES NOT SUBJECT TO ARBITRATION.**

(3) The parties will select one (1) arbitrator from a panel of neutral arbitrators provided by the American Arbitration Association and this arbitrator is chosen by the striking method. The parties will each bear all of their own costs of arbitration; however, the fees of the arbitrator shall be divided equally between the parties. The arbitrator will have no authority to amend or modify the terms of this Agreement. The award or decision by the arbitrator is final and binding on the parties and may be enforced by judgment or order of a court having subject matter jurisdiction in the state where the arbitration took place. The parties' consent to the exercise of personal jurisdiction over them by these courts and to the propriety of venue of these courts for the purpose of carrying out this provision and they waive any objections that they would otherwise have concerning these matters.

(4) Parties to arbitration under this Agreement will include, by consolidation, joinder or in any other manner, any person other than the Franchisee and any person in privity with or claiming through, in the right of or on behalf of the Franchisee or the Franchisor, unless both parties' consent in writing. If permitted by applicable law, no issue of fact or law is given preclusive or collateral estoppel effect in any arbitration hereunder, except if this issue may have been determined in another proceeding between the Franchisor and the Franchisee or any person in privity with or claiming through, in the right of or on behalf of the Franchisee or the Franchisor.

(5) The parties agree that any arbitration arising out of a dispute relating to this Agreement is only a matter between the Franchisor and the Franchisee and no other franchisees. The Franchisee agrees not to join or attempt to join other franchisees, licensees, or other third parties in any arbitration or attempted litigation against the Franchisor and to refrain from participating in any "class action" litigation or arbitration proposed or asserted by one (1) or more franchisees.

(6) Franchisor's and Franchisee's rights hereunder are cumulative and no exercise or enforcement by Franchisor or Franchisee or any right or remedy hereunder will preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy hereunder or which Franchisor or Franchisee are entitled by law to enforce.

(7) Except with respect to Franchisee's obligation to indemnify Franchisor pursuant to Section 13(2) herein, Franchisor and Franchisee waive, to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other and agree that, in the

event of a dispute between Franchisor and Franchisee, the party making a claim is limited to recovery of any actual damages sustained by it.

(8) Nothing contained in this Agreement will bar Franchisor or Franchisee from obtaining a temporary restraining order or preliminary injunctive relief against threatened or actual conduct that would cause Franchisor or Franchisee irreparable loss or damages. The sole remedy of the enjoined party, in the event of the entry of an injunction, will be the dissolution of the injunction, if warranted after a hearing is held (all claims for damages by reason of the wrongful issuance of any this injunction being expressly waived by this Agreement). Franchisee also agrees that the court may issue a temporary restraining order or preliminary injunction that is mandatory in nature if this order or relief is necessary to ensure the operation of Franchisee's Restaurant Brokerage Business as a We Sell Restaurants<sup>®</sup> Restaurant Brokerage Business pursuant to the terms of this Agreement. Any action is brought as provided in Section 21(1) below.

## **ARTICLE 21 - MISCELLANEOUS**

(1) Except if governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other applicable federal law, this Agreement is interpreted under the laws of the State of Florida, and any dispute between the parties is governed by and determined in accordance with the substantive laws of the State of Florida, which laws will prevail in the event of any conflict of law; provided, however, the parties expressly agree that any dispute arising out of Franchisee's failure to comply with Section 15.2 shall be governed by the law of the State in which Franchisee's Restaurant Brokerage Business is operated. The Franchisee and the Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving the Franchisee, its officers or directors and the Franchisor, its officers, directors, shareholders, members, employees or Affiliates, both parties agree that the exclusive venue for disputes between them is in the State of Florida and each waive any objection either may have to the personal jurisdiction of or venue in the State of Florida. The Franchisee irrevocably submits to the jurisdiction of its courts and waives any objection the Franchisee may have to either the jurisdiction or venue in its court.

(2) All provisions of this Agreement are severable, and this Agreement is interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein; all partially valid and enforceable provisions is enforced if they are valid and enforceable.

(3) If either party institutes a legal proceeding, including court proceedings or arbitration, and prevails entirely or in part in any action at law or in equity against the other party based entirely or in part on the terms of this Agreement, the prevailing party is entitled to recover from the losing party, in addition to any judgment, reasonable attorneys' fees, court costs and all of the prevailing party's expenses in connection with any action at law.

(4) No failure, forbearance, neglect or delay of any kind on the part of the Franchisor in connection with the enforcement or exercise of any rights under this Agreement will affect or diminish the Franchisor's right to strictly enforce and take full benefit of each provision of this Agreement at any time, whether at law for damages, in equity for injunctive relief or specific

performance, or otherwise. No custom, usage or practice with regard to this Agreement by the Franchisee or the Franchisor's other franchisees will preclude the strict enforcement of this Agreement in accordance with its literal terms. No waiver by the Franchisor of performance of any provision of this Agreement constitutes or may be implied as a waiver of the Franchisor's right to enforce that provision at any future time. No interpretation, change, termination or waiver of any provision of this Agreement, and no consent or approval under this Agreement, is binding upon the Franchisee or the Franchisor or effective unless in writing signed by the Franchisee and the Franchisor's CEO, President or a Vice President, except that a waiver need be signed only by the party waiving.

(5) This Agreement, together with the Operations Manual, any written related agreements, all Exhibits and Attachments constitute the entire understanding and agreement between the parties hereto and supersedes all prior negotiations, understandings, representations, and agreements, whether oral or written, pertaining to this Agreement, License, System or Restaurant Brokerage Business. 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.

You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our members, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

(6) Neither party is liable for any loss or damage due to any delay in the due performance of the terms hereof (except for the payment of money) by reason of strikes, lockouts and other labor relations, fires, riots, wars, embargoes and civil commotion, or acts of God (“**Force Majeure Event**”). Any delay will extend performance only so long as this event is in progress except this Force Majeure Event will not affect or change Franchisee's obligation to pay Royalty Fees or FMAF contributions when due. Notwithstanding the foregoing, if there is a Force Majeure Event, Franchisor, may in its sole discretion, elect to waive the Royalty Fees or FMAF contributions during the period of delay caused by the Force Majeure Event or a shorter period.

(7) The Franchisee will sign and deliver any further instruments, contracts, forms and other documents, and will perform any further acts, as may be necessary or desirable, to carry out, complete and perform all terms, covenants and obligations herein contained. The Franchisee hereby irrevocably appoints the Franchisor as its attorney, and hereby empowers it to sign any instruments regarding the Marks for and in the Franchisee's name to give full effect to Sections Article 11, Article 13, Article 16, and Article 18 of this Agreement. The Franchisee hereby declares that the powers of attorney herein granted may be exercised during any subsequent legal incapacity on its part.

(8) This Agreement is binding upon, and subject to Article 16 herein, will inure to the benefit of, the Franchisee's successors and permitted assigns.

(9) This Agreement may only be modified or amended by a written document signed by the Franchisee and the Franchisor. The Franchisee acknowledges that the Franchisor may modify its standards and specifications, and operating and marketing techniques set forth in the Operations Manual unilaterally under any conditions and to the extent in which the Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Marks, and the quality of the System, but under no circumstances will these modifications be made arbitrarily without this determination. Notwithstanding anything herein to the contrary, The Franchisor will have the right unilaterally to reduce the scope of any covenants of the Franchisee contained in this Agreement upon notice to the Franchisee, whereupon the Franchisee will comply therewith as so modified.

(10) Periodically, the Franchisor will have the right to delegate the performance of any portion or all of its obligations and duties under this Agreement to third parties, whether the same are agents of the Franchisor or independent contractors which the Franchisor has contracted with to provide these services. The Franchisee agrees in advance to any delegation by the Franchisor of any portion or all of its obligations and duties under this Agreement.

(11) This Agreement will be executed in multiple copies, each of which will be deemed an original. The preambles are a part of this Agreement, which constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement. Nothing in this Agreement is intended, nor will be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto. The headings of the several sections and paragraphs of this Agreement are for convenience only and do not define, limit or construe the contents of such sections or paragraphs. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. The term “**Franchisee**” as used herein is applicable to one or more persons, a corporation, limited liability company, a partnership or other business entity, as the case may be, and the singular usage (where applicable) includes the plural, and the masculine and neuter usages (where applicable) include the other and the feminine. The term “**Lease**” will include a sublease, and a renewal or extension of a lease or sublease.

2. Subject to Franchisor's rights under trademark laws, the parties' rights under this Agreement and the relationship between the parties are governed by, and will be interpreted in accordance with, Section (1). Franchisee and its Affiliates waive, to the fullest extent permitted by law, the rights and protections that might be provided through the laws of any other country or other jurisdiction.

3. When calculating the date upon which, or the time within which, any act is to be done pursuant to this Agreement, the date which is the reference date in calculating this period is excluded. If the last day of this period is a non-business day, the period in question will end on the next business day.

4. The parties recognize, and any referee, arbitrator and judge, is affirmatively advised, that certain provisions of this Agreement reflect rights of Franchisor and Franchisee to take (or refrain from taking) certain actions in exercise of its business

judgment based on its assessment of the long-term interests of the System or Restaurant Brokerage Business as a whole. Where such right has been exercised and is supported by the business judgment of Franchisor or Franchisee (“**Business Judgment**”), a referee, arbitrator or judge, cannot substitute his or her judgment for the judgment so exercised by Franchisor or Franchisee, even if another reasonable or even arguably preferable alternatives are available.

5. Whenever this Agreement provides that Franchisor has a certain right, that right is absolute, and the parties intend that its exercise of that right will not be subject to any limitation or review. Franchisor has the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

6. Time is of the essence of this Agreement and of every part thereof.

(12) Security Interests to Lender. If Franchisee is in full compliance with this Agreement, Franchisee may pledge or give a security interest in Franchisee’s interest in the Assets and the Franchised Business to a lender of the funds needed by Franchisee for Franchisee’s initial investment, provided that the security interest is subordinate to Franchisee’s obligations to Franchisor, that a foreclosure on such a pledge or security interest and/or any Transfer resulting from such a foreclosure shall be subject to all provisions of this Agreement, and that Franchisee obtains from the lender a written acknowledgement to Franchisor of these restrictions. Notwithstanding the foregoing, in the event Franchisee seeks and/or obtains financing whereby funding is provided with the assistance of the United States Small Business Administration (“SBA Financing”), Franchisee shall be permitted to grant the lender of such SBA Financing a senior lien on any Collateral Franchisee uses to secure the SBA Financing, and Franchisor and Franchisee further agree that (i) the provisions of Attachment I are fully incorporated herein and applicable to Franchisor and Franchisee, (ii) Franchisor shall subordinate its security interest or other lien on Franchisee’s Collateral to that of the lender of the SBA Financing and (iii) Franchisor waives the requirement of the written acknowledgement referenced in this Section.

This entire Agreement, including corrections, changes, and all attachments and addenda, will only be binding upon the Franchisor when signed or initialed by the Franchisor’s authorized representative.

[Signatures on following page.]

The parties have signed this Agreement as of the date first above set forth.

FRANCHISOR:  
**WSR FRANCHISE, LLC**

By: \_\_\_\_\_  
Eric Gagnon, President  
\_\_\_\_\_  
(Print Name, Title)

FRANCHISEE (Entity):  
\_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
(Print Name, Title)

FRANCHISEE (Principal):  
\_\_\_\_\_  
\_\_\_\_\_  
(Print Name)

FRANCHISEE (Principal):  
\_\_\_\_\_  
\_\_\_\_\_  
(Print Name)

**ATTACHMENT A  
TO FRANCHISE AGREEMENT**

**TERRITORY DESCRIPTION**

Franchised Business Office Address:

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Territory (insert map and/or define by zip codes):

Notwithstanding any change in population or demographics during the Term, the Territory shall not extend beyond the boundaries set forth above.

**ATTACHMENT B  
TO FRANCHISE AGREEMENT**

**ANNUAL MINIMUM QUOTA**

By the end of each year during the Initial Term, Franchisee shall satisfy all of the following Quotas:

Anniversary Date of Agreement	Minimum Transactions*	Minimum Exclusive Listings	Minimum Commission/Fees Collected
Year 1	4	12	\$50,000
Year 2	6	16	\$75,000
Years 3-10	8	20	\$100,000

\*A minimum transaction, unless otherwise approved by Franchisor must be at least a fifteen percent (15%) commission royalty on each Transaction. The minimum fee to be paid to Franchisor shall be the greater of: (a) ten percent (10%) of the Franchisee's commission, or (b) One Thousand Dollars (\$1,000.00) for each Transaction by Franchisee. All royalties are due to Franchisor in full within one (1) month following the closing of the applicable Transaction, regardless of when Franchisee actually receives the payment of the applicable commission. The foregoing minimums shall not apply in any instance where you are a co-broker for a transaction. In such case, the minimum commission payable to Franchisor shall be the greater of: (i) five percent (5%) of sales price for the applicable transaction; or (ii) Five Hundred Dollars (\$500.00) for each co-brokered transaction.

For purposes of this Attachment B to Franchise Agreement, a “**Transaction**” is defined as an event in which Franchisee collects a commission, including selling a Restaurant or completing a lease transaction for a Restaurant operator or any revenue generated by the franchisee through its practice.

**ATTACHMENT C  
TO FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS**

In consideration of, and as an inducement to, the execution of the Franchise Agreement signed between \_\_\_\_\_ and WSR Franchise, LLC (“**Franchisor**”) on \_\_\_\_\_ (“**Agreement**”), each of the undersigned hereby personally and unconditionally:

1. Guarantees to the Franchisor and its successors and assigns, for the Initial Term, including any Interim Period thereof, that \_\_\_\_\_ (“**Franchisee**”) will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and

2. Agrees to be personally bound by and personally liable for the breach of each and every provision in the Agreement, including but not limited to the terms of Article 15.

Each of the undersigned waives the following:

3. Acceptance and notice of acceptance by the Franchisor of the foregoing undertaking;

4. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

5. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

6. Any right he or she may have to require that any action be brought against Franchisee or any other person as a condition of liability; and

7. Any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each of the undersigned consents and agrees that:

8. His or her direct and immediate liability under this guaranty is joint and several;

9. He or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so;

10. This liability will not be contingent or conditioned upon pursuit by the Franchisor of any remedies against Franchisee or any other person; and



**ATTACHMENT D  
TO FRANCHISE AGREEMENT**

**STATEMENT OF OWNERSHIP INTERESTS IN  
FRANCHISEE/FRANCHISEE ENTITY**

**Name**

**Percentage of Ownership**

**ATTACHMENT E  
TO FRANCHISE AGREEMENT**

**AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS  
(DIRECT DEBITS)  
BY AND BETWEEN WSR FRANCHISE, LLC  
AND**

\_\_\_\_\_ (“Franchisee”)

The undersigned depositor (“**Depositor**”) hereby authorizes WSR Franchise, LLC (“**Company**”) to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below (“**Depository**”) to debit this account pursuant to Company's instructions.

Depository	Branch
Address	City, State, Zip Code
Bank Transit/ABA Number	Account Number

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

Depositor	Depository
By: _____	By: _____
Title: _____	Title: _____
Date: _____	Date: _____

**ATTACHMENT F  
TO FRANCHISE AGREEMENT**

**INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE  
LISTING AGREEMENT**

**THIS INTERNET ADVERTISING, SOCIAL MEDIA, SOFTWARE, AND TELEPHONE LISTING AGREEMENT** (the “Agreement”) is made and entered into this day of \_\_\_\_\_ (the “Effective Date”), by and between WSR FRANCHISE, LLC, a Georgia limited liability company, located at 6 Meridian Home Lane, Suite 101, Palm Coast, Florida 32137 (the “Franchisor”), and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_ and \_\_\_\_\_ ‘s principal(s), \_\_\_\_\_, an individual, residing at \_\_\_\_\_, and \_\_\_\_\_, an individual, residing at \_\_\_\_\_ (“Principal(s)”). Principal(s) shall be individually and collectively referred to, and each is, the “Franchisee”.

**WHEREAS**, Franchisee desires to enter into a franchise agreement with Franchisor for an We Sell Restaurants business (“Franchise Agreement”) which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, use software, and use telephone listings linked to the We Sell Restaurants brand.

**WHEREAS**, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Agreement;

**NOW, THEREFORE**, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Definitions**

All terms used but not otherwise defined in this Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. **Internet Advertising and Telephone Listings**

2.1 **Interest in Web Sites, Social Media Accounts, Other Electronic Listings and Software.** Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet web sites, the right to hyperlink to certain web sites and listings on various internet search engines, and the right to use certain software

(collectively, “Electronic Advertising and Software”) related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the “Telephone Listings”) related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, other listing agencies and software companies (collectively, the “Internet and Software Companies”) with which Franchisee has Electronic Advertising and Software: (i) to transfer all of Franchisee’s interest in such Electronic Advertising and Software to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising and Software, Franchisee will immediately direct the Internet and Software Companies to terminate such Electronic Advertising and Software or will take such other actions with respect to the Electronic Advertising and Software as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “Telephone Companies”) with which Franchisee has Telephone Listings: (i) to transfer all Franchisee’s interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

2.4 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation this Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.4.1 Direct the Internet Companies to transfer all Franchisee's interest in and to the Electronic Advertising and Telephone Listings to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising and Telephone Listings;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet and Software Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

### 3. Miscellaneous

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet and Software Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, debts, claims, demands, or obligations that are related to or are based on this Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

3.8 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Florida, without regard to the application of Florida conflict of law rules.

[Signatures on following page.]

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

**FRANCHISOR:**  
**WSR FRANCHISE, LLC**

By: \_\_\_\_\_  
Eric Gagnon, President  
\_\_\_\_\_  
(Print Name, Title)

FRANCHISEE (Entity):  
\_\_\_\_\_

By: \_\_\_\_\_  
\_\_\_\_\_  
(Print Name, Title)

FRANCHISEE (Principal):  
\_\_\_\_\_  
\_\_\_\_\_  
(Print Name)

FRANCHISEE (Principal):  
\_\_\_\_\_  
\_\_\_\_\_  
(Print Name)

**ATTACHMENT G  
TO FRANCHISE AGREEMENT**

**CONFIDENTIALITY AND NON-COMPETE AGREEMENT**

This Confidentiality and Non-Compete Agreement (the “Agreement”) is made and entered into this day of \_\_\_\_\_, by \_\_\_\_\_, a(n) \_\_\_\_\_ (“Franchisee”), a franchisee of WSR Franchise, LLC, a Georgia limited liability company (“Franchisor”), and \_\_\_\_\_, an individual (“Covenantor”) in connection with a Franchise Agreement dated.

**WHEREAS**, Franchisee and Franchisor are parties to a franchise agreement dated \_\_\_\_\_ (the “Franchise Agreement”), whereby Franchisor has granted Franchisee the right to use certain of Franchisor’s trademarks and copyrights, including but not limited to, the WE SELL RESTAURANTS® trademarks and logo, website, documents, advertisements, photographs, social media content, promotional materials and operations manual (collectively referred to as the “Intellectual Property”) for the establishment and operation of a WE SELL RESTAURANTS® franchised business;

**WHEREAS**, in connection with his or her duties, it will be necessary for Covenantor to have access to some or all of the Intellectual Property and other confidential information, knowledge, know-how, techniques, training, and other materials used in or related to the WE SELL RESTAURANTS® brand and/or concerning the methods of operation of a WE SELL RESTAURANTS® franchised business (collectively referred to as “Confidential Information”);

**WHEREAS**, the Intellectual Property and Confidential Information provide economic advantages to Franchisor and licensed users of Franchisor, including Franchisee;

**WHEREAS**, Franchisee has acknowledged the importance of restricting the use, access and dissemination of the Intellectual Property and Confidential Information, and Franchisee therefore has agreed to obtain from Covenantor a written agreement protecting the Intellectual Property and Confidential Information and further protecting the WE SELL RESTAURANTS® brand against unfair competition; and

**WHEREAS**, Covenantor acknowledges that receipt of and the right to use the Intellectual Property and Confidential Information constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor herein.

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations contained herein, the parties agree as follows:

**1. Confidentiality Agreement.**

**a.** Covenantor shall, at all times, maintain the confidentiality of the Confidential Information and shall use the Intellectual Property and such Confidential Information only in the course of his or her employment by or association with Franchisee in connection with the operation of a WE SELL RESTAURANTS® franchised business under the Franchise Agreement and in accordance with the requirements thereof.

**b.** Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Intellectual Property or Confidential Information, and shall not reproduce, in

whole or in part, any of the Intellectual Property or Confidential Information, without Franchisor's express written permission.

**c.** Covenantor shall not at any time disclose or permit the disclosure of the Confidential Information except, and only then to the limited extent necessary, to those employees of Franchisee for training and assisting such employees in the operation of Franchisee's WE SELL RESTAURANTS® franchised business.

**d.** Covenantor shall surrender any material containing some or all of the Intellectual Property or Confidential Information to Franchisee or Franchisor, upon request, or upon termination of employment or association with Franchisee.

**e.** Covenantor shall not at any time, directly or indirectly, do any act or omit to do any act that would or would likely be injurious or prejudicial to the goodwill associated with the WE SELL RESTAURANTS® brand.

**f.** Upon termination of employment or association with Franchisee, Covenantor shall immediately lose all rights to access and/or use the Intellectual Property and Confidential Information for any purpose whatsoever.

## **2. Covenants Not to Compete.**

**a.** In order to protect the goodwill and unique qualities of the WE SELL RESTAURANTS® brand, and in consideration for the disclosure to Covenantor of Confidential Information, Covenantor further agrees and covenants that during Covenantor's employment or association with Franchisee, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of Franchisee's WE SELL RESTAURANTS® franchised business or of other franchisees in the WE SELL RESTAURANTS® system to any competitor, by direct or indirect inducement or otherwise, or

(ii) participate as an owner, partner, director, officer, employee, consultant, or agent or serve in any other capacity in any We Sell Restaurants business substantially similar to the Franchisee's WE SELL RESTAURANTS® franchised business ("Competitive Business").

**b.** In further consideration for the disclosure to Covenantor of the Confidential Information and to protect the goodwill and unique qualities of the System, Covenantor further agrees and covenants that, upon the termination of Covenantor's employment or association with Franchisee and continuing for twenty-four (24) months thereafter, Covenantor shall not, for Covenantor or through, on behalf of or in conjunction with any person or entity:

(i) divert, or attempt to divert, any business or customer of Franchisee's WE SELL RESTAURANTS® franchised business or of other franchisees in the WE SELL RESTAURANTS® system to any competitor, by direct or indirect inducement or otherwise, or,

(ii) participate as an owner, partner, director, officer, employee, consultant or agent or serve in any other capacity in any restaurant real estate and restaurant property business within one hundred (100) miles outside of the boundaries of the Franchisee's Territory or within one hundred (100) miles of any We Sell Restaurants affiliate-owned or franchised business.

c. The parties acknowledge and agree that each of the covenants contained herein are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor.

d. If the period of time or the geographic scope specified Section 2.b. above, should be adjudged unreasonable in any proceeding, then the period of time will be reduced by such number of months or the geographic scope will be reduced by the elimination of such portion thereof, or both, so that such restrictions may be enforced for such time and scope as are adjudged to be reasonable. In addition, Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement or any portion thereof, without Covenantor's or Franchisee's consent, effective immediately upon receipt by Covenantor of written notice thereof, and Covenantor agrees to forthwith comply with any covenant as so modified.

### **3. General.**

a. Franchisee shall take full responsibility for ensuring that Covenantor acts as required by this Agreement.

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

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

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

e. THIS AGREEMENT SHALL BE INTERPRETED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF FLORIDA. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF OR HERSELF TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF FLORIDA. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON COVENANTOR IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY THE LAWS OF SUCH STATE OR FEDERAL LAW.

COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN THE STATE OF FLORIDA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION THAT INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE THAT HAS JURISDICTION.

**f.** The parties agree that each of the foregoing covenants contained herein shall be construed as independent of any other covenant or provision of this Agreement.

**g.** Covenantor acknowledges and agrees that each of the covenants contained herein will not impose any undue hardship on Covenantor since Covenantor has other considerable skills, experience and education which affords Covenantor the opportunity to derive income from other endeavors.

**h.** This Agreement contains the entire agreement of the parties regarding the subject matter hereof. This Agreement may be modified only by a duly authorized writing executed by all parties.

**i.** All notices and demands required to be given hereunder shall be in writing and shall be delivered personally or by certified or registered mail, postage prepaid, addressed to the party for whom it intended, and shall be deemed given on the date of delivery or the date delivery is refused. All such notices shall be addressed to the party to be notified at the following addresses:

If directed to Franchisee:

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

If directed to Covenantor:

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

Any change in the foregoing addresses shall be effected by giving written notice of such change to the other parties.

**j.** Franchisor is an intended third-party beneficiary of this Agreement, and Franchisor may take whatever action it deems necessary to enforce Covenantor's obligations hereunder. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and shall inure to the benefit of its respective affiliates, successors and assigns.

**k.** The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor, without the prior written consent of Franchisor.

[Signatures on following page.]

The undersigned have entered into this Confidentiality and Non-Compete Agreement as witnessed by their signatures below.

FRANCHISEE (Entity):

\_\_\_\_\_

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

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

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

COVENANTOR:

\_\_\_\_\_

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

**ATTACHMENT H  
TO FRANCHISE AGREEMENT**

**REAL ESTATE BROKER RIDER TO THE  
WE SELL RESTAURANTS FRANCHISE AGREEMENT**

\_\_\_\_\_ is the broker of record for  
\_\_\_\_\_ (franchise company) and  
\_\_\_\_\_ (personally), a franchisee of We Sell Restaurants.

Broker agrees that the franchisor, WSR Franchise LLC and We Sell Restaurants retains ownership rights to listings generated under the franchise brand using its systems, tools, and marketing resources.

In the event of a transfer, sale, or termination of a franchise agreement with the party listed above, the broker agrees and covenants to immediately transfer all the listings to the franchisor, their affiliates, or a successor franchisee.

They further agree to facilitate an orderly transition of the business, upon five business days' notice.

The broker of record waives all rights to any listings generated under the We Sell Restaurants name. They agree they are not a party to closings, commissions, or earnings associated with these listings and shall upon notice promptly transfer all listings to the franchisor, their affiliates, or a successor franchisee.

In accordance with the franchise agreement for \_\_\_\_\_ (legal entity) DBA We Sell Restaurants in this market, and \_\_\_\_\_, a franchisee, of We Sell Restaurants, the broker agrees to maintain Errors and Omissions Insurance for his firm. In addition, the broker agrees that \_\_\_\_\_, the franchisee of We Sell Restaurants is required to maintain in full force Errors and Omissions Insurance, naming WSR Franchise, LLC and We Sell Restaurants as additional insured.

Should the broker receive any of the following, then We Sell Restaurants shall receive notice of same including:

- Notice of non-payment for errors and omissions insurance
- Claims against their errors and omissions insurance
- Demand letters from any parties
- Complaints to the Real Estate Commission
- Notice or correspondence from the real estate commission for the licensed agent
- Notice of audit by the state real estate commission

WSR Franchise, LLC should receive notice at the following address:

6 Meridian Home Lane, Suite 101  
Palm Coast, FL 32137

Signature: \_\_\_\_\_  
Broker of Record

Signature: \_\_\_\_\_  
Franchisee Personally

Signature: \_\_\_\_\_  
Franchise Company

**ATTACHMENT I  
TO FRANCHISE AGREEMENT**

**PROVISIONS APPLICABLE TO SBA FINANCING**

For the purpose of Franchisee's application for funding from a lender in which funding is provided with the assistance of the U. S. Small Business Administration (the "SBA"), and at all times that the SBA has an interest in any SBA-assisted financing provided to Franchisee, Franchisor and Franchisee agree as follows:

1. With respect to a partial interest in the Franchised Business, Franchisor may exercise its option to purchase or its right of first refusal only if the proposed transferee is not a current owner or family member of a current owner of Franchisee.

2. If Franchisor's consent is required for any transfer (full or partial) of the Franchised Business, Franchisor will not unreasonably withhold such consent.

3. If Franchisee owns the real estate where the Franchised Business operates, Franchisee will not be required to sell the real estate upon default or termination of the Franchise Agreement, but Franchisee may be required to lease the real estate for the remainder of the Term (excluding additional renewals) for fair market value.

4. If Franchisee owns the real estate where the Franchised Business operates, Franchisor has not and will not during the Term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental indemnification, control or use restrictions. If any such restrictions are currently recorded against Franchisee's real estate, they must be removed in order for Franchisee to obtain SBA financial assistance.

5. If Franchisee owns the real estate where the Franchised Business operates, the right of Franchisor to assume Franchisee's lease has not and will not during the Term of the Franchise Agreement be recorded against the real estate and may not include any attornment language unless it is subordinated to any SBA financial assistance.

6. For other than regularly scheduled payments and payments otherwise authorized in the Franchise Agreement, Franchisor does not have the authority to unilaterally share, commingle, or withdraw funds from Franchisee's bank account.

7. The Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business. Meaningful oversight includes the authority to:

- i. Approve the annual budget of the Franchised Business;
- ii. Have control over the bank accounts of the Franchised Business; AND
- iii. Have oversight over the employees operating the Franchised Business (who must be employees of Franchisee).

Franchisee agrees that the Franchise Agreement does not prevent Franchisee from having meaningful oversight over the operations of the Franchised Business by requiring Franchisee to comply with quality, marketing, and operations standards that govern Franchisee's use of Franchisor's System.



**EXHIBIT C**

**WSR FRANCHISE, LLC**

**FRANCHISED OUTLETS AS OF 12/31/2024**

## EXHIBIT C

### LIST OF FRANCHISEES AS OF 12/31/2024

#### ALABAMA

Jim Brocious  
7 Sabine Drive  
Pensacola Beach, FL 32561  
(850) 982-0323

Ken Eisenband (owns 2 franchises)  
9858 Glades Road, Suite D-3, #106  
Boca Raton, Florida 33434  
(561) 350-3365

Jim Brocious  
7 Sabine Drive  
Pensacola Beach, FL 32561

#### ARIZONA

Mike Smith  
2925 East Riggs Rd Suite 8-242  
Chandler, AZ 85249  
(480) 586-6918

April Greenwood  
346 19<sup>th</sup> Street  
Atlantic Beach, FL 32034

Brittney Gates  
19 Sand Wedge Ln.  
Bunnell, FL 32110

Doreen Gorman  
4108 E. Desert Forest Trail  
Cave Creek, AZ 85331  
(909) 578-7524

Tarun Gajwani  
1030 SW 113th Ave,  
Pembroke Pines, FL, 33025

Tim Martin  
7865 West Bell Road #1047  
Peoria, AZ 85382  
(623) 692 - 4486

Jose Torres  
1305 San Ignacion Ave.  
Coral Gables, FL 33146  
(786) 890-4170

#### COLORADO

Jeff Marcus  
1437 N. Denver Ave., #228  
Loveland, CO 80538  
(970) 373-8205

David Whitcomb  
2217 Royal Lane  
Naples, FL 34112  
(239) 300-5041

Austin Luke  
1405 Kingsley Ave.  
Orange Park, FL 32073  
(904) 310-4332

#### FLORIDA

Don Mason  
2840 West Bay Dr #128  
Belleair Bluffs, FL 33770  
727-470-8423

Debra Sawyer (owns 3 franchises)  
8390 Tavistock Lakes Blvd.  
(407) 450-2548

Michael & Abby Spizzirri

5406 Aloha Dr.  
St. Pete Beach, FL 33706

Chris Holmes  
2910 Kerry Forrest Pkwy.  
Ste. D4-110  
Tallahassee, FL 32309

Miriam Ferioli  
614 Hwy 50  
Box 419  
Clermont, FL 34711

Ted Tallman  
9562 Camp Dr.  
Lake Worth, FL 33467  
(561) 714 - 7260

### **GEORIGIA**

Jeff & Kim Heidt (owns 2 franchises)  
124 Lakestone Pkwy.  
Woodstock, GA 30188  
(770) 366-4063

Chris Holmes  
2910 Kerry Forrest Pkwy.  
Ste. D4-110  
Tallahassee, FL 32309

Nick Pourhassan  
1932 Briar Pond Way  
Marietta, GA 30066  
(334) 657-6827

Paul Rogers  
604 Laurel Bend  
Canton, GA 30114  
(770) 876-2958

Robert Klaus  
80 Moreland Heights Dr.  
Hartwell, GA 30643  
(770) 883 – 0960

### **INDIANA**

Ernie and Lori Kurtock  
176 W Logan Street #300  
Noblesville, IN 46060  
(317) 903 – 9146

### **KANSAS**

Tony Miceli  
705 B SE Melody Lane #187  
Lee's Summit, MO 64063  
(816) 810-1400

### **MICHIGAN**

Gary and Mike Elle  
57234 Suffield Dr.  
Washington, MI 48094  
(586) 219-5867

### **MINNESOTA**

Scott Ruby  
181840 Zane Street, #332  
Elk River, Minnesota 55330  
(612) 352-8718

### **MISSOURI**

Tony Miceli  
705 B SE Melody Lane #187  
Lee's Summit, MO 64063  
(816) 810-1400

### **NORTH CAROLINA**

Justin Scotto (owns 3 franchises)  
531 Brentwood Road Suite 234  
Denver, NC 28037  
(704) 609-4460

Paul Peterson  
1181 Gloriosa St.  
Apex, NC 27523  
(984) 884-7522

### **RHODE ISLAND**

Damian Santoro  
1800 Mendon Rd Suite E334  
Cumberland. RI 02864  
(401) 777-7355

### **SOUTH CAROLINA**

Emily Benedict  
3 Gamecock Avenue, Unit 308  
Charleston, SC 29407  
(843) 633-6433

Justin Scotto (owns 3 franchises)  
531 Brentwood Road Suite 234  
Denver, NC 28037  
(704) 609-4460  
Mark Dame  
646 Rycola Cir.  
Surfside Beach, SC 29575  
(518) 572-7434

### **TENNESSEE**

Taylor Clemmer (owns 2 franchises)  
7113 Charlotte Pike, Apt. 129  
Nashville, TN 37209  
(228) 219 - 2518

### **TEXAS**

David Duce  
4610 Cedar Point Drive  
Austin, Texas 78723  
(512) 773-5272

Stan Blair  
6080 S. Hulen Street  
STE 360, PMB 182  
Fort Worth, TX 76132  
(303) 905-0179

Bill Krassner/Mike McCown (owns 2 franchises)  
15806 Belmar Heights Dr.  
Cypress, TX 77429  
(512) 577 - 0075

### **VIRGINIA**

Don Williams  
4026 Wards Road Unit G1, #216  
Lynchburg, VA 24502  
(540) 425-1958

### **WISCONSIN**

Travis Kuehl  
533 Bascom Hill Dr.  
Baraboo, WI 5313  
(608) 459-0208

**FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT OPEN AS OF 12/13/2024**

**INDIANA**

Eric and Bobbi Erwin  
18938 Edwards Grove Drive  
Noblesville, IN 46062  
(317) 447-5749

**LIST OF FORMER FRANCHISEES AS OF 12/31/2024**

**NEW YORK**

Mike Kelly  
P.O. Box 1167  
Smithtown, NY 11787

John Jordan  
10940 S. Parker Road, #742  
Parker, Colorado 80134  
(720) 427-5822



## **EXHIBIT D**

**WSR FRANCHISE, LLC**

### **LIST OF STATE AGENCIES AND AGENTS FOR SERVICE OF PROCESS**

## EXHIBIT D

### AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

<b>State</b>	<b>State Agency</b>	<b>Agent for Service of Process</b>
MINNESOTA	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, State Capitol, 14 <sup>th</sup> Floor, Department 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin



## **EXHIBIT E**

### **WSR FRANCHISE, LLC**

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**EXHIBIT F**

**WSR FRANCHISE, LLC**

**GENERAL RELEASE**

**EXHIBIT F**

**GENERAL RELEASE**

This release (the "Release") is given this day of \_\_\_\_\_ by \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_ ("Franchisee") and \_\_\_\_\_'s principals \_\_\_\_\_, an individual residing at \_\_\_\_\_ and ("Principal(s)").

Franchisee and Principal(s), on behalf of themselves and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the "Franchisee Releasors"), hereby release, discharge and hold harmless WSR Franchise, LLC ("Franchisor") and Franchisor's parents, subsidiaries, affiliates, officers, directors, members, shareholders, employees, agents, attorneys, successors, and assigns (collectively, the "Franchisor Releasees") from any suits, claims, controversies, rights, promises, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected arising under, relating to, or in connection with the Franchise Agreement dated \_\_\_\_\_ between Franchisee and Franchisor and any related agreements and the relationship created thereby, or the Franchised Business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such Franchised Business or under any federal or state franchise or unfair or deceptive trade practice laws, which any of the Franchisee Releasors now own or hold or have at any time heretofore owned or held against the Franchisor Releasees (collectively, the "Franchisee Released Claims").

FRANCHISEE AND PRINCIPAL(S) ON BEHALF OF THEMSELVES AND THE FRANCHISEE RELEASORS WAIVE ANY RIGHTS AND BENEFITS CONFERRED BY ANY APPLICABLE PROVISION OF LAW EXISTING UNDER ANY FEDERAL, STATE OR POLITICAL SUBDIVISION THEREOF WHICH WOULD INVALIDATE ALL OR ANY PORTION OF THE RELEASE CONTAINED HEREIN BECAUSE SUCH RELEASE MAY EXTEND TO CLAIMS WHICH THE FRANCHISEE RELEASORS DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF EXECUTION OF THIS AGREEMENT. The Franchisee Releasors also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasees with respect to any Franchisee Released Claim, and Franchisee and Principal(s) shall defend, indemnify and hold harmless each of Franchisor Releasees against same.

Release given this day of \_\_\_\_\_ by:

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)



**EXHIBIT G**

**WSR FRANCHISE, LLC**

**STATE ADDENDA TO  
FRANCHISE DISCLOSURE DOCUMENT  
AND FRANCHISE AGREEMENT**

## EXHIBIT G

### STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

#### ILLINOIS

Illinois law governs the Agreements. 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.

Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.

Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with the compensation requirements.

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 a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

#### INDIANA

Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise, unless there is a material violation of the Franchise Agreement and termination is not in bad faith. Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Trade Practices Law, I.C. 23-2-2.5.

The post-term covenants against competition in the Franchise Agreement may not be enforceable under Indiana law.

Item 8 of the Disclosure Document is amended to provide that we will promptly account for and transmit to franchisees in Indiana any revenues or other benefit received as a result of any required purchases from approved suppliers by Indiana franchisees. We may, however, obtain a rebate, or other benefits, as compensation for services rendered by us, which may include without limitation, efforts in negotiating, establishing and maintaining group purchasing and supplier arrangements.

The risk factors on the cover page state that Alabama law governs the franchise agreement. This provision will not apply with respect to any cause of action which otherwise is enforceable in the State of Indiana pursuant to the Indiana Franchise Law and the Indiana Deceptive Franchise Practices Act.

To the extent any Item of this Disclosure Document conflicts with Indiana Code 23-2-2.5 and 2.7, such Indiana statutes govern.

Each section above in this addendum will be effective only if (and then to the extent) that the jurisdictional requirements of the Indiana Franchise Law and the Indiana Deceptive Franchise Practices Act are independently met (i.e., by facts and not simply by referencing this addendum).

### **MARYLAND**

1. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following language:

The general releases required for renewal or transfer will not apply with respect to any claim you may have which arises under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language to the summary of Provision “h”:

Termination upon bankruptcy may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101 et seq.

3. Exhibit N, “Statement of Franchisee,” shall be amended by the addition of the following at the end of Exhibit N:

The representations under this Franchisee Compliance Certification are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. Each provision of this addendum to the disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this addendum to the disclosure document.

5. 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.

### **MINNESOTA**

1. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subds. 3, 4, and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
2. Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
3. The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
4. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
5. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.
6. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.
7. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

### **MICHIGAN**

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 OR AREA DEVELOPMENT 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 PROVISIONS OF THE FRANCHISE AGREEMENT OR AREA DEVELOPMENT 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 FRANCHISED 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 FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

\* \* \* \*

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

\* \* \* \*

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE 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 NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN DEPARTMENT OF COMMERCE, CORPORATION AND SECURITIES BUREAU, 6546 MERCANTILE WAY, P.O. BOX 30222, LANSING, MICHIGAN 48910.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE  
CONSUMER PROTECTION DIVISION  
ATTN: FRANCHISE  
670 G. MENNEN WILLIAMS BUILDING  
LANSING, MICHIGAN 48913

NOTE: NOTWITHSTANDING PARAGRAPH (F) ABOVE, WE INTEND TO, AND YOU AGREE THAT WE AND YOU WILL, ENFORCE FULLY THE PROVISIONS OF THE ARBITRATION SECTION OF OUR AGREEMENTS. WE BELIEVE THAT PARAGRAPH (F) IS UNCONSTITUTIONAL AND CANNOT PRECLUDE US FROM ENFORCING THE ARBITRATION PROVISIONS.

**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 SOURCES OF 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 THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. 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 WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard 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, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“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; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“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.

### **RHODE ISLAND**

Item 17, "Renewal, Termination, Transfer and Dispute Resolution," for both the Franchise Agreement shall be amended by the addition of the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

This addendum to the Disclosure Document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this addendum to the Disclosure

### **VIRGINIA**

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”, as defined in the Virginia Retail Franchising Act or the laws of Virginia, or to use undue influence to induce a franchisee to surrender any right given to them under the franchise agreement.

If any ground for default or termination stated in a provision of the franchise agreement does not constitute “reasonable cause”, the provision may not be enforceable.

If any provision of the franchise agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to them under the franchise, the provision may not be enforceable.

### **WISCONSIN**

The Wisconsin Fair Dealership Law, Chapter 135, Wisconsin statutes supersedes any provision of this disclosure document that is inconsistent with that law.

Wisconsin Law [Stat. Section 135.04] may supersede the Franchise Agreement in your relationship with us in the areas of termination and renewal.

Each provision of this addendum to the disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Fair Dealership Law, Chapter 135, are met independently without reference to this addendum to the disclosure document.

**STATE LAW ADDENDA TO FRANCHISE AGREEMENT**

The following modifications are to the WSR FRANCHISE, LLC Franchise Agreement supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement dated \_\_\_\_\_, 20\_\_.

**ILLINOIS**

Illinois law governs the Agreements. 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.

Section 19 of the Illinois Franchise Disclosure Act sets forth the conditions and notice requirements for termination of a franchise agreement.

Section 20 of the Illinois Franchise Disclosure Act sets forth the conditions of non-renewal of a franchise agreement, along with the compensation requirements.

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 a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of a Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ACKNOWLEDGMENT:**

It is agreed that the applicable foregoing state law addendum, supersedes any inconsistent portion of the Franchise Agreement dated the day of \_\_\_\_\_, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

DATED this day of \_\_\_\_\_.

FRANCHISOR:  
WSR FRANCHISE, LLC

FRANCHISEE:  
\_\_\_\_\_

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

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

## INDIANA

Pursuant to Indiana Code 23-2-2.7-1, it is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any of the following provisions:

Section (1): Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or service or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

Section (4): Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

Section (5): Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by this chapter or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subdivision does not apply to arbitration before an independent arbitrator.

Section (7): Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subdivision includes any material violation of the franchise agreement.

Section (10): Limiting litigation brought for breach of the agreement in any manner whatsoever.

Pursuant to Indiana Code 23-2-2.7-2, it is unlawful for any franchise agreement entered into between any franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana to contain any of the following provisions:

Section (3): Denying the surviving spouse, heirs, or estate of a deceased franchisee the opportunity to participate in the ownership of the franchise under a valid franchise agreement for a reasonable time after the death of the franchisee, provided that the surviving spouse, heirs, or estate maintains all standards and obligations of the franchise.

Section (6): Obtaining money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

## **MARYLAND**

Notwithstanding anything to the contrary stated in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of Maryland:

1. Section 16(7), under the heading "Assignment," is amended by adding the following language at the end of the section:

The general release required as a condition of assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 21(1) of the Agreement, under the heading "Miscellaneous," is amended by the addition of the following:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Article 22 of the Agreement, under the heading "Acknowledgments," shall be amended by the following:

The foregoing acknowledgments are not intended to, nor shall they, act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

4. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

5. Each provision of this amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

6. 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.

## **NEW YORK**

Notwithstanding anything to the contrary stated in the Franchise Agreement, the following provisions will supersede and apply to all franchises offered and sold in the State of New York:

1. Article 1(13) of the Franchise Agreement is revised to add the following:  
“The Operations Manual, and any additions, deletions or revisions thereto, will not alter Franchisee’s right and obligations hereunder nor unreasonably increase Franchisee’s obligations or place an excessive economic burden on Franchisee’s operations.”
2. Articles 4(4)1 and 16(7)3 of the Franchise Agreement are amended to add the following language immediately following the requirement that Franchisee sign a General Release:  
  
“Provided, however, that all rights Franchisee enjoys and any causes of action arising in Franchisee’s favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL, Section 687.4 and 687.5 be satisfied.”
3. Nothing in the Franchise Agreement should be considered a waiver of any right conferred upon you by New York General Business Law, Sections 680-695.

## **RHODE ISLAND**

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties to the attached WSR Franchise, LLC Franchise Agreement (the "Agreement") agree as follows:

1. Section 17 of the Agreement, under the heading “Enforcement,” shall be amended by the addition of the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. This amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this amendment.

## **VIRGINIA**

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”, as defined in the Virginia Retail

Franchising Act or the laws of Virginia, or to use undue influence to induce a franchisee to surrender any right given to them under the franchise agreement.

If any ground for default or termination stated in a provision of the franchise agreement does not constitute “reasonable cause”, the provision may not be enforceable.

If any provision of the franchise agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to them under the franchise, the provision may not be enforceable.

### **WISCONSIN**

The Wisconsin Fair Dealership Law, Chapter 135, Wisconsin statutes supersedes any provision of this disclosure document that is inconsistent with that law.

Wisconsin Law [Stat. Section 135.04] may supersede the Franchise Agreement in your relationship with us in the areas of termination and renewal.

Each provision of this addendum to the disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Fair Dealership Law, Chapter 135, are met independently without reference to this addendum to the disclosure document.

***Signatures on following page.***

**ACKNOWLEDGMENT:**

It is agreed that the applicable foregoing state law addendum, supersedes any inconsistent portion of the Franchise Agreement dated the day of \_\_\_\_\_, but only to the extent they are then valid requirements of an applicable and enforceable state law, and for only so long as such state law remains in effect.

DATED this day of \_\_\_\_\_.

FRANCHISOR:  
WSR FRANCHISE, LLC

FRANCHISEE:  
\_\_\_\_\_

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

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



## **EXHIBIT H**

**WSF FRANCHISE, LLC**

# **FRANCHISEE ACKNOWLEDGEMENT STATEMENT**

**\*Do not sign this Acknowledgment Statement if you are a resident of Maryland or the business is to be operated in Maryland.**

**\*NOT FOR USE IN MARYLAND**

**WE SELL RESTAURANTS ACKNOWLEDGEMENT STATEMENT**

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

**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.**

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee may experience as a franchisee under this Agreement.

\_\_\_\_\_  
Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

\_\_\_\_\_  
Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

\_\_\_\_\_  
Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are

made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

\_\_\_\_\_  
Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

\_\_\_\_\_  
Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation, or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

\_\_\_\_\_  
Initial

7. Franchisee acknowledges that it has received the WSR Franchise, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

\_\_\_\_\_  
Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants, and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

\_\_\_\_\_  
Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

\_\_\_\_\_  
Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

\_\_\_\_\_  
Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not

warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

\_\_\_\_\_  
Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE WSR FRANCHISE, LLC, WSR HOLDINGS, LLC, WE SELL RESTAURANTS, INC., AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY FRANCHISEE.

\_\_\_\_\_  
Initial

FRANCHISEE:

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_

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

\_\_\_\_\_

(Print Name)

\_\_\_\_\_  
(Print Name, Title)

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

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

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_

(Print Name)

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



## **EXHIBIT I**

**WSR FRANCHISE, LLC**

**STATE EFFECTIVE DATES**

## STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Franchise Disclosure Document is registered, on file or exempt from registrations in the following states having franchise disclosure laws, with the following effective dates:

<u>STATE</u>	<u>EFFECTIVE DATE</u>
Illinois	PENDING
Indiana	PENDING
Maryland	PENDING
New York	PENDING
Rhode Island	PENDING
Virginia	PENDING
Wisconsin	PENDING

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.



## **EXHIBIT J**

**WSR FRANCHISE, LLC**

## **RECEIPTS**

**RECEIPT**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If WSR Franchise, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If WSR Franchise, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and to your state authority listed on Exhibit D.

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

Eric Gagnon 6 Meridian Home Lane, Suite 101, Palm Coast, Florida 32137 404-800-6700		
--	--	--

Issuance Date: April 29, 2025

I received a Disclosure Document dated \_\_\_\_\_, that included the following Exhibits:

- Exhibit A: Financial Statements
- Exhibit B: Franchise Agreement
- Exhibit C: Franchised Outlets
- Exhibit D: List of State Agencies and Agents for Service
- Exhibit E: Operations Manual Table of Contents
- Exhibit F: General Release
- Exhibit G: State Law Addenda
- Exhibit H: Franchisee Acknowledgement Statement
- Exhibit I: State Effective Dates
- Exhibit J: Receipt

Date Received: \_\_\_\_\_  
(If other than date signed)

DATE: \_\_\_\_\_

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

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

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

Please return signed receipt to WSR Franchise, LLC  
6 Meridian Home Lane, Suite 101  
Palm Coast, Florida 32137

**RECEIPT**

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If WSR Franchise, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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- Exhibit F: General Release
- Exhibit G: State Law Addenda
- Exhibit H: Franchisee Acknowledgement Statement
- Exhibit I: State Effective Dates
- Exhibit J: Receipt

Date Received: \_\_\_\_\_  
(If other than date signed)

DATE: \_\_\_\_\_

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

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

City, State: \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

**KEEP FOR YOUR RECORDS**