

**ADDENDUM TO THE ~~FRANCHISE DISCLOSURE~~ FRANCHISE DISCLOSURE
DOCUMENT
FOR THE STATE OF MICHIGAN**

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in the franchise documents, the provisions are void and cannot be enforced against you to the extent required by law:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least six 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

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U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local departments of health and other agencies have laws and regulations concerning the preparation of food and sanitary conditions of restaurants. State and local agencies routinely conduct inspections for compliance with these requirements. Under the Clean Air Act and state implementing laws, certain state and local areas are required to obtain, by applicable statutory guidelines, national quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation. You will need to understand and comply with these laws in operating the Restaurant. There may be other laws applicable to your business. We urge you to make further inquiries about these laws.

Except for the sale of System franchises and the license to Reef Kitchens as discussed above and limited past and present operation of a few System restaurants from time-to-time, Escape has no other prior business experience, has never conducted a business of the type to be franchised, has not previously offered franchises for the same type of business as those offered under this Franchise Disclosure Document and has never offered franchises in other lines of business. Escape has no business activities other than selling System franchises. Certain Escape affiliates, managers, officers and employees have experience in the business, both as owners of or investors in restaurants operating under the System and with other systems as described in this Franchise Disclosure Document. Neither Escape nor any of its affiliates offer franchises in any other line of business.

Escape may, in its sole discretion, offer to developers the opportunity to enter into Development Agreements with Escape for development and the grant of exclusive rights to open and operate restaurants in a particular territory through separate Franchise Agreements for reduced initial franchise fees in consideration of the developer's agreement to open and operate a specific number of restaurants within the territory, subject to a development schedule. For the first unit under the Development Agreement, a developer will sign the Franchise Agreement attached as an exhibit to this disclosure document. Upon establishing each additional outlet under the Development Agreement, a developer may be required to sign a then current franchise agreement, which may differ from the current franchise agreement included within this Franchise Disclosure Document.

ITEM 2

BUSINESS EXPERIENCE

Director, Chairman and Treasurer: Kennard Miller Smith

Mr. Smith has been serving as a Director, Chairman and Treasurer since June, 1983.

Interim President: Kyle Turner

Mr. Turner has been serving as our Interim President since March 5, 2025. He has also been serving as a Director of Buccelli Holdings, LLC d/b/a Hoggy's, in Columbus, Ohio, since January 2017.

Note 3: A typical in-line strip center restaurant is between 1,000 and 2,000 square feet. Your rent will vary depending on such factors as the actual square footage, condition, desirability of the location and overall condition and requirements of the center.

Note 4: The estimate given is for a 1,500 square foot leased location and may not be relevant to other types of locations. Factors that may significantly affect the costs of leasehold improvements and new construction include (a) the condition of the existing space, (b) the nature of the previous tenant, if any, (c) the configuration of the space, (d) local code requirements and (e) the geographic location of the restaurant. This estimate does not include any site improvements, *i.e.*, parking lot paving, lights, trash enclosure, landscaping or any addition to the existing building.

Note 5: This estimate covers the cost of standard kitchen equipment, furniture and fixtures, other than an exhaust package. The estimate may not cover all equipment required by law, local regulations or your lease, if leasing. Additional equipment may be required resulting in substantial additional costs to you. The estimate does not include the cost of transporting equipment from the supplier to the restaurant. The cost of transportation will vary with the distance over which equipment must be shipped, the method of shipping, the weight of equipment and other factors and cannot be estimated with any accuracy.

Note 6: This estimate covers the cost of exterior signs. Actual costs may vary depending on landlord requirements and local sign ordinances regarding the size and permitted use of certain signs.

Note 7: In addition to the POS system and related hardware, there may be either a subscription fee or a support contract that may vary, depending on how many terminals you purchase and services elected or required. These fees can range from \$100 - \$400 per month.

Note 8: This estimate covers your cost of securing architectural and/or engineering services to convert Escape’s design drawings into construction plans suitable for permitting and securing construction cost estimates for your restaurant. The amount may vary from region to region, depending on local building codes and ordinances.

Note 9: You must spend a minimum amount on advertising, based on your Gross Sales. (See Item 11.) This estimate does not reflect such minimum requirement but only the actual amount anticipated for pre-opening advertising.

Note 10: These expenses include payroll costs and anticipated post-opening advertising expenses but do not include rent, which varies too greatly to be estimated with any accuracy, nor royalty fees or marketing fund fees payable to Escape since those are dependent upon Gross Sales, which Escape cannot predict. Escape has based its estimate of necessary additional funds on the experience of its affiliates which own and operate restaurants and also on the experience of its franchisees.

Note 11: These figures are estimates and Escape cannot guarantee that you will not have additional expenses. ~~While Escape relied on its experience in compiling these estimates, you should review these figures carefully with a business advisor before making any decision to purchase.~~

YOUR ESTIMATED INITIAL INVESTMENT – DEVELOPMENT AGREEMENT

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee (See Note 1)	\$65,000	\$100,000	Lump Sum	At signing of Development Agreement	Franchisor See Note 1 and Item 5.

Initial Investment (for 1 st Unit) (See Note 2)	\$239,500	\$828,500	Varies.	Varies.	Varies.
TOTAL	\$304,500	\$928,500			See Note 2.

Note 1: The amounts listed in this row represent the total amounts due as the Development Fee for the number of units indicated. The minimum number of units required to be opened under a Development Agreement is three (3) units, and is reflected in the “Low Amount”; the “High Amount” reflects a development of five (5) units.

Note 2: Please refer to the Item 7 Table for the Estimated Initial Investment for a single unit franchise for the expenses associated with opening a Steak Escape Business under a Franchise Agreement pursuant to a Development Agreement. Note that this row does not include all of the Initial Franchise Fee for the three (3) franchise units or the five (5) franchise units, respectively, as part of such fee is included in the first row of this chart and is what comprises the Development Fee.

Competitive conditions described in Item 1 will affect these costs. This estimate of startup costs is calculated for a period of three (3) months (except as stated otherwise), with additional operating capital to be available as may be needed during the initial phase. These costs do not include your Royalty fee and Marketing Fund fees which begin immediately after the opening of your restaurant. These costs should be included in your projections of overall operations costs beginning with your first month of operation. We acknowledge that you may choose to invest additional funds into your business during the first three (3) months of operation, and sometimes longer.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

All food and beverage ingredients, products, equipment, software, computer and POS systems, marketing and advertising materials and all paper and other goods bearing the STEAK ESCAPE SANDWICH GRILL or other proprietary designation purchased for the restaurant must conform to Escape’s specifications and standards, which will be provided to you, and must be purchased from approved suppliers, if these suppliers are so designated. The cost of these items, purchased in accordance with Escape’s specifications, will represent approximately 72% of your total purchases for the establishment of your business, and 95% of your total purchases for the establishment and operation of your restaurant. Generally, product specifications are included in the *STEAK ESCAPE® Management Development Guide* and equipment specifications are located on the System website or provided by Escape’s design and construction department. Neither Escape nor its affiliates are the only approved supplier for marketing materials. A list of approved suppliers is provided by our Purchasing Department during initial training. Approved suppliers receive the specifications directly from Escape. These specifications include standards for quality, taste, design, appearance and performance. Escape may, by notice to you, issue additional specifications or alter existing specifications for these items and add or delete approved suppliers. Escape does not provide material benefits to franchisees based upon a franchisee’s purchase of particular products or services, or use of particular supplies, nor make any express or implied warranties about any items recommended for your use.

If you want to purchase or lease equipment, supplies, products or services from a supplier that has not been approved by Escape, Escape may require you to reimburse our expenses to visit the proposed supplier and submit specifications, drawings, photographs, samples and other relevant information for examination or testing. Escape reviews proposed suppliers of various products based on factors like the utility of the product, quality of the product, capability of the supplier, compatibility with Escape's established distribution system and other relevant factors. Escape's criteria for supplier approval are available to franchisees. Other than the reimbursement of our expenses in reviewing a potential supplier, there is no fee to apply for approval of a new supplier. You must present Escape with information about the proposed supplier and a prototype of the product to be supplied. Escape will approve or disapprove a proposed supplier within 60 days of receipt of the prototype and all requested information. Escape and its affiliates are not approved suppliers of any goods or services except for marketing materials discussed in Item 11. No officer of Escape owns an interest in any approved supplier.

We use our best efforts to negotiate special purchase arrangements (such as pricing terms) with suppliers for approved products for the benefit of franchisees. However, some suppliers provide additional assistance in the form of payments to us based on sales made or direct contributions. In 2024, Escape's total revenue was approximately \$1,066,937.00 and Escape received rebates and contributions of approximately \$109,308.28 (approximately ~~9.76~~10.25% of total revenues) from certain suppliers, all of which was based on amounts of purchases by all franchisees of the System on a contribution per gallon, per case or per pound basis, as applicable. Escape applied all such rebates and contributions to the marketing fund, and to the provision of training and support materials for franchisees. Escape does not maintain a purchasing or distribution cooperative for its franchisees. Escape has established national pricing programs with certain suppliers who provide the sale of certain goods to its franchisees within certain guidelines. You are encouraged, but not required to purchase from approved suppliers with national pricing programs. However, you may purchase from an alternative supplier if it meets our specifications and has been approved by Escape.

You must purchase a POS system and related software as specified periodically for your restaurant as discussed in Item 11. The POS systems must be purchased from the current approved POS vendor of Escape.

Insurance. Before you open your restaurant and at all times thereafter, you shall maintain the insurance that may be required by the terms of any lease for the Restaurant premises and, in addition, you agree to carry the following insurance:

(i) Commercial Liability Insurance under a comprehensive general liability form that includes coverage for bodily injury and property damage on an occurrence basis with coverage that includes product/completed operations with policy limits of at least \$1,000,000 primary and \$2,000,000 umbrella/excess liability.

(ii) Employer's Liability Insurance and Worker's Compensation with coverage equal to the greater of (a) \$100,000; or (b) the amount required by law in the state in which your Restaurant is located. This coverage shall be in effect for all of your employees who participate in the training program referred to in Section 6.A of this Agreement.

which it may distribute at cost and other materials from an approved supplier that are provided at a nominal cost. You must buy these materials only from Escape's approved suppliers. You must not produce or use your own advertising materials without Escape's prior consent. Historically, Escape has used print advertising distributed at the point of sale and, on a limited basis, radio, direct mail, internet and newspaper advertising. Escape does not currently maintain an advertising council composed of franchisees to advise Escape on advertising policies. You have no right to engage in mail order, telemarketing, internet marketing or other direct marketing activities.

The Franchise Agreement does not require Escape to spend any amount on advertising in your area or territory. Escape currently maintains a marketing fund which it uses to provide marketing assistance and materials. In addition to franchisees, Escape encourages its suppliers to contribute to the fund. Escape has also in the past made discretionary contributions to the fund. Currently, new franchisees, including affiliates of Escape, must contribute to the fund at the same rate although the rate is different for mall and non-mall outlets. However, franchisees that have earlier agreements may have different rates of contributions to the marketing fund. Escape administers the marketing fund. In 2024, 46% of the fund's payments were spent on production, 0% on a portion of the salary of Escape's marketing personnel, 0% for new restaurant opening promotion and 24% on other administrative expenses. In 2024, none of the total advertising expenditures from the marketing fund were used for soliciting new franchise sales. Any marketing fund fees not spent in the year accrued are rolled forward and used in the following years.

We administer the fund, which is not audited. Fund contributions are not used to sell additional franchises. We will prepare an annual unaudited statement of monies collected and costs incurred by the fund and furnish it to you upon written request. All financial statements will be available one hundred and twenty (120) days after the end of our fiscal year. We reserve the right not to spend all of the amounts in the fund in any one (1) year and such funds may be accrued into the next year.

You must follow additional advertising requirements. Specifically, you must spend at least two percent of your Gross Sales on local and regional advertising, on a monthly basis. Advertising expenditures which will be credited against your local marketing expenditure requirement include: (a) amounts paid to advertising cooperatives, as discussed, below; (b) print and internet advertising expenditures; and (c) amounts spent for advertising media, including television, radio, newspaper, billboards, posters, direct mail, promotional items and advertising on public vehicles (transit and aerial); and, if not provided by Escape, the cost of producing approved materials necessary to participate in these media. Advertising expenditures to be credited against your local advertising expenditure requirement do not include amounts spent for items which Escape, in its reasonable judgment, deems inappropriate for meeting the minimum advertising requirement. Although no advertising cooperatives currently exist, at Escape's option, you may be required to join local, regional and/or national advertising cooperatives with other franchisees and possibly contribute additional amounts (up to 4% of Gross Sales) towards the activities of these cooperatives, which amounts will be credited towards your local marketing expenditure requirement, discussed above. Escape is not required to contribute to any cooperatives for its company owned stores, but intends to do so if any are established inclusive of such territories. Escape reserves the right to form, change, dissolve or merge any such

advertising cooperatives but currently intends to create such cooperatives only at the request of the majority of franchisees in the applicable market.

You must purchase and may use only our specified model of POS system in your restaurant. The POS system costs between \$3,500 and \$15,000. These machines provide both cash register and sales polling functions. In addition to processing customer transactions, the POS systems collect sales information (including products sold and times of sale). There are no contractual limits on Escape's rights to access your information via this equipment and software and you agree Escape shall have independent access to your information through your POS system. The POS system will require you to have internet access via high speed connectivity and a computer on site that will provide capability for Escape to communicate electronically with the location via e-mail. You must purchase the POS systems from a vendor approved by us. The POS systems must be programmed, configured and operated in accordance with Escape's specifications. Escape may require you to update or change your POS system equipment and any related software during your operation of the restaurant, such cost to be at your expense. There are no contractual limitations on the cost or frequency of this obligation.

In addition to the costs of the POS system and related equipment, you will also be required to acquire related software. Currently, necessary software is included in the initial cost of the POS system. However, in the future you may be required to acquire additional software. This could result in additional licensing, service and other fees estimated to range from \$100 to \$200 per month, depending upon services elected or required, in addition to service fees if you require additional technical assistance. (Franchise Agreement, Section 5.B(ii) and Section 5.I.)

The typical length of time between the earlier of the signing of the Franchise Agreement or your first payment of any consideration for the franchise and the opening of a restaurant is approximately two to six months. This period may vary in the case of a particular restaurant depending on its venue, the length of time necessary to negotiate your lease or otherwise acquire your site, obtain financing and building permits, complete construction of the restaurant, ship products and equipment, and other factors unique to a particular restaurant.

ITEM 12

TERRITORY

You will not receive an exclusive territory, nor a minimum territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Escape may establish other franchised, company-owned or affiliated outlets that may compete with your location, regardless of their proximity to your restaurant. Your franchise will be granted either for a specific location or for a location to be determined, subject to Escape's approval. Escape is not required to compensate you for a franchisee conducting business near to you. You must operate only from your approved location and must receive Escape's permission before relocating. Escape has no obligation to approve any relocation of your location. Historically Escape has approved relocation in the case of severe economic shift in the local trade area and if the landlord refuses to renew the restaurant lease. Upon any approved relocation, you will be required to pay a relocation fee of 50% of the then current Initial Franchise Fee, sign the then current form of

Franchise Agreement which will provide for a renewal term of ten years to begin upon the relocation, and pay a renewal fee as described in Item 6. The renewal fee will be prorated to reflect any years left in your then current franchise term at the time of relocation. You do not receive the right to acquire additional franchises. You have no right to engage in direct sales of products, whether through mail order, telemarketing, Internet marketing or other direct marketing activities either within or without any territory. If you violate these obligations, Escape may sue you for damages. Escape and its affiliates retain the right, in their sole discretion and without granting any rights to you, to themselves sell, or grant others the right to sell, the products and services authorized for sale at the restaurant, through other channels of distribution (including mail order, telemarketing, the Internet marketing or other direct marketing or distribution activities), under Escape's trademarks or otherwise, on terms and conditions as Escape may deem appropriate. Escape is not required to pay any compensation to you for soliciting or accepting orders near to your outlet (as you will not receive a minimum nor exclusive territory). You are not restricted from soliciting or accepting orders from consumers in any geography.

~~You will not receive an exclusive territory, nor a minimum territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.~~ Escape and its affiliates do not currently, nor have any plans, to operate or conduct a business similar to that being offered under this Franchise Disclosure Document.

Escape may, in its sole discretion, offer to you the opportunity to enter into Development Agreements and become a "developer" with Escape by granting you exclusive rights to open and operate multiple restaurants in a particular territory for reduced initial franchise fees in consideration of you, as developer, agreeing to develop, open and operate, through separate Franchise Agreements, a specific number of restaurants within the territory, under a development schedule. Escape is not obligated to offer you the opportunity to enter into a Development Agreement. We will evaluate each proposed future site under the Development Agreement as set forth in Item 11 utilizing our then current standards for site selection. Any particular territory granted will be subject to negotiation; there is no guaranteed minimum territory for Development Agreements. Upon signing a Development Agreement, you, as developer, must pay Escape a nonrefundable fee in the amount of \$65,000 (for a three unit development) or \$100,000 (for a five unit development). Concessions granted to developer during the term of a Development Agreement, including the right to exclusive territory, generally do not survive after development is complete. If you fail to meet your obligations under a Development Agreement, including your failure to open the minimum number of restaurants required on schedule or to continue operating the minimum number of restaurants required, we may terminate the Development Agreement, keep any remaining portion of the development fee paid, restrict you from opening additional restaurants, and revoke your exclusivity rights. If you enter into a Development Agreement, your Principal Owners (as defined in the Franchise Agreement) and their spouses must sign a Guaranty Agreement in which they assume and agree to honor all obligations of the developer under the Development Agreement. In addition, if the Franchise Agreement is signed by an affiliate of developer, as permitted under the Development Agreement, the developer and its Principal Owners and their spouses must also sign a Guaranty Agreement to assume and agree to honor all obligations of the franchisee under the affiliate's Franchise Agreement. For Escape's form of Development Agreement and related Development Agreement Guaranty, see

Exhibits B-3 and B-4. For our form of Franchise Agreement and related Franchise Agreement Guaranty, see Exhibits B-1 and B-2. The continuation of a developer’s territorial exclusivity does not depend on achieving a certain sales volume, market penetration, or other contingency. However, if the franchisee fails to meet the requirements set forth in the development agreement regarding the development schedule, the franchisor may terminate the development agreement. The termination of the development agreement also permits Escape to terminate all franchise agreements with the developer.

ITEM 13

TRADEMARKS

All rights in Escape’s trademarks are owned by Escape. Escape may change its trademarks and you must use the new or modified trademarks exclusively, all at your expense. By “trademarks” Escape means trade names, trademarks, service marks and logos used in the operation of your restaurant. Under the Franchise Agreement, Escape grants to you the right to operate a restaurant under the name “STEAK ESCAPE SANDWICH GRILL” or a variation designated by Escape. The following is a listing of the System’s principal trademarks. All trademarks registered with the United States Patent and Trademark Office (“**Trademark Office**”) are registered on the principal register. All affidavits of use due to be filed to maintain these registrations have been timely filed to date. Escape has also registered, or has registration applications pending, for certain marks in various foreign countries, including Canada and Mexico.

Mark	Registered with Trademark Office	Date of Registration	Registration Number	Initial or Renewal Term
STEAK ESCAPE	Yes	10/06/98	2,193,800	Renewal
STEAK ESCAPE SANDWICH (Add) 	Yes	12/30/14	4,662,608	Renewal

You must follow Escape’s rules when you use these trademarks. You may not use Escape’s marks for the sale of an unauthorized product or service or in a manner not authorized by Escape. There are no agreements currently in effect that significantly limit the rights of Escape to use or license the use of its trademarks in any material manner. Escape is not obligated to protect any of its or your rights to use the trademarks, service marks or other commercial symbols of Escape nor to protect, indemnify or defend you against claims respecting any of Escape’s trademarks. Escape knows of no superior prior rights or infringing uses that could materially affect your use of Escape’s principal trademarks. You must notify Escape of any infringement of or challenge to your use of any of Escape’s trademarks and Escape will have sole discretion to take any action or no action as it deems appropriate. Escape has the right to control any administrative proceedings or litigation involving a trademark licensed to you.

**EXHIBIT B-1
ESCAPE ENTERPRISES, LTD.
FRANCHISE AGREEMENT**

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- A Miscellaneous Information
- B Restaurant Opening Date
- C Franchisee Ownership
- D Permission Form
- E Conditional Assignment of Lease

(iv) You provide us a copy of your lease, sublease, or other written evidence satisfactory to us that you maintain in good standing a right to occupy the Restaurant premises for at least five years from the anticipated renewal date;

(v) Before the beginning of your renewal term, you, at your sole cost and expense, complete or undertake to complete remodeling, repairs, replacements, and redecoration as we may require, in our sole discretion, to cause your Restaurant, including the equipment, fixtures, furnishings, and furniture, to conform to our design, operation, equipment, structural, sign, graphic, and other applicable standard requirements at the time that you exercise your renewal option;

(vi) You, or a representative approved in writing by us, and all supervisory personnel at your Restaurant, attend and satisfactorily complete any retraining or refresher training program that we may require in our sole discretion; and

(vii) You pay our renewal fee concurrently with your execution of the Franchise Agreement referenced in Section 4.B(iii). For timing of renewals, see Section 4.B(i) and **Exhibit B**. The renewal fee shall equal 50% of the current System standard initial franchise fee charged to new franchisees.

C. Death, Etc. We may elect to terminate your Agreement on the death, insanity, or appointment of a conservator or guardian of the person or estate of: (i) any Franchisee, if Franchisee is one or more individuals, or (ii) any Principal Owner of Franchisee if Franchisee is not an individual, unless the successor to Franchisee or to the interest of any Principal Owner of Franchisee complies with the terms and conditions in Section 8.B. If you reimburse our reasonable, out-of-pocket costs incurred in connection with this event, you do not have to pay the transfer fee listed in Section 8.B.

5. FRANCHISE AND ROYALTY FEES; INTEREST.

A. Initial Franchise Fee. You must pay us an initial franchise fee of \$25,000 in immediately available funds, (e.g., wire transfer, certified funds, or as otherwise directed by us) when you sign the Agreement unless otherwise provided in the applicable Development Agreement. The initial franchise fee is non-refundable.

B. Royalty Fees.

(i) For each calendar month during this Agreement, you must pay us the monthly royalty fee listed in **Exhibit A** or, if applicable, the monthly royalty fee equal to the percentage of Gross Sales listed in the Development Agreement, provided a Development Agreement is in effect. If the Development Agreement expires or is terminated for any reason, you shall pay the standard royalty fees charged for new franchisees under the current Franchise Agreement. Your payment is due, and you must pay us the payment which must be received by us on or before the close of business on the 15th day after the end of each month. We may establish payment systems, as we deem appropriate, for the timely payment of royalty fees and any other payments due in this Agreement, including debit payment programs, credit card payment programs, or electronic fund transfer programs. You must cooperate with us in

**EXHIBIT B-3
ESCAPE ENTERPRISES, LTD.
DEVELOPMENT AGREEMENT**

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- B Ownership
- C Existing Restaurant Operations Excluded from Sections 12.A & B

EXHIBIT C-4

STATE ADDENDUM: MARYLAND

RIDER TO FRANCHISE DISCLOSURE DOCUMENT

~~1. Items 17(u) and (v) are amended to provide that, despite the requirement of the Franchise Agreement and Franchise Development Agreement that litigation arising thereunder must be brought in the State of Ohio, lawsuits may be brought in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law to the extent required by such law.~~

21. The following language is added to Items 17(c) and (m): Any general release to be delivered by Franchisee upon renewal or assignment of the Franchise Agreement, or any other agreement which you may enter into with Escape, shall not include a release of Franchisor's obligations under Maryland Franchise Registration and Disclosure Law to the extent that such law then restricts such release.

32. The following language is added to Item 17(h): The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

3. Items 17(u) and (v) are amended to provide that, despite the requirement of the Franchise Agreement and Franchise Development Agreement that litigation arising thereunder must be brought in the State of Ohio, lawsuits may be brought in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law to the extent required by such law. Furthermore, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the Franchise.

4. 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 in connection with the franchise.

5. Attached is a copy of Escape's current form of general release referenced in the Franchise Disclosure Document.

1.4 Applicable Law. The following language is added to Section 14.G (iv) of the Agreement:

To the extent required by Maryland law, Ohio law shall not apply.

1.5 Forum. Notwithstanding the requirement of the Agreement in Section 14.G(ii) that litigation arising thereunder must be brought in the State of Ohio, lawsuits may be brought in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

1.6 Claims Limitations. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the Franchise.

1.7 ~~1.6~~ Section 12. Representations. Section 12 of the Agreement is hereby deleted in its entirety.

1.8 ~~1.7~~ 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 in connection with the franchise.

2. Supplemental Agreement. This Addendum is hereby made supplemental to and as part of the Agreement. All of the terms and provisions of the Agreement, as amended above, shall remain in full force and effect from and after the date first above written, as the same may be later amended, supplemented or otherwise modified from time to time.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum.

ESCAPE ENTERPRISES, LTD., by
Escape Enterprises, Inc., Manager

[*FRANCHISEE*]

By: _____
Name: Kennard M. Smith
Its: Chairman

By: _____
Name: _____
Its: _____

MARYLAND ADDENDUM TO DEVELOPMENT AGREEMENT

THIS MARYLAND ADDENDUM TO DEVELOPMENT AGREEMENT (the “Addendum”) is made as of the ___ day of _____, 20__, at Columbus, Ohio between **ESCAPE ENTERPRISES, LTD.**, an Ohio limited liability company, with headquarters located at 1099 Sullivant Avenue, Columbus, Ohio 43223 (“EEL”), and _____, a _____ (“Developer”), to that certain Development Agreement dated as of even date herewith (the “Agreement”).

WITNESSETH

WHEREAS, pursuant to the Agreement, Developer has obtained from EEL the right to develop certain restaurants; and

WHEREAS, the laws of the state of Maryland require the execution of this Addendum in connection with the execution of the Agreement;

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows:

1. Amendment. The terms of the Agreement are hereby amended as follows:

1.1 Consent. The following language is added to Section 11.A(ii)(c) of the Agreement:

except that such release may exclude any matters the release of which is restricted by then applicable Maryland Franchise Registration and Disclosure Law. The general release required as a condition of renewal and transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

1.2 Section 22. Representations by Developer. Section 22 of the Agreement is hereby deleted in its entirety.

1.3 Forum. Notwithstanding the requirement in Subsections 18B and D of the Agreement that litigation arising thereunder must be brought in the State of Ohio, lawsuits may be brought in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

1.4 Claims Limitations. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the Franchise.

~~1.4~~ 1.4 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 in connection with the franchise.

EXHIBIT C-11

STATE ADDENDUM: WASHINGTON

RIDER TO FRANCHISE DISCLOSURE DOCUMENT – WASHINGTON

1. Item 5. The following is added to Item 5 of the Franchise Disclosure Document:

Franchisor may change its fee schedule for Franchisees located in the State of Washington at some time in the future by an amendment to this Franchise Disclosure Document or by specific permission from the State of Washington pursuant to applicable law. If Franchisor determines that its expenses in establishing a particular Steak Escape Sandwich Grill franchise outside of the State of Washington will be significantly lower than the currently anticipated average expense, Franchisor may, in its discretion, waive or modify the Initial Franchise Fee.

2. Item 6. The following is added to certain remarks in Item 476 of the Franchise Disclosure Document:

- (i) Transfer and Training. Transfer fees are subject to state law.
- (ii) Liquidated Damages. In the event there are fewer than 24 months remaining in the Franchise Agreement, the franchisee will pay a lessor amount.

3. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

4. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

5. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

6. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

7. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

8. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

9. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

10. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

11. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

12. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

13. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

14. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

15. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

16. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

17. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Special Provisions for Washington Franchisors. Notwithstanding anything to the contrary set forth herein, Section 19.100.180 of the Washington Franchise Investment Act currently:

~~(i) Prohibits any person from refusing to renew the franchise without fairly compensating Franchisee for the fair market value, at the time of expiration of the franchise, of Franchisee's inventory, supplies, equipment and furnishings purchased from Franchisor, and good will, exclusive of personalized materials which have no value to Franchisor, and inventory, supplies, equipment and furnishings not reasonably required in the conduct of the franchise business; provided, that compensation need not be made to Franchisee for good will if (a) Franchisee has been given one year's notice of nonrenewal and (b) Franchisor agrees in writing not to enforce any covenant which restrains Franchisee from competing with Franchisor; provided further, that Franchisor may offset against amounts owed to Franchisee under this subsection any amounts owed by Franchisee to Franchisor.~~

~~(ii) Prohibits any person from terminating the franchise prior to the expiration of its term except for good cause. For this purpose, good cause includes, without limitation, the failure of Franchisee to comply with lawful material provisions of the Franchise Agreement or other agreement between Franchisor and Franchisee and to cure such default after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such default, or if such default cannot reasonably be cured within 30 days, the failure of Franchisee to initiate within 30 days substantial and continuing action to cure such default; provided, that after three willful and material breaches of the same term of the Franchise Agreement occurring within a 12-month period, for which the Franchisee has been given notice and an opportunity to cure as provided in the Act, Franchisor may terminate the Franchise Agreement upon any subsequent willful and material breach of the same term within the 12-month period without providing notice or opportunity to cure; provided further, that Franchisor may terminate the franchise without giving prior notice or opportunity to cure a default if Franchisee: (1) is adjudicated a bankrupt or insolvent; (2) makes an assignment for the benefit of creditors or similar disposition of the assets of the franchise business; (3) voluntarily abandons the franchise business; or (4) is convicted of or pleads guilty or no contest to a charge of violating any law relating to the franchise business. Upon termination for good cause, Franchisor shall purchase from Franchisee at a fair market value at the time of termination, Franchisee's inventory and supplies exclusive of (A) personalized materials which have no value to Franchisor; (B) inventory and supplies not reasonably required in the conduct of the franchise business, and (C) if Franchisee is to retain control of the premises of the franchise business, any inventory and supplies not purchased from Franchisor or on its express requirement; provided, that Franchisor may~~

~~offset against amounts owed to Franchisee under the Act any amounts owed by Franchisee to Franchisor.~~

18. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

19. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

20. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

21. ~~3.~~ Attached is a copy of Escape’s current form of general release referenced in the Franchise Disclosure Document. Any release to be signed by a franchise or developer will not apply to claims arising under the Washington Franchise Investment Production Act. RCW 19.100 and the rules adopted thereunder.

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT

THIS WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT (the “Addendum”) is made as of the ___ day of _____, 20__, at Columbus, Ohio between **ESCAPE ENTERPRISES, LTD.**, an Ohio limited liability company, with headquarters located at 1099 Sullivant Avenue, Columbus, Ohio 43223 (“Franchisor”), and _____, a _____ (“Franchisee”), to that certain Franchise Agreement dated as of even date herewith (the “Agreement”).

WITNESSETH

WHEREAS, pursuant to the Agreement, Franchisee has obtained from Franchisor the right to operate a restaurant franchise at _____ (the “Restaurant”); and

WHEREAS, the laws of the state of Washington require the execution of this Addendum in connection with the execution of the Agreement;

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows:

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

~~1. Notice. The State of Washington has a statute, RCW 19.100.180, which may supersede the Agreement in your relationship with Franchisor, including the areas of termination and renewal of the Agreement. There may also be court decisions which may supersede the Agreement, including the areas of termination and renewal of the Agreement.~~

2. Amendment. The terms of the Agreement are hereby amended as follows:

3. ~~2.1~~ Site of Arbitration or litigation, Mediation, and/or Litigation. In any arbitration or ~~litigation~~ mediation involving a franchise purchased in Washington, the arbitration or ~~litigation~~ mediation site ~~shall~~ will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator:

~~2.2~~ or mediator at the time ~~Conflict of Laws.~~ In the event of a conflict of laws, the provisions of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW ~~shall prevail in~~ Washington.

4. 2.3 General Release. A release or waiver ~~of~~ of rights executed by in the franchise agreement or related agreements purporting to bind the franchisee shall not include rights to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel., in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. ~~Provisions such as those, which~~ contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. 2.4 Transfer Fees. Transfer fees are collectable only to the extent that they reflect the ~~Franchisor's~~ franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict

liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. ~~2.5 Non-Competition~~ Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any ~~provisions~~ provision contained in the franchise agreement or elsewhere that ~~conflict~~ conflicts with these limitations ~~are~~ is void and unenforceable in Washington.

15. ~~2.6 Non-Solicitation Covenants~~ Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Section 12 Representations. Section 12 of the Agreement is hereby deleted in its

entirety.

20. ~~3.~~ Supplemental Agreement. This Addendum is hereby made supplemental to and as part of the Agreement. All of the terms and provisions of the Agreement, as amended above, shall remain in full force and effect from and after the date first above written, as the same may be later amended, supplemented or otherwise modified from time to time.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum.

ESCAPE ENTERPRISES, LTD., by
Escape Enterprises, Inc., Manager

[FRANCHISEE]

By: _____
Name: Kennard M. Smith
Its: Chairman

By: _____
Name: _____
Its: _____

WASHINGTON ADDENDUM TO DEVELOPMENT AGREEMENT

THIS WASHINGTON ADDENDUM TO DEVELOPMENT AGREEMENT (the “Addendum”) is made as of the ___ day of _____, 20__, at Columbus, Ohio between **ESCAPE ENTERPRISES, LTD.**, an Ohio limited liability company, with headquarters located at 1099 Sullivant Avenue, Columbus, Ohio 43223 (“EEL”), and _____, a _____ (“Developer”), to that certain Development Agreement dated as of even date herewith (the “Agreement”).

WITNESSETH

WHEREAS, pursuant to the Agreement, Developer has obtained from EEL the right to develop Franchised Units (as defined in the Agreement); and

WHEREAS, the laws of the state of Washington require the execution of this Addendum in connection with the execution of the Agreement;

NOW THEREFORE, in consideration of the mutual covenants herein contained, it is hereby agreed as follows:

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

~~1. Notice. The State of Washington has a statute, RCW 19.100.180, which may supersede the Agreement in your relationship with EEL, including the areas of termination and renewal of the Agreement. There may also be court decisions which may supersede the Agreement, including the areas of termination and renewal of the Agreement.~~

2. Amendment. The terms of the Agreement are hereby amended as follows:

3. ~~2.1~~ Site of Arbitration, Mediation, and/or Litigation. In any arbitration or ~~litigation~~ mediation involving Franchised Units developed ~~a~~ a franchise purchased in Washington, the arbitration or ~~litigation~~ mediation site ~~shall~~ will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator:

~~2.2~~ or mediator at the time ~~Conflict of Laws. In the event of a conflict of laws, the provisions of~~ arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act,

Chapter 19.100 RCW shall prevail in Washington.

4. 2.3-General Release. A release or waiver of rights executed by a Developer shall not include rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel., in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions such as those, which contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. 2.4-Transfer Fees. Transfer fees are collectable only to the extent that they reflect EEL's the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for

losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

~~2.5 Non-Competition Covenants~~

~~2.6 Non-Solicitation Covenants~~

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Section 22 Representations by Developer. Section 22 of the Agreement is hereby deleted in its entirety.

20. ~~3.~~ Supplemental Agreement. This Addendum is hereby made supplemental to and as part of the Agreement. All of the terms and provisions of the Agreement, as amended above, shall remain in full force and effect from and after the date first above written, as the same may be later amended, supplemented or otherwise modified from time to time.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum.

ESCAPE ENTERPRISES, LTD., by
Escape Enterprises, Inc., Manager

[DEVELOPER]

By: _____
Name: Kennard M. Smith
Its: Chairman

By: _____
Name: _____
Its: _____

GENERAL RELEASE³

THIS GENERAL RELEASE (the “Release”) is entered into as of the ___ day of _____, 20__ by _____, a _____ (“Franchisee”), for the benefit of **ESCAPE ENTERPRISES, LTD.**, an Ohio limited liability company (“Franchisor”).

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement dated _____ (the “Franchise Agreement”) pursuant to which Franchisee was granted a franchise to operate a **STEAK ESCAPE®** Restaurant at _____ (the “Restaurant”); and

[***WHEREAS**, Franchisee wishes to assign its right under the Franchise Agreement (the “Assignment”) to _____ (the “Assignee”); and*]

/OR/

[***WHEREAS**, the initial term of the Franchise Agreement is expiring and Franchisee, pursuant to the terms of the Franchise Agreement, wishes to renew it right to operate the Restaurant (the “Renewal”) for and addition term; and*]

WHEREAS, Franchisor is willing to consent to the [*Assignment/Renewal*]; provided, however, that Franchisee first executes this Release, as contemplated by the Franchise Agreement;

NOW THEREFORE, in consideration of the mutual covenants herein contained and the acts to be performed by the prospective parties hereto, it is agreed as follows:

Section 1 Release. Franchisee, for itself and its heirs, legal representatives, successors, assigns and affiliates, hereby generally releases and forever discharges Franchisor and its predecessors in interest (if any) and its and their officers, members and managers, employees, directors, agents, stockholders and affiliates, and their respective heirs, legal representatives, successors and assigns, from all claims, causes of action (whether in law or in equity), agreements, covenants, damages and obligations whatsoever, whether or not now or hereafter known, suspected or claimed, which it or they ever had or now have, or which it or they or any of their successors or assigns hereafter shall or may have or allege, upon or by reason of any matter whatsoever existing or occurring prior to the date hereof with respect to the Franchise Agreement or the Restaurant to the maximum extent permitted under applicable law.

Section 2 Termination of Franchise Agreement. Effective upon the latest to occur of (a) the payment by Franchisee to Franchisor of the [*transfer/renewal*] fee referred to in the Franchise Agreement and of any royalties or other amounts then payable under the Franchise Agreement; (b) the effective date of the [*Assignment/Renewal*]; or (c) the execution

³ Any release to be signed by a franchise or developer will not apply to claims arising under the Washington Franchise Investment Production Act. RCW 19,100 and the rules adopted thereunder.

EXHIBIT I

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 document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

STATE	EFFECTIVE DATE
California	Not Registered <u>Pending</u>
Florida	Not Registered
Hawaii	Not Registered
Illinois	04/15/2024 <u>04/15/2025</u>
Indiana	Not Registered <u>Pending</u>
Maryland	Not Registered <u>Pending</u>
Michigan	Not Registered <u>06/21/2025</u>
Minnesota	Not Registered <u>06/03/2025</u>
New York	Not Registered <u>06/26/2025</u>
North Carolina	04/15/2025
North Dakota	05/13/2025
Rhode Island	04/03/2025
South Dakota	Not Registered <u>05/14/2025</u>
Utah	04/17/2025
Virginia	Not Registered <u>Pending</u>
Washington	Not Registered <u>Pending</u>
Wisconsin	Not Registered <u>05/14/2025</u>

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.