

FRANCHISE DISCLOSURE DOCUMENT



Smalls Sliders Franchising LLC
a Georgia limited liability company
7000 Central Parkway, Suite 1100
Atlanta, Georgia 30328
Phone: (504) 723-0362
www.smallssliders.com

E-mail: richard.levaille@smallssliders.com

We offer franchises for the operation of a “Smalls Sliders Restaurant” that offers a limited menu of made-to-order sliders, fries, sauces, milkshakes, beverages and other ancillary food products that we authorize from time to time.

The total investment necessary to begin operations of a Smalls Sliders Restaurant is ~~\$1,274,223~~\$1,297,825 to ~~\$1,778,006~~\$1,993,734. This includes ~~\$50,000~~\$52,500 that must be paid to us or our affiliate(s).

If you purchase the development rights to own multiple Smalls Sliders Restaurants, you also must pay us a development fee of \$15,000 multiplied by the number of Smalls Sliders Restaurants (excluding the first) that you must open. For example, if you purchase the right to own 5 Smalls Sliders Restaurants, your development fee would be \$60,000, excluding the Initial Franchise Fee for your first Restaurant. The total investment necessary to acquire development rights for 2 to 5 additional Smalls Sliders Restaurant is ~~\$1,289,223~~\$1,312,825 to ~~\$1,838,006~~\$2,053,734. This includes ~~\$65,000~~\$67,500 to ~~\$125,000~~\$112,500 that must be paid to us or our affiliate(s).

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 Richard Leveille at 7000 Central Parkway, Suite 1100, Atlanta, Georgia 30328 and (504) 723-0362.

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

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

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

ISSUANCE DATE:

~~April 29, 2024, as amended November 1, 2024~~

May 8, 2025

Smalls Sliders Franchising LLC Final FDD
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STATE COVER PAGE

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or <u>Exhibit I</u> .
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 <u>Exhibit F</u> 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 Smalls Sliders Restaurant business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Smalls Sliders Restaurant franchisee?	Item 20 or <u>Exhibit I</u> list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise

opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This Franchise*

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation in the city in which the franchisor's then current principal business address is located (currently, Atlanta, Georgia). Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in the city in which franchisor's then current principal business address is located (currently Atlanta, Georgia) than in your own state.
2. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
3. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.
4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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.

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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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

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.

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.

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.

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.

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.

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:

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

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

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

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.

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).

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa St.
P.O. Box 30212
Lansing, MI 48909
(517) 373-7117

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TABLE OF CONTENTS

<u>ITEM</u>		<u>PAGE</u>
ITEM 1	THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES	1
ITEM 2	BUSINESS EXPERIENCE	3
ITEM 3	LITIGATION	5
ITEM 4	BANKRUPTCY	5
ITEM 5	INITIAL FEES	5
ITEM 6	OTHER FEES	76
ITEM 7	ESTIMATED INITIAL INVESTMENT	1312
ITEM 8	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	15
ITEM 9	FRANCHISEE’S OBLIGATIONS	18
ITEM 10	FINANCING	2019
ITEM 11	FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	2019
ITEM 12	TERRITORY	3029
ITEM 13	TRADEMARKS	3231
ITEM 14	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	34
ITEM 15	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	35
ITEM 16	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	3635
ITEM 17	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	36
ITEM 18	PUBLIC FIGURES	4241
ITEM 19	FINANCIAL PERFORMANCE REPRESENTATIONS	4341
ITEM 20	OUTLETS AND FRANCHISEE INFORMATION	4543
ITEM 21	FINANCIAL STATEMENTS	4746
ITEM 22	CONTRACTS	4846
ITEM 23	RECEIPTS	4846

LIST OF EXHIBITS

Exhibit A	List of State Administrators
Exhibit B	List of State Agents for Service of Process
Exhibit C	Franchise Agreement
Exhibit D	Development Rights Rider
Exhibit E	State Addenda to Franchise Agreement
Exhibit F	Financial Statements
Exhibit G	Table of Contents Brand Standards Manual
Exhibit H	Sample Form of General Release
Exhibit I	Lists of Current and Former Franchise Owners
Exhibit J	Franchise Owner Disclosure Questionnaire
Exhibit K	State Addenda to Disclosure Document

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

The franchisor is Smalls Sliders Franchising LLC (“we,” “us,” or “our”). “You” means the individual or entity that buys the franchise. If you are a corporation, partnership, limited liability company, or other entity, your owners must sign our “Guaranty and Assumption of Obligations,” which means that all of the provisions of the Franchise Agreement (a form of which is attached as Exhibit C) also will apply to your owners.

The Franchisor

We are a Georgia limited liability company originally formed in Louisiana on June 22, 2021. On December 19, 2023, we converted to a Georgia limited liability company. Our principal business address is 7000 Central Parkway, Suite 1100, Atlanta, Georgia 30328. We operate under our legal name, the name “Smalls Sliders” and no other name. If we have an agent in your state for service of process, we disclose that agent’s name and address in Exhibit B. We have not previously operated Smalls Sliders Restaurants and have not engaged in any other line of business. We began offering Smalls Sliders Restaurant franchises in July 2021.

Our Parent

Our parent company is Smalls Holding, LLC (“Smalls Holding”), ~~a Georgia limited liability company originally formed in Louisiana on August 24, 2018. On December 1, 2023, Smalls Holding converted to a Georgia limited liability company.~~ Smalls Holding does not provide products or services to franchise owners of Smalls Sliders Restaurants. Smalls Holding’s principal business address is 7000 Central Parkway, Suite 1100, Atlanta, Georgia 30328.

Our Affiliates

Our affiliate, Smalls Sliders IP, LLC (“Smalls IP”), owns and licenses the use of the Marks to us. Smalls IP’s principal business address is 7000 Central Parkway, Suite 1100, Atlanta, Georgia 30328. Smalls IP has never operated a Smalls Sliders Restaurant, has never offered franchises of any type, and has no other business activities.

Our affiliate, Smalls Sliders Gift Cards LLC (“Smalls Gift Cards”), will administer our gift card program. Smalls Gift Cards’ principal business address is 7000 Central Parkway, Suite 1100, Atlanta, Georgia 30328. Smalls Gift Cards has never operated a Smalls Sliders Restaurant, has never offered franchises of any type, and has no other business activities.

Our Predecessor

We do not have any predecessors.

The Smalls Sliders Restaurant Franchise

We grant franchises for businesses operating under the “Smalls Sliders” name and other trademarks, trade names, service marks, and commercial symbols (collectively, the “Marks”). For reference purposes in this Disclosure Document, we collectively refer to all businesses using the System (defined below) and the Marks as “Smalls Sliders Restaurants,” and we call the Smalls Sliders Restaurant

that you will operate your “Restaurant.” Smalls Sliders Restaurants offer made-to-order sliders, fries, sauces, milkshakes, beverages and other ancillary food products that we may authorize (collectively, “Menu Items”) using the Marks and the System (defined below).

Smalls Sliders Restaurants use our business formats, methods, procedures, signs, designs, layouts, standards, Menu Items, specifications and Marks (the “System”), all of which we may improve, further develop or otherwise modify. Menu Items are prepared according to our specified recipes and procedures and use high quality ingredients, including all food and beverage items, ingredients, condiments and other products, services and equipment that now comprise, or in the future may comprise, part of the System or our trade secrets, that are developed by and are proprietary to us or our affiliates (collectively, the “Proprietary Products”). If you acquire a franchise, you must operate your Restaurant according to the System. Your Restaurant will be operated from a site we accept located at the principal business address listed on Exhibit B of the Franchise Agreement (the “Premises”). Unless we otherwise pre-approve in writing, Smalls Sliders Restaurants must be dual lane modular drive-thru restaurants that are manufactured, shipped and installed on the Premises.

You must operate your Restaurant in compliance with the System and as stated in the Franchise Agreement and our confidential Brand Standards Manual, which consists of the materials we generally furnish to franchisees for use in the operation of Smalls Sliders Restaurants (the “Brand Standards Manual”). The Brand Standards Manual includes a physical manual and all other written, electronic, video, and audio recorded policies, procedures, techniques, memos, bulletins, newsletter, forms, guidelines, and other materials we ~~prepared~~prepare in connection with the System or to assist you in the operation of your Restaurant. Your Restaurant must meet our specifications as to exterior and interior decor, furniture and logos, and equipment. Your Restaurant must have the managers and personnel in sufficient numbers as necessary to promptly, efficiently and effectively service customers.

Development Rights

We also may grant multi-unit development rights to qualified franchise owners, who then will have the right to develop a minimum of 2 Smalls Sliders Restaurants within a defined area (the “Development Area”) over a specific time period or according to a pre-determined development schedule (the “Development Schedule”). These franchise owners may open and operate Smalls Sliders Restaurants directly or through controlled affiliates. Each Smalls Sliders Restaurant will be constructed and operated under a Franchise Agreement. The Franchise Agreement for the first Smalls Sliders Restaurant developed by those to whom we grant multi-unit development rights will be in the form attached to this disclosure document as Exhibit C. The Franchise Agreement for each additional Smalls Sliders Restaurant developed thereafter will be in the form of the Franchise Agreement we generally offer to new franchisees at that time, which may have materially different terms than the Franchise Agreement included in this offering. Our Development Rights Rider to the Franchise Agreement is attached as Exhibit D.

Market and Competition

The market for sliders, fries and shakes is well developed and intensely competitive. There are many single location restaurants, regional and national restaurant systems currently offering menu items similar to the menu items we offer under the System, although we believe we have a unique format and presentation in the restaurant segment featuring our Menu Items. You will also compete with other fast casual and quick service restaurants that serve customers at a counter. Competition for qualified

management and supervisors, skilled labor and unskilled labor for the restaurant industry is significant, which may cause labor costs to be higher than average. The supply of suitable restaurant space for lease in suitable locations is limited and is subject to increasing demand from other restaurant concepts and non-restaurant retailers.

Industry Laws and Regulations

You must comply with existing laws, regulations, and ordinances that apply generally to all businesses, such as the Americans with Disabilities Act, federal wage and hour laws and state law equivalents, the Affordable Care Act, the Occupational Safety and Health Act, anti-terrorism and anti-corruption laws (such as the Patriot Act and the Foreign Corrupt Practices Act), and data protection and privacy laws (such as credit card protection under the U.S. Fair and Accurate Credit Transactions Act, or “FACTA”). You are solely responsible for complying with all applicable laws, and for obtaining and maintaining all necessary licenses and permits required by public authorities. You should investigate these laws that may apply to the food and beverage industry and to all businesses in general.

Because your Restaurant serves food and beverages, you also must comply with all existing regulations concerning food service, nutrition, calorie content, and other federal or state regulations that apply specifically to the food and beverage service industry. For example, the Environmental Protection Agency, U.S. Food and Drug Administration, the U.S. Department of Agriculture, as well as state and local environmental and health departments and other agencies, have laws and regulations concerning the preparation of food and sanitary conditions of food and beverage establishments. State and local agencies may periodically conduct inspections for compliance with these requirements. Under the federal Clean Air Act and certain state laws, you may be required to comply with applicable statutory guidelines, such as localized quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of these laws impose limits on emissions resulting from commercial food preparation.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer: ~~Maria Rivera~~ Charles L. Wason

~~Maria Rivera has served as Chief Executive Officer for Smalls Holdings, LLC (parent company) since November 2022. Before joining us, she served as President, Krispy Kreme US at Krispy Kreme Doughnut Corp. from January 2022 until October 2022. During her time with Krispy Kreme, Maria also served as Chief Operating Officer from September 2018 to January 2022, as Vice President of U.S. and Canada Retail Operations from September 2016 to September 2018. While working with Krispy Kreme, Maria was located in Winston-Salem, North Carolina and Charlotte, North Carolina. Maria is based in Atlanta, Georgia.~~

Chief Financial Officer: Dan Hurwitz

Dan Hurwitz

Charles Watson became our Chief ~~Financial~~Executive Officer in ~~September 2024~~April 2025. From ~~February 2024 to September 2024~~, Dan was on sabbatical. ~~Dan~~December 2018 to November 2024, Charles was the Chief ~~Financial~~Executive Officer of Philz Coffee in Oakland, California from April 2022 to January 2024. From March 2020 to March 2023, Dan was the Vice President, Global Financial Planning and Analysis and Investor Relations for GameStop, based on Grapevine, Texas. From January 2020 to March 2020, Dan was on sabbatical. Dan is based Tropical Smoothie Café in Atlanta, Georgia.

Chief Development Officer: Donald Crocker

Donald Crocker became our Chief Development Officer in April 2024. ~~Don~~ was Inspire Brands' Chief Development Officer in Atlanta, Georgia from March 2019 until March 2024. He ~~previously was~~ Inspire Brands' Senior Vice President Real Estate. He also has been an Operating Partner at 10 Point Capital in Atlanta, Georgia from Julysince April 2018 to March 2019. ~~Don~~. Charles is based in Atlanta, Georgia.

Vice President of Franchise Development: Richard Leveille

Richard Leveille has served as our Vice President of Franchise Development since December 2023. Before this, he served as our Chief Development Officer from January 2022 to December 2023. From January 2019 to December 2021, Richard served as Chief Development Officer of Twist Brands and Painting with a Twist in Mandeville, Louisiana. Richard is based in Atlanta, Georgia.

Senior Vice President, Head of Operations: Chris Bass

Chris Bass Has served as our Senior Vice President of Operations since January 2025. ~~Before this, he served as the Vice President of US Operations for Krispy Kreme Doughnut Corp from May 2017 to November 2024.~~ Chris is based in Atlanta, Georgia.

Senior Vice President, Head of Marketing: Michael Alberici

Michael Alberici has served as our Senior Vice President and Head of Marketing since May 2023. From September 2021 to May 2023, Michael served as Vice President of Marketing of Cinnabon in Atlanta, Georgia. From December 2019 to September 2021, Michael served as Director of Marketing of Cinnabon in Atlanta, Georgia. ~~From February 2016 to December 2019, Michael served as Brand Manager for Darden Restaurants in Orlando, Florida.~~ Michael is based in Atlanta, Georgia.

Vice President of Technology: Krishna Douglas

Krishna Douglas has served as our Vice President of Technology since May 2023. From June 2018 to May 2023, Krishna served as Director, Information Technology of Inspire Brands in Sandy Springs, Georgia. Krishna is based in Atlanta, Georgia.

Vice President of Supply Chain: Gregory Lee Swafford

Gregory Lee Swafford has served as our Vice President of Supply Chain since April 2023. From May 2022 to April 2023, Gregory served as Vice President of Cost Management of Biglari Holdings in San Antonio, Texas. From July 2021 to May 2022, Gregory served as Senior Director of Supply Chain of Fogo de Chão in Plano, Texas. From December 2015 to July 2021, Gregory served as Senior Vice President of Supply Chain of SPB Hospitality in Nashville, Tennessee. Gregory is based in Atlanta, Georgia.

Founder, and Board Chairman, Parent Company: Brandon P. Landry

Brandon P. Landry is a part owner in our parent company, Smalls Holding, LLC. He has served as our Founder and Board Chairman since our formation in June 2021. He has also served on the Board of Managers of our parent company, Smalls Holding, since June 2022. Brandon has also served as Chief Executive Officer and Founder of Walk-On's Enterprises Operations, LLC from its formation in September 2003 until January 2023 and Walk-On's Enterprises Holdings, LLC (parent company) from its formation in January 2014 until January 2023, both of which are in Baton Rouge, Louisiana. He also serves as Founder and Chairman of Walk-On's Enterprises Holdings, LLC (parent company). Brandon is based in Baton Rouge, Louisiana.

Board Member, Parent Company: Drew Brees

Drew Brees has been a Board Member and part owner in our parent company, Smalls Holding, LLC since its formation in August 2018. Since April 2015, Drew has been a part owner of Walk-On's Enterprises Holdings, LLC (parent company) and Walk-On's Enterprises Operations, LLC, both of which are in Baton Rouge, Louisiana. Drew has interests in Surge by Drew Brees, Stretch Zone, EverBowl and Jimmy Johns restaurants. Drew was also a professional football player for the New Orleans Saints of the National Football League from 2006 through 2020 in New Orleans, Louisiana.

Board Member, Parent Company: Tom Wells

Tom Wells has served on the Board of Managers of our parent company, Smalls Holding, since June 21, 2022. He has also been a Managing Partner and Co-Founder of 10 Point Capital, a private equity firm that owns an interest in Smalls Holdings Holding, since January 2018. Tom has also served as a Board Member for Walk-On's Sports Bistreaux since October 2020, as a Board Member for Phenix Salon Suites Franchising since March 2018, as an investor in the Slim Chickens restaurant chain since July 2019, and as a Venture Capitalist with BIP Capital since January 2013. From December 2014 to March 2021, he served as a Board Member for Tin Drum Asia Café, and from December 2014 to September 2020 he served as a Board Member for Tropical Smoothie Café. All positions were and are held in Atlanta, Georgia.

Board Member, Parent Company: Morven Groves

Morven Groves has served on the Board of Managers of our parent company, Smalls Holding, since June 2022. She has also been a Managing Partner of 10 Point Capital, a private equity firm that owns an interest in Smalls Holdings Holding, since July 2022. She joined 10 Point Capital as a Vice President in January 2019. All positions were and are held in Atlanta, Georgia.

**ITEM 3
LITIGATION**

No litigation must be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

~~The following bankruptcy case involves a company unrelated to us, but which one of our officers was associated with before her employment with us. Our Chief Executive Officer, Maria Rivera, was the Executive Vice President of Operations for Logan's Roadhouse, Inc. ("Logan's Roadhouse") from April 2015 until November 2016. Logan's Roadhouse is a chain of sit down casual company owned and franchised restaurants currently headquartered at 19219 Katy Freeway, Suite 500, Houston, Texas. On August 8, 2016, Logan's Roadhouse filed a voluntary bankruptcy petition under Chapter 11 of the U.S. Bankruptcy Code (Logan's Roadhouse, Inc., 1:16 bk 11825, Delaware Bankruptcy Court). On December 6, 2016, the matter was concluded after the presiding judge confirmed its plan of reorganization which included a restructure of its debt, closing of 34 restaurants, and renegotiation of leases and contracts. The case was dismissed on November 22, 2017.~~

~~No other bankruptcy proceedings must be disclosed in this Item.~~

**ITEM 5
INITIAL FEES**

Initial Franchise Fee

If we grant you a franchise for a Smalls Sliders Restaurant, then when you sign the Franchise Agreement, you must pay us a non-recurring initial franchise fee (the "Initial Franchise Fee") of \$35,000. The Initial Franchise Fee is fully earned by us when paid and is not refundable under any circumstances, except as provided below in this Item 5. ~~The~~Except as described below under "Development Rights Rider", the Initial Franchise Fee is uniform as to all franchise owners purchasing a franchise for a Smalls Sliders Restaurant.

Initial Training Fee

You must pay an initial training fee of \$2,500 (the "Initial Training Fee"). This fee includes the initial training program for you, your operating partner and 2 Restaurant managers. This fee is due before you may attend the initial training program. If you wish to send additional people to the initial training program, you must pay us \$300 per additional person per day that they attend training, before that person attends the first day of training. These training fees are not refundable and are uniform for all new franchisees.

Grand Opening Campaign

In addition to your local advertising and promotion, you must pay us \$15,000 that we will use to help advertise and promote your Restaurant before and during its grand opening (the “Grand Opening Campaign Fee”). The Grand Opening Campaign Fee is due when you sign your lease or otherwise secure the site for your Premises, and it is fully earned and non-refundable. While we will use the Grand Opening Campaign Fee to assist with your grand opening, you must also work to advertise and promote your Restaurant during a grand opening period beginning 90 days before the scheduled opening of your Restaurant and ending 6 months after your Restaurant opens for business (the “Grand Opening Period”). You may need to spend additional amounts beyond the Grand Opening Campaign Fee to advertise and promote your Restaurant during the Grand Opening Period. You will comply with our guidelines on any grand opening advertising campaign.

Development Rights Rider

If we allow you to sign our Development Rights Rider to the Franchise Agreement because you commit to develop a minimum number of Smalls Sliders Restaurants in a Development Area, we currently charge a development fee that you must pay in full when you sign the Development Rights Rider. You will pay the full \$35,000 Initial Franchise Fee for the first Smalls Sliders Restaurant covered by that Franchise Agreement plus a fee of \$15,000 for each subsequent Smalls Sliders Restaurant you commit to develop. The Initial Franchise Fee for your second and each additional Restaurant will be \$30,000. The balance of the Initial Franchise Fee (that is, the remaining \$15,000) for each Smalls Sliders Restaurant is due when you sign our then-current Franchise Agreement for that Smalls Sliders Restaurant. Each franchise agreement must be signed 6 months before the date by which you must develop your Smalls Sliders Restaurant or on signing a lease agreement or purchasing property for your Smalls Sliders Restaurant, whichever occurs first. We and you will determine the number of Smalls Sliders Restaurants you must develop, and the dates by which you must develop them, before signing the Development Rights Rider.

The development fee is not refundable under any circumstances. If you sign the Development Rights Rider, pay the development fee, and then cannot find sites for Smalls Sliders Restaurants or choose not to perform for another reason (in which case the first Franchise Agreement and/or the Development Rights Rider is terminated), we will keep the entire development fee and we will not return any money to you.

Grand Opening Campaign

~~In addition to your local advertising and promotion, you must pay us \$15,000 that we will use to help advertise and promote your Restaurant before and during its grand opening (the “Grand Opening Campaign Fee”). The Grand Opening Campaign Fee is due when you sign your lease or otherwise secure the site for your Premises, and it is fully earned and non-refundable. While we will use the Grand Opening Campaign Fee to assist with your grand opening, you must also work to advertise and promote your Restaurant during a grand opening period beginning 90 days before the scheduled opening of your Restaurant and ending 6 months after your Restaurant opens for business (the “Grand Opening Period”). You may need to spend additional amounts beyond the Grand Opening Campaign Fee to advertise and promote your Restaurant during the Grand Opening Period. You will comply with our guidelines on any grand opening advertising campaign.~~

Range of Pre-Opening Amounts Received During Prior Fiscal Year

During our last fiscal year, we charged a reduced Initial Franchise Fee of \$15,000 for our first initial group of “pioneer” franchise owners.

**ITEM 6
OTHER FEES**

Column 1 Type of Fee⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Continuing Service and Royalty Fee (“Royalty”)	6% of weekly Gross Sales ⁽²⁾	Payable weekly, but no later than the Monday following the reporting week that ends the immediately preceding Sunday or other day we determine ⁽²⁾	“Gross Sales” means all revenue generated from operating your Restaurant, including, but not limited to, all amounts that you receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions and all other income of every kind and nature related to your Restaurant, excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority.
Brand Fund Contribution (“Fund Contribution”)	An amount we determine, not to exceed 3% of weekly Gross Sales; currently 2% <u>Currently 3% of weekly Gross Sales</u>	Payable weekly	Fund contributions are payable in the same manner as the Royalty. See Item 11 for a detailed discussion about the Brand Fund (the “Fund”). The <u>We may increase or decrease the Brand Fund Contribution in the future. However, the</u> total sum of the Fund Contribution, minimum local advertising requirement, and cooperative advertising (if applicable) will not exceed 5% of your Restaurant’s Gross Sales.

Column 1 Type of Fee⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Cooperative Advertising Programs	Up to <u>Not currently required but can be up to 2% of Gross Sales, unless increased by vote of 67% or more of the Smalls Sliders Restaurants operating in your defined Advertising Coverage Area ⁽³⁾</u>	As Cooperative Advertising Program directs	See Item 11 for a detailed discussion about Cooperative Advertising Programs. No Cooperative Advertising Program yet exists for any Smalls Sliders Restaurants as of this Disclosure Document's issuance date. Cooperative Advertising Program spend, if and when required, will offset against local advertising requirement. The total sum of the Fund Contribution, minimum local advertising requirement, and cooperative advertising (if applicable) will not exceed 5% of your Restaurant's Gross Sales.
Technology Contribution	Up to 1% of Gross Sales (<u>currently \$100</u>)	Payable on or before the 10 th day of each month (or any other date we designate)	Technology Contribution payments are used to fund some technology within your Restaurant and the System, including digital and other modern ordering capabilities, platforms, "apps" and other now or later developed infrastructure, tools, systems and analytics. We reserve the right to increase the Technology Contribution fee at any time on 60 days' notice. The Technology Contribution may vary among franchisees based on the services that we provide and the Gross Sales of each Restaurant.
Late Report Fee	\$100 per occurrence and \$100 per week	Failure to submit any report within 5 days of the due date.	Payable if you fail to submit any required report when due. You will continue to incur this fee until you submit the required report.
Food Safety Assessment Fee	Then current fee (about <u>currently \$200 per Quarter</u>)	On receipt	You agree to pay us a "Food Safety Assessment Fee" and allow us, our affiliate or designee to perform quarterly food safety assessments of all food products, equipment, smallware, and restaurant environment.

Column 1 Type of Fee⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Reinspection Fee (Food Safety or Other Inspection Field Revisit)	Cost of inspection (about \$250)	On receipt	If you fail a food safety audit or other inspection, you must undergo an additional audit or inspection at your expense until your Restaurant is up to standard.
Guest Response and Recovery Management	Then-current fee (about \$300 per month)	On Receipt	This fee is payable to us or our affiliate or designee for the management of the customer satisfaction surveys, reporting, insights, and responses to guest reviews and complaints. <u>We are not currently charging this fee, but we reserve the right to do so in the future.</u>
Customer Issue Resolution	Costs we incur for responding to a customer complaint, which will typically be between \$20 and \$100	On receipt	Payable if a customer of your Restaurant contacts us with a complaint and we provide a gift card, refund, or other value to the customer as part of our addressing the issue.
Initial Training Fee	Then current training fee per person for our initial training program (currently, \$300 per person, per day, plus expenses)	As incurred <u>Before attending the training program</u>	We provide initial training for you (or your Managing Operator) and the manager-level employee you appoint (the "General Manager") at no additional cost (see Item 11). We will charge you an initial training fee for any trainee beyond <u>at the 2 attendees Initial Training Program after your Restaurant opens for business (see Item 11).</u>
Conference Fee	Our then-current charge to attend any franchisee conference we schedule	As required	Required for each franchisee conference we schedule.
Additional or Special Support	Then current support fee per person (currently, \$300 per person, per day, plus expenses)	On demand	If you request, and we agree to provide, additional or special guidance, assistance, or training. Also applies if we determine that you need additional training.

Column 1 Type of Fee⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Transfer Fee	75% of our then current Initial Franchise Fee if the transfer is to a new franchisee or 50% of our then current Initial Franchise Fee if the transfer is to an existing franchisee. <u>20% of our then-current initial franchise fee</u>	On demand	Payable when you transfer the franchise or your ownership <u>in each Franchise Agreement. If you transfer multiple Restaurants at one time, you must pay the Transfer Fee for each Restaurant.</u>
Transfer to Entity	Our actual costs	On demand	If you are transferring the Franchise Agreement to an entity that you control, you will not pay a transfer fee but you must pay our actual costs.
Relocation	20% of the then-current Initial Franchise Fee we charge for new Smalls Sliders Restaurants	On demand	Applicable to relocation if your lease expires or is terminated without your fault, or if the site for the Premises is destroyed, condemned, or otherwise rendered unusable.
<u>Renewal Fee</u>	Our then current renewal fee, which will not exceed 20% of our then-current initial franchise fee	On signing a Successor Franchise Agreement	You must meet certain conditions to have the option to acquire a successor franchise.
Proposed Supplier/Product Testing	The cost of inspection and testing	As incurred	This covers our expenses for evaluating and testing new products or inspecting new suppliers you propose.
Audit	The cost of inspection or audit	On invoice	If an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our audit reveals a Royalty or Fund contribution understatement exceeding 2% of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees.

Column 1 Type of Fee⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Interest on overdue amounts	4% above the prime rate of interest on the first day of each month or the maximum rate allowable by applicable law ⁽⁴⁾	As agreed	Due on all overdue amounts.
Insurance Reimbursement	You must reimburse our costs	As incurred	If you fail to obtain insurance, we may obtain insurance for you and you must reimburse us.
Insufficient Funds Processing Fee	\$250, plus our expenses	As incurred	Due if you have insufficient funds in your EDTA to cover a payment, or, if you pay by check, a check is returned for insufficient funds.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due when you do not comply with the Franchise Agreement.
Liquidated Damages	Will vary under circumstances ⁽⁵⁴⁾	As incurred	Due only if we terminate the Franchise Agreement before it expires, in which case you must pay us liquidated damages related to the early termination.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims from your Restaurant's operations and other damages we incur.
Management Fee	Direct out-of-pocket expenses (plus \$500 per day)	As incurred	Due when we (or a third party we designate) manage your Restaurant after your or your Managing Operator <u>Operating Partner</u> 's death or disability or on your default or abandonment.
Administrative Fee	\$500 per day that we have the right to terminate the Franchise Agreement	As incurred	Due when you do not comply with the Franchise Agreement.
Online Ordering and Delivery Fees	Will vary under circumstances	As incurred	You must pay us, our affiliates and/or the third parties that we designate, an amount and at the times that we specify, all fees associated with online ordering and delivery, including without limitation, fees for online and delivery support, transactions, management, processing, platforms, and call centers, including the cost of integrating products services with the Computer System.

Column 1 Type of Fee⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Tax Reimbursement	You must reimburse our costs	As incurred	You must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

1. ~~Except for product and service purchases described in Item 8, and except~~ as otherwise noted in this Item 6, all fees are imposed and collected by and payable to us or our affiliates. Except as noted above, all fees are uniform and nonrefundable.
2. Before your Restaurant begins operating, you must sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Royalty, Fund contributions, and other amounts due under the Franchise Agreement and for your purchases from us and/or our affiliates (the “Electronic Depository Transfer Account” or “EDTA”). We will debit the EDTA for these amounts on their due dates. Funds must be available in the EDTA for withdrawal. We may require payment other than by automatic debit, and you must comply with our payment instructions.

If you do not report your Restaurant’s Gross Sales, we may debit your EDTA for 120% of the last Royalty and Fund contribution that we debited. If the amounts we debit are less than the amounts you actually owe us, then we will debit your EDTA for the remaining balance on the day we specify. If the amounts we debit are greater than the amounts you actually owe us, then we will credit the excess against the amounts that we otherwise would debit from your EDTA during the following ~~month~~week, less a 10% administrative fee on the excess amount due to your failure to report.

3. Members of the Cooperative Program (as defined in Item 11) will include Smalls Sliders Restaurants operated by us or our affiliates that are located within the Advertising Coverage Area. Each Smalls Sliders Restaurant operating in the Advertising Coverage Area will have one vote. No Cooperative Program yet exists for the franchise network.
4. ~~If there is no applicable legal maximum rate, interest will be calculated at the rate of 4% above the prime rate of interest on the first day of each month for the past due amount, as published in The Wall Street Journal.~~
5. Liquidated damages will be the average monthly Royalties and Fund Contributions you owed us during the last 12 months of operation preceding the effective date of termination, multiplied by the lesser of 24 months or the number of months remaining in your Term. If you have not been operating at least 12 months before termination, the monthly average will be calculated according to the actual number of months you were in operation. If you never opened the Restaurant, no liquidated damages will be owed.

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ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT
SINGLE RESTAURANT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low Range	High Range			
Initial Franchise Fee	\$35,000	\$35,000	Lump Sum	On signing Franchise Agreement	Us
<u>Initial Training Fee</u>	<u>\$2,500</u>	<u>\$2,500</u>	<u>Lump Sum</u>	<u>Before attending the initial training program</u>	<u>Us</u>
Restaurant Building & Site Work(1)	\$814,913,789 <u>,913</u>	\$1,212,396 <u>1,401,896</u>	As Agreed	As Incurred	Building Manufacturer, Architect, Contractors
FF&E & Technology (2)	\$270,220,313 <u>,249</u>	\$287,220,33 <u>1,475</u>	As Agreed	As Incurred	Outside Suppliers
Signage & Menu Boards (3)	\$58,390,74,6 <u>13</u>	\$91,390,104 <u>,613</u>	As Agreed	As Incurred	Outside Suppliers
Lease, Utility and Security Deposits	\$8,000,2,000	\$13,000,4,0 <u>00</u>	As Agreed	As Incurred	Landlord, Outside Suppliers
Professional Fees	\$4,000,1,550	\$8,000,6,75 <u>0</u>	As Agreed	As Incurred	Lawyers, Accountants and other Advisors
Opening Inventory (4)	\$25,000,23,0 <u>00</u>	\$35,000,28, <u>000</u>	As Agreed	As Incurred	Designated and Approved Suppliers
Minimum Grand Opening Advertising Campaign Fee (5)	\$15,000	\$15,000	Lump Sum	On signing your lease or otherwise securing the site for your Premises	Us
Hiring, Uniform and Training Expenses (6)	\$16,000,13,5 <u>00</u>	\$31,500,27, <u>000</u>	As Incurred	As Incurred	Third Parties
Insurance (7)	\$1,500	\$2,500	As Incurred	As Incurred	Insurance Company
Miscellaneous (8)	\$1,200,1,000	\$7,000,5,00 <u>0</u>	As Incurred	As Incurred	Third Parties

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low Range	High Range			
Additional Funds – 3 months (9)	\$25,000	\$40,000 ^{30,000}	As Incurred	As Incurred	Third Parties
TOTAL ESTIMATED INITIAL INVESTMENT (10)	<u>\$1,274,223.00</u> <u>\$1,297,825.0</u> <u>0</u>	<u>\$1,778,006.00</u> <u>\$1,993,734.</u> <u>00</u>			

Explanatory Notes

- * Except as otherwise provided, all amounts listed in the above table are nonrefundable. No separate initial investment is required when you sign the Development Rights Rider other than payment of the Development Fee described in Item 5.
- 1. **Building & Site Work:** It is your responsibility to identify a suitable Premises within the site selection area we designate in the Franchise Agreement (the “Site Selection Area”). The restaurant building and site work is our estimate of the cost of constructing a dual lane modular drive-thru restaurant which is manufactured, shipped and installed on the Premises. The size of the building will be about 800 square feet located on a site of about 25,000 to 35,000 square feet. This estimate also includes due diligence, surveys, fees for architects (which may include or be limited to, but is not currently, us and/or our affiliates) and engineers, permit, and impact fees, which vary by your region and specific location; and other site development costs for on-site construction such as demolition, site preparation, foundation and parking lot renovation, which vary considerably, depending on factors such as the condition of the Premises when possession is delivered to you by the seller or landlord, site-specific requirements, and material and labor costs variations due to your region and specific location. This estimate excludes any allowances for tenant improvements that you may receive from the landlord of the Premises. It is possible, however, that you might choose to buy, rather than rent, real estate. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Rent depends on geographic location, size, local rental rates, businesses in the area, site profile, and other factors, and could be considerably higher in large metropolitan areas.
- 2. **FF&E & Technology:** This amount includes all furniture, fixtures and equipment used at your Restaurant and the Computer System (defined in Item 11), network security, camera system and audio/music system. See Item 11 for more information on our required technology specifications for the Computer System.
- 3. **Signage & Menu Boards:** This estimate includes your building signage, directional signage and menu boards.
- 4. **You are responsible for purchasing an initial supply of certain Menu Items, Proprietary Products and other products and marketing materials from designated or approved suppliers (which may, but does not currently, include us or our affiliates). This estimate includes inventory for pre-opening training and your initial stocking order.**

5. While we will use the Grand Opening Campaign Fee to assist with your grand opening, you must also work to advertise and promote your Restaurant during the Grand Opening Period. You may need to spend additional amounts beyond the Grand Opening Campaign Fee to advertise and promote your Restaurant during the Grand Opening Period.
6. These estimates are for the hiring of your Restaurant’s employees, providing them with uniforms, wages for pre-opening, and includes training costs for 2 people to attend initial training in ~~Baton Rouge, Louisiana~~ Atlanta, Georgia or another designated training location. The low end of the estimate assumes you have a smaller staff (one General Manager and 20 to 35 squad members) and are located near our training facility. The high end of the training costs estimate assumes you have a larger staff (multiple General Managers and Assistant General Managers and 35 to 50 squad members) and are not located near our training facility and includes airfare, lodging, food, and car rental.
7. You must obtain and maintain certain types and amounts of insurance. (See Item 8) Insurance costs depend on policy limits, types of policies, nature and value of physical assets, gross revenue, number of employees, square footage, location, business contents, and other factors bearing on risk exposure. The estimate is for insurance costs for 3 months.
8. Miscellaneous expenditures may include office supplies, etc.
9. Additional Funds: This item estimates your initial start-up expenses (other than the items identified separately in the table) for your first 3 months of operation. These expenses include general operating expenses, such as lease payments, inventory, payroll (but not a draw or salary for you), payroll expenses, utility costs, insurance, pest control, security, repairs and maintenance and complimentary sales and other costs, and any unforeseen incidental expenses. We relied on our affiliate’s experience operating the company-owned Smalls Sliders Restaurant to compile these estimates.
10. You should review these estimated figures carefully with a business advisor before deciding to acquire the franchise. The total estimated initial investment does not include costs associated with the purchase of real estate and related expenses. We are unable to estimate the cost of purchasing and developing a site for a Restaurant, as it will vary considerably depending on such factors as the location and size of the site and the local real estate market. These amounts do not include any estimates for debt service. We do not offer financing directly or indirectly for any part of the initial investment.

DEVELOPMENT RIGHTS

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low Range	High Range			
Your Initial Restaurant	\$1,274,223.00 <u>1,297,825.00</u>	\$1,778,006.00 <u>1,993,734.00</u> 0	Per above table	Per above table	Per above table

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be made
	Low Range	High Range			
Development Fee for Restaurants 2 through 5	\$15,000	\$60,000	Lump Sum	On signing Development Rights Rider	Us
TOTAL ESTIMATED INITIAL INVESTMENT	<u>\$1,289,223.00</u> <u>\$1,312,825.0</u> <u>0</u>	<u>\$1,838,006.00</u> <u>\$2,053,734.</u> <u>00</u>			

The estimates above generally apply to new Smalls Sliders Restaurants. We based the estimate for Additional Funds on our affiliates' experience developing, opening and operating Smalls Sliders Restaurants as well as our projections based on similar quick service restaurants. If we allow you to purchase an existing company-owned location, then the initial estimates may vary depending on the circumstances to require a greater or smaller investment than shown above in this Item.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Franchise Agreement

You must operate your Restaurant according to our specifications. Our specifications may regulate, among other things, layouts for a Smalls Sliders Restaurant including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme; the Proprietary Products, Menu Items, ingredients, recipes, types, models, and brands of equipment (including the Computer System), the prefabricated modular building used for constructing your Restaurant, fixtures, furniture, furnishings, and signs (collectively, "Operating Assets"); products, other equipment and supplies you must use in operating your Restaurant; unauthorized and prohibited products, ingredients, recipes, equipment, and services; inventory requirements. We also designate approved suppliers of some Operating Assets and other items.

In the case of Proprietary Products like sauces containing our specified recipes, suppliers are limited to our designated third-party suppliers, and you must buy those Proprietary Products during the franchise term only from our designated third-party suppliers. In the case of Operating Assets, suppliers may be limited to us, our affiliates, and/or our designated third-party suppliers, and you must buy those Operating Assets during the franchise term only from us, our affiliates, and/or our designated third-party suppliers at the prices we and they decide to charge. Neither we nor any of our affiliates are currently an approved supplier of any products or services. None of our officers currently owns an interest in any designated third-party supplier to the franchise network.

To maintain the quality of the goods and services that Smalls Sliders Restaurants sell (including Menu Items) and our System's reputation, we may condition your right to buy or lease goods and/or services (besides those described above that you may obtain only from us, our affiliates, and/or other specified exclusive sources) on their meeting our minimum specifications and/or being acquired from suppliers that we approve. We will issue and modify standards and specifications through periodic amendments or supplements to our Brand Standards Manual or through other written communication (including electronic communication such as email or through a system-wide intranet) based on our and

our Smalls Sliders franchise owners' experience in operating Smalls Sliders Restaurants. Our standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance. Our confidential Brand Standards Manual will identify our standards and specifications for the System. We will notify you and, where appropriate, the suppliers, of our standards and specifications. There might be situations where you can obtain items from any supplier who can satisfy our requirements and, therefore, would be an approved supplier.

If we institute any type of restrictive sourcing program (which we have already done for Proprietary Products and may do so for other items) and you want to use any item or service that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved or designated, you first must send us sufficient information, specifications, and samples so that we can determine whether the item or service complies with System Standards or the supplier meets our approved supplier criteria. We list examples of our criteria for supplier approval in the following paragraph below in this Item, and we will make available our then current criteria to you, as necessary, upon request if we are asked to evaluate and approve a new supplier, item, or service for use with the System. We may require you or the supplier to reimburse us for our expenses for the evaluation. We will notify you of our approval or disapproval within a reasonable time (no more than 120 days). We periodically will establish procedures for your requests and may limit the number of approved items, services, and/or suppliers as we think best.

Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, or other criteria. We and our affiliates have the right to receive payments or other material consideration from suppliers on account of their actual or prospective dealings with you and other franchise owners and to use all amounts that we and our affiliates receive without restriction (unless we and our affiliates agree otherwise with the supplier) for any purposes we and our affiliates deem appropriate. Supplier approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. We have no obligation to approve any request for a new supplier, product, or service. We may charge you our actual costs of inspection and testing of products in connection with our evaluation and approval or disapproval of proposed suppliers.

During fiscal year ~~2023~~2024, we received revenues of ~~\$68,644,785,318~~ from franchisees' required purchases, representing ~~3.14.3%~~ of our total revenues of ~~\$2,213,080,493,915~~.

Insurance. Besides these purchases or leases, you must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations underwritten by an insurance company having an A.M. Best's rating of A- or higher, a financial size of VII or better and is licensed to do business in the state where your Restaurant will be located. You currently must have comprehensive commercial general liability coverage (\$1 million per occurrence for bodily injury and property damage and \$2 million aggregate); \$2 million products and completed operations aggregate; automobile (\$1,000,000 combined single limit) for owned and hired, non-owned liability; umbrella liability (\$5,000,000 per occurrence and aggregate) with employer's liability, general liability, and automobile liability scheduled as underlying policies; property covering the Restaurant and personal property in an amount 100% of the full replacement cost of the Restaurant and personal property, and business income coverage covering 12 months of actual loss sustained; employment practices liability (\$1,000,000 per occurrence and aggregate limit); cyber insurance (\$1,000,000 per occurrence and aggregate limit); \$1 million personal and advertising injury limit; and \$100,000 damage to rented premises), and other policies containing the minimum liability coverage we specify, such as worker's compensation and employer's liability insurance (\$1,000,000 per accident for bodily injury, \$1,000,000 per employee for injury by disease, and \$1,000,000 aggregate for injury by disease), and any other coverage required by law or your lease. Premiums depend on the insurance carrier's charges, terms of payment, and your history. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance, employment practices liability insurance, and cyber insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. All insurance policies must name us and our affiliates, officers, partners, shareholders, members, directors, managers, agents, employees, successors and assignees as additional insured parties. Required coverage must contain the following (i) a severability of interest clause for all named insureds, with no cross-liability for exclusion; (ii) insurers' waiver of subrogation against us and all named insureds, and (iii) a waiver of rights of recovery against us. If you fail to obtain or maintain required insurance coverage for your Restaurant, we may do so on your behalf and invoice you for reimbursement of our costs to arrange the missing coverage.

Advertising Materials. Before you use them, you must send us for review samples of all advertising, promotional, and marketing materials that we (or a supplier we may designate, at our option) have not prepared or previously approved. If you do not receive written notice of approval within 10 days after you submit materials to us, they are deemed disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

Smalls Sliders Restaurant Development. You are responsible for developing your Restaurant, and you must use the services of a licensed contractor. Unless pre-approved by us in writing, your Restaurant must be a double drive-thru restaurant that is manufactured, shipped and installed on the Premises by our pre-approved supplier. We may require you to use an approved or designated architect and/or general contractor (which may include or be limited to us and/or our affiliates) to design and construct the Restaurant. We may give you mandatory and suggested specifications and layouts for a Smalls Sliders Restaurant, including requirements for dimensions, design, image, interior layout, decor, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities. You must prepare a site survey and all required construction plans and specifications for your Restaurant's site and make sure that they comply with the ADA and similar rules, other applicable ordinances, building codes, permit

requirements, and lease requirements and restrictions. We may review and approve all final plans and specifications before you begin constructing your Restaurant and all revised or “as built” plans and specifications during construction. Our review is only to ensure your compliance with our design requirements. We may inspect your Restaurant during its development and during the franchise term.

Smalls Sliders Restaurant Site. You must submit, for our review, all information and materials we request regarding any site at which you propose to operate a Smalls Sliders Restaurant. We have the right to approve your lease or sublease and to require that you sign our required form of Lease Addendum to any third-party lease you sign (attached as an exhibit to the Franchise Agreement). We may also enter into a master lease for the site of your Restaurant and sublease the Premises to you.

Collectively, the purchases and leases described above are about 90% of your overall purchases and leases in establishing your Restaurant and about 95% of your overall purchases and leases in operating your Restaurant.

There currently are no purchasing or distribution cooperatives. We currently negotiate purchase arrangements with suppliers (including price terms) for the benefit of franchisees. We do not provide material benefits to Smalls Sliders Restaurant franchise owners (for example, renewal or granting additional franchises) based on their purchase of particular products or services or use of particular suppliers.

Development Rights Rider

The Development Rights Rider does not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items. You must give us information and materials we request regarding each site at which you propose to operate a Smalls Sliders Restaurants so we can assess that site. The information and materials we may request is consistent with the information and materials we may request for site selection under the Franchise Agreement.

**ITEM 9
FRANCHISEE’S OBLIGATIONS**

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

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Sections 1.4, 2.1., and 2.2 of Franchise Agreement; Section 6 of Development Rights Rider	Items 7, 8, and 12
b. Pre-opening purchases/leases	Sections 2 and 8 of Franchise Agreement	Items 5, 7, 8, and 11

OBLIGATION	SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
c. Site development and other pre-opening requirements	Section 2 of Franchise Agreement	Items 7, 8, and 11
d. Initial and ongoing training	Section 4 of Franchise Agreement	Items 6, 7, and 11
e. Opening	Section 2.6 of Franchise Agreement; Section 3 of Development Rights Rider	Item 11
f. Fees	Sections 2.2, 2.5, 3, 4.1 to 4.3, 8.3, 8.6, 9.1, 9.2, 11.1, 11.2, 12.3, 13.1, 14.3, 14.5, 15.1, 16.4, and 17.3 of Franchise Agreement; Section 5 of Development Rights Rider	Items 5, 6, and 7
g. Compliance with standards and policies/operating manual	Sections 4 and 8 of Franchise Agreement	Items 8 and 11
h. Trademarks and proprietary information	Sections 5 and 6 of Franchise Agreement; Section 4 of Development Rights Rider	Items 13 and 14
i. Restrictions on products/services offered	Sections 1.4 and 8 of Franchise Agreement; Section 4 of Development Rights Rider	Items 8, 11, 12, and 16
j. Warranty and customer service requirements	Section 8 of Franchise Agreement	Items 8, 12, and 16
k. Territorial development and sales quotas	Sections 2, 3, and 6 of Development Rights Rider	Items 12 and 17
l. Ongoing product/service purchases	Sections 2.5, 2.6, and 8 of Franchise Agreement	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	Sections 8 and 13 of Franchise Agreement	Items 8, 11, 16, and 17
n. Insurance	Section 8.6 of Franchise Agreement	Items 7 and 8
o. Advertising	Section 9 of Franchise Agreement	Items 6, 7, 8, and 11
p. Indemnification	Section 16.4 of Franchise Agreement; Section 10 of Development Rights Rider	Item 6
q. Owner's participation/management/staffing	Sections 1.3, 4, 6, and 8 of Franchise Agreement	Items 11 and 15
r. Records and reports	Section 10 of Franchise Agreement	Not Applicable
s. Inspections and audits	Section 11 of Franchise Agreement	Items 6 and 11
t. Transfer	Section 12 of Franchise Agreement; Section 9 of Development Rights Rider	Item 17
u. Renewal	Section 13 of Franchise Agreement	Item 17
v. Post-termination obligations	Section 15 of Franchise Agreement	Item 17

OBLIGATION		SECTION IN AGREEMENT	DISCLOSURE DOCUMENT ITEM
w.	Non-competition covenants	Sections 7, 12, 15, and 16 of Franchise Agreement	Items 15 and 17
x.	Dispute resolution	Section 17 of Franchise Agreement; Section 10 of Development Rights Rider	Item 17
y.	Other – Guaranty	Sections 1.3 and 12.3 of Franchise Agreement; Attachment to Franchise Agreement	Items 1 and 15

**ITEM 10
FINANCING**

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

**ITEM 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING**

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

Pre-Opening Assistance

Before you open and begin operating your Restaurant, we (or an affiliate, as applicable) will:

1. Designate the Site Selection Area and Protected Territory (as defined Item 12) for your Restaurant. (Franchise Agreement – Section 1.6)
2. ~~1-~~ Review and accept or reject each site that you propose according to our general criteria for selection of a Smalls Sliders Restaurant site. We anticipate that you will operate your Restaurant in a commercial space that you will purchase or lease. We do not currently own sites for leasing to franchisees. The site must meet our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. We will use reasonable efforts to accept or reject the proposed site within 30 days after receiving your written proposal. You must submit and receive our acceptance of a site and open your Restaurant within 12 months after the Effective Date, or we may terminate the Franchise Agreement. (Franchise Agreement – Sections 1.4, 2.1, 2.2 and 14.2)
3. ~~2-~~ Approve your third-party lease for the Premises. The lease must be in form and substance we approve and must include the provisions of our required lease addendum. You must promptly submit a proposed lease or purchase document for the Premises for our approval following our acceptance of the site for the Premises. You must deliver to us the approved and fully-signed lease (including the provisions of the lease addendum) within 7 days after you sign the lease or purchase document for the Premises or, if earlier, before the date specified in any Development Rights Rider that we and you sign. We may (but have no obligation) to enter into a master lease for the Premises (or a substitute site you propose), whether directly or through an affiliate, and

sublease the Premises (or any substitute site you propose) to you on mutually agreeable terms regarding fees, rent and deposits. If we or our affiliate sublease the Premises (or a substitute site you propose) to you, you agree to sign our then current form of sublease, as may be modified or amended by us. (Franchise Agreement – Section 2.2)

- ~~3. Designate the Site Selection Area and Protected Territory (as defined Item 12) for your Restaurant. (Franchise Agreement – Section 1.6)~~
4. Provide you mandatory and suggested specifications and layouts for a Smalls Sliders Restaurant including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. (Franchise Agreement – Section 2.3)
5. Identify the Operating Assets, Menu Items, Proprietary Products and related products and services, recipes, ingredients, equipment and supplies that you must use to develop and operate your Restaurant, the minimum standards and specifications that you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease these items (which may be limited to and/or include us, our affiliates, and/or other specified exclusive sources). (Franchise Agreement – Sections 2.1, 2.4, and 8)
6. Provide you access to one copy of the Brand Standards Manual, the current table of contents of which is Exhibit G. As of the date of this Disclosure Document, the Brand Standards Manual contains about 123 pages. (Franchise Agreement – Section 4.4)
7. Advise you on your Restaurant’s grand opening advertising program and administer the spending of the Grand Opening Campaign Fee. (Franchise Agreement – Section 9.1)
8. ~~Train you (or your Managing Operator) and your General Manager~~Provide the Initial Training Program. (Franchise Agreement – Section 4.1) We describe this training later in this Item.
9. Designate a specific number of Smalls Sliders Restaurants you must develop and open at accepted locations in the Area (if we grant you development rights). We also will supply to you our site selection criteria and may put you in contact with our preferred commercial real estate broker if we have one in your Area. (Development Rights Rider – Sections 2, 3, and 6) Some of the assistance noted above (including the site selection and lease approval procedures described in 1 and 2) may be performed during the term of a Development Rights Rider but before the signing of a second or subsequent Franchise Agreement for an additional outlet.

We do not provide assistance with conforming the Premises to local ordinances and building codes, obtaining any required permits, constructing, remodeling, or decorating the Premises, and/or hiring or training non-manager level employees.

Ongoing Assistance

During your operation of your Restaurant, we (or an affiliate/designee, as applicable) will:

1. Advise you regarding your Restaurant’s operation based on your reports or our inspections. We also will guide you on standards, specifications, and operating procedures and methods that Smalls Sliders Restaurants use; purchasing required and authorized Proprietary Products, Menu

Items and Operating Assets and other products and services and arranging for their distribution to you; advertising and marketing materials and programs; employee training; and administrative, bookkeeping, and accounting procedures. We will guide you in our Brand Standards Manual, bulletins, or other written materials; by electronic media; by telephone consultation; and/or at our office or your Restaurant. (Franchise Agreement – Section 4.3)

2. Give you, at your request (and our option), additional or special guidance, assistance, and training. (Franchise Agreement – Section 4)
3. Continue to provide you with access to one copy of the Brand Standards Manual, which could include audiotapes, videotapes, compact disks, computer software, other electronic media, and/or written materials. The Brand Standards Manual contains mandatory and suggested specifications, standards, operating procedures, and rules (“System Standards”) that we periodically require. We may modify the Brand Standards Manual periodically to reflect changes in System Standards. (Franchise Agreement – Sections 4.4 and 8)
4. Issue and modify System Standards for Smalls Sliders Restaurants. We periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may require you to remodel, expand, redecorate, reequip and/or refurnish the Premises and your Restaurant (but no more than once every 5 years). (Franchise Agreement – Section 8)
5. Establish, to the fullest extent allowed by applicable law, maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services. (Franchise Agreement – Section 8.7)
6. Inspect your Restaurant and observe your Restaurant’s operations to help you comply with the Franchise Agreement and all System Standards. (Franchise Agreement – Section 11.1)
7. Let you use our confidential information. (Franchise Agreement – Section 6)
8. Let you use our Marks. (Franchise Agreement – Section 5)

Brand Fund

Recognizing the value of advertising and marketing to the goodwill and public image of Smalls Sliders Restaurants, we have established a formal Brand Fund (the “Fund”) for advertising, marketing, and public relations programs and development of materials we deem appropriate. Under the Franchise Agreement, you must contribute to the Fund in an amount determined by us, not to exceed 3% of your weekly Gross Sales to the Fund. The current required Brand Fund contribution is 23%.

We may designate a separate entity as we deem appropriate in our sole discretion to operate and administer the Fund. Any such entity will have all of the rights and duties described here. You must contribute to the Fund the amounts that we periodically require. Smalls Sliders Restaurants that we or our affiliates operate may but need not contribute to the Fund on the same basis as franchise owners. We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Smalls Sliders Restaurants and with whom we have agreed that we will deposit these allowances.

We or our designee direct all advertising and promotional programs and have sole discretion over the creative concepts, contents, sponsorships, materials, endorsements, media used, geographic, market, and media placement, and allocation of these programs. We reserve the right to use any media, create any programs, and allocate advertising and promotional expenditures to any regions or locales we deem appropriate. The Fund may, at our option, use an in-house advertising department or any local, national, or regional advertising agency we choose. We undertake no obligation, in administering the Fund, to make expenditures for you in your Protected Territory that are equivalent to your contribution or to ensure that any you benefit directly or *pro rata* from the Fund's expenditures. We may use a number of our affiliated companies to facilitate the advertising and promotional programs the Fund purchases. The Fund may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet, whatever we think best. The Fund periodically may give you samples of advertising, marketing, and promotional formats and materials at no cost. We or the Fund will sell you multiple copies of these materials at their direct cost of producing them, plus any related shipping, handling, and storage charges. We will account for the Fund separately from our other funds.

In the fiscal year ended December ~~27~~²⁹, ~~2023~~²⁰²⁴, ~~42~~⁴⁸~~5~~⁸% of Fund contributions were spent on digital media, advertising, promotions, and marketing programs; ~~39~~³⁹~~1~~²% was spent on creative services and content development; and ~~5~~³% was spent on administration. At year end, ~~14~~⁰% of contributions remain in the Fund.

If we spend less than the total in the Fund during any fiscal year, we can spend the money during the next fiscal year. We do not expect to use any of the Fund contributions specifically to develop materials and programs that will be used principally to solicit franchise owners. However, media, materials, and programs, including our Website, prepared using Fund contributions may describe our franchise program, reference the availability of franchises and related information, and process franchise leads. We may have the Fund audited annually, at the Fund's expense, by an independent certified public accountant. The Fund is not currently audited by an independent certified public accountant.

The Fund is to maximize recognition of the Marks and patronage of Smalls Sliders Restaurants. Although we may use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Smalls Sliders Restaurants, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by Smalls Sliders Restaurants operating in that geographic area or that any Smalls Sliders Restaurant benefits directly or in proportion to its Fund contribution from the development of advertising and marketing materials or the placement of advertising.

Franchisee contributions to the Fund will generally be on a uniform basis, but we may at any time defer or reduce a franchise owner's Fund contributions and, upon 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to franchise owners, and to us and our affiliates, in proportion to their, and our, respective contributions during the preceding 12-month period. (Franchise Agreement – Section 9.2)

During 2024, we established a franchise advisory council ("FAC"). The FAC is advisory only and does not have decision making authority. The FAC consists of 6 franchisee members, with 4 to be elected by the franchisees in the franchise network and 2 to be appointed by us. We retain the right to change or dissolve the FAC and to increase or decrease the number and composition of members.

Your Local Advertising

In addition to your Fund contributions and your grand opening advertising obligation, you must, during the second month of the Term and in all subsequent months, spend a minimum of 2% of your Restaurant's prior month's Gross Sales to advertise and promote your Restaurant. The total sum of the Fund contribution level, minimum local advertising requirement and cooperative advertising requirement (if applicable) will not exceed 5% of your Restaurant's Gross Sales. You must participate at your own expense in all advertising, promotional and marketing programs that we require. You must send us monthly reports of your marketing expenditures.

Your local advertising and promotion must follow our guidelines. All advertising and promotional materials that you develop for your Restaurant must contain notices of our website's domain name in the manner we designate. You may not develop, maintain, or authorize any Website that mentions or describes you or your Restaurant or displays any of the Marks without our prior written approval. We alone may establish, maintain, modify or discontinue all internet, worldwide web and electronic commerce activities pertaining to the System, including through the use of a page or profile on a social media website such as Facebook, LinkedIn and Twitter. All advertising, promotion, marketing, and public relations must be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the policies that we periodically require. Before you use them, you must send us or our designated agency for review samples of all advertising, promotional, marketing, and public relations materials that we have not prepared or previously approved. Promotional material includes materials you provide on a Website or similar medium. If you do not receive written approval or disapproval within 10 days after we or our designated agency receives the materials, they are ~~deemed to be~~ disapproved. You may not use any advertising, promotional, marketing, or public relations materials that we have not approved or that we have disapproved.

~~You must list and advertise your Restaurant in at least one recommended classified telephone directory distributed within the Territory (in designated business classifications) and use an approved form of classified telephone directory advertisement. If other Smalls Sliders Restaurants are located within the directory's distribution area, we may require you to participate in a collective telephone directory advertisement with those Smalls Sliders Restaurants and pay your share. (Franchise Agreement – Section 9.3) (See Items 6, 8, and 9)~~

There is no obligation for us to maintain any advertising program or to spend any amount on advertising in your geographic area.

Cooperative Advertising Programs

We do not have any local or regional cooperative advertising programs, though we may establish such programs in the future. If we do, we will designate an advertising coverage area ("ACA") - local or regional - in which 2 or more Smalls Sliders Restaurants are located to establish a cooperative advertising program ("Cooperative Program") for that ACA. An ACA is the area covered by the particular advertising medium recognized in the industry. All franchise owners in the ACA ~~will be required to~~ must participate. Each Smalls Sliders Restaurant operating in the ACA will have one vote, including Smalls Sliders Restaurants operated by us or our affiliates.

If a Cooperative Program is established for your ACA, you ~~will be required to~~ must contribute up to 2% of your Restaurant's Gross Sales to the Cooperative Program weekly, monthly, or as we otherwise ~~specified by us~~ specify. You will not be required to contribute more than 2% of your Restaurant's Gross

Page 27

Sales to the Cooperative Program unless 67% or more of the Smalls Sliders Restaurants operating in the ACA, including any Smalls Sliders Restaurants operated by us or our affiliates, vote to increase the contributions of all Smalls Sliders Restaurants operating in the ACA in excess of the ~~two percent (2%)~~. Any amounts you contribute to a Cooperative Program will count toward the percentage of Gross Sales you ~~are required to~~ must spend to promote your Restaurant.

~~We do not have a franchise owner advisory council that advises us on advertising policies.~~

Computer System

You must obtain and use in your Restaurant our prescribed technology components consisting of the hardware, infrastructure, and software we specify or that we recommend (the "Computer System"). The Computer System currently includes the required point-of-sale ("POS") system, digital software, network infrastructure, back-office systems, and related hardware and software from our designated vendors.

You must purchase and maintain a POS system consisting of POS terminals and designated peripherals. The POS System includes KDS (kitchen display system) monitors, bump bars, cash register drawers, payment devices, digital scanners, printers, tablets, and related hardware and software. There are monthly subscription and support fees to license the proprietary software. Fees encompass data security programs offered, hosting services, updates, remote polling communications, reporting and support. We may modify the specifications for any components of the Computer System. You are responsible for the costs of updating and implementing any changes we make to the Computer System. You are solely responsible for ongoing maintenance and upgrading of the Computer System (See Item 6).

We estimate the initial investment for our standard POS system will cost about \$24,300. The POS System also has a monthly subscription for the proprietary software and data security programs offered, hosting services, updates, remote polling communications, reporting and support, which we estimate to cost about \$600 per month.

We also mandate that you use the Crunchtime technology platform for inventory management and labor scheduling. We estimate that this platform will cost about \$323 per month.

All software must meet the technical and security standards and specifications that we require for front of-the-house or back-office software programs. You must conform to our technical and security standards which include software version updates, operating system updates, hardware upgrades, security broadband internet connectivity, and others. You may not install any software programs that we have not approved on your POS System or back-office systems. You must have broadband/high speed internet access within your Restaurant. You are responsible for maintaining all security standards associated with the Restaurant's local network. You must use our payment card processor and gateway. You must maintain POS network software updates, operating system updates, anti-virus, malware and any network device firmware. Currently, you must use our required network security provider at a cost we estimate to be about \$275 per month. You must meet those standards defined by the Payment Card Industry's ("PCI") Security Standards Council. You must comply with the FTC's Fair and Accurate Credit Transactions Act.

To process credit cards, you must be certified PCI compliant. To be certified compliant, you must submit a passing PCI Vulnerability Assessment Scan report along with a copy of the most recent version of SAQ (as required by PCI Council regulations) before opening your Restaurant and at the

frequency required in the current version of the PCI DSS standards. We may require you to participate in a data security program we designate. We may terminate your Franchise Agreement and/or suspend credit card processing at any Restaurant that does not comply with the current PCI compliance requirements.

In addition to or in replacement of the above, you must pay a ~~technology contribution of up to 1% of Gross Sales, payable monthly~~ Technology Contribution as described in Item 6, which is used to fund some technology within your Restaurant and the System, including digital and other modern ordering capabilities, platforms, “apps” and other now or later developed infrastructure, tools, systems and analytics. ~~The actual amount of the fee may vary based on the services that we provide and on the sale volume of your Restaurant. We reserve the right to increase the Technology Contribution fee at any time on 60 days’ notice.~~

We have independent, unlimited access to the information generated by the Computer System, and there are no contractual limitations on our right to do so. The types of data to be generated or stored in the Computer System include sales, inventory, payroll, and customer information and other information that we may specify in the Brand Standards Manual. We may connect remotely to your Computer System. You must also have a functioning email address so that we can send you notices and otherwise communicate with you by this method.

We may change the Computer System at any time. There are no contractual limitations on the frequency and cost of this obligation. We need not reimburse you for any of these costs. We may require you to use proprietary software, for which you may pay an annual license fee. We or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities concerning, the software or technology. We or our affiliates may charge you a monthly, annual, or other license fee for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during the franchise term.

Intranet

You must participate in our intranet system (“Intranet”). Through the Intranet, you will be able to access portions of our Brand Standards Manual, training materials, corporate forms and have access to other resources. We will have independent access to the information and data that is electronically generated. We may in the future require you to install computerized management systems meeting our standards, as modified periodically in response to business, operations and marketing conditions.

Restrictions on Franchisee’s Use of Electronic Media

We restrict your right to use all electronic media including the internet in operating your Restaurant. You cannot conduct business over the internet or create your own website with which to conduct business without our express written consent. You must comply with our policies and restrictions respecting the use of social media or related social networking applications in the operation of your Restaurant.

Opening

Typically, it will be 69 to 915 months after you sign the Franchise Agreement before you open and begin operating your Restaurant. The specific timetable for opening and operating your Restaurant depends on various factors, including the location of the Premises; the delivery schedule for equipment and supplies; completing training; and complying with local laws and regulations.

Training

Initial Training

Before opening your Smalls Sliders Restaurant, we will provide our initial training program (“Initial Training Program”) for ~~up to 3 management persons, and a primary owner or an operating partner if you are an entity~~ you, your Operating Partner, and 2 Restaurant level Managers. The Initial Training Program must be completed to our satisfaction and your management team must be certified by us before you may open and begin operating your Restaurant. Part of the initial training is a Smalls Sliders Orientation that will be conducted onsite at our Support Center in Atlanta, Georgia, or virtually, as we determine. Smalls Sliders Orientation must be completed within 90 days after signing your Franchise Agreement. The Operating Partner and management team training is ~~provided~~ shown below in the table following the Franchisee Orientation table and must be successfully completed 30 days before you open. You will not receive any compensation or reimbursement for services or expenses for participation in the ~~initial training program~~ Initial Training Program. You are responsible for all your expenses to attend any training program, including lodging, transportation, food, uniforms, and training materials. (Franchise Agreement - Section 4.1) For the Initial Training Program, you must pay the Initial Training Fee as disclosed in Item 5. We may charge reasonable fees for any additional training, and for additional training programs we may require or offer during the franchise term. (See Item 6)

Additional people beyond ~~4~~ the attendees described in the previous paragraph may attend ~~initial management training~~ the Initial Training Program, subject to our ability and capacity to accommodate these extra persons in any training session, if you pay our then current training charge for each additional person (currently, \$300 per person, per day). (See Item 6)

We or our designee conduct our ~~initial management training program~~ Initial Training Program as frequently as we deem necessary whether conducted virtually online or at a designated training facility and/or at an operating Smalls Sliders Restaurants (except for the on-site support period around your Restaurant’s opening that we will provide at ~~the your~~ Premises). ~~You (or your managing operator) and your General Manager must complete initial management training to our satisfaction before you may open and begin operating your Restaurant.~~

As of the date of this Disclosure Document, our required ~~initial management training program~~ Initial Training Program includes the following:

INITIAL TRAINING

Smalls Sliders Orientation

SmallsINstitute Classroom Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Welcome to Smalls Sliders	.5	0	Support Center (currently Atlanta, GA) or virtually
Design & Construction Process	.5	0	Support Center (currently Atlanta, GA) or virtually
Marketing (Brand, Local Restaurant Marketing Digital, and Public Relations)	.5	0	Support Center (currently Atlanta, GA) or virtually
Supply Chain	.5	0	Support Center (currently Atlanta, GA) or virtually
Operational Manual/Standards & Tools	.5	0	Support Center (currently Atlanta, GA) or virtually
New Restaurant Opening Process and Training Overview and Standards	.5	0	Support Center (currently Atlanta, GA) or virtually
Technology and Financial Requirements	.5	0	Support Center (currently Atlanta, GA) or virtually
Total	3.5	0	3.5

Operating Partner/Management Training Program

Management Training Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Inventory/Ordering/Receiving/Storing	2	12	Existing Smalls Sliders Restaurant we select
Brand Standards Manual, Recipes, Preparation of products Customer Service, Food Safety	6	12	Existing Smalls Sliders Restaurant we select
Opening/Shift Change/Closing Procedures	0	13	Existing Smalls Sliders Restaurant we select
Equipment Training and Assembly/Maintenance	0	8	Existing Smalls Sliders Restaurant we select
Drive Thru Service	1	8	Online and/or at a location we designate in Louisiana

Management Training Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Hiring, Training, Recognition/Rewards,	0	4	Online and/or at a location we designate in Louisiana
POS & Back Office Training	4	8	Online and/or at a location we designate in Louisiana
SmallsIn Community Outreach & Local Store Marketing	0	2	Online and/or at a location we designate in Louisiana
Position Training (Grill, Assembly, Prep, Order Taker)	2	30	At a corporate training <u>Can Online and/or</u> at a location we designate in Louisiana
Totals	15	97	112

New Restaurant Opening

We will visit your Restaurant to conduct a pre-opening inspection about two weeks before your Restaurant is scheduled to open. We provide an on-site pre-opening training team to assist with opening your ~~first two Restaurants. If you do not have a General Manager or Operating Partner, we will provide new restaurant opening training for an additional fee~~ Restaurant.

When your Restaurant is ready to open, we will provide up to 50 hours of onsite support ~~for your first two Restaurants.~~ A member of our training team, and your Franchise Business Consultant will assist with opening your Restaurant. ~~If you require additional support for your third location, you must pay an additional fee.~~ We may provide more representatives, or more hours of on-site support, at the Restaurant during this period as we deem necessary. We solely determine the timing, scheduling, and staffing of on-site support we provide, including the calendar dates, times of our support, and whether we provide these days consecutively or intermittently. You must successfully complete all activities during this on-site support period to our satisfaction. If you request, and we agree to provide, additional or special guidance, assistance, or training during this on-site support period, then you will pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

~~REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY.~~

Our on-site support includes the following:

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Employee Training	0	22	Your Smalls Sliders Restaurant
Family & Friends (Mock Day)	0	4	Your Smalls Sliders Restaurant
Opening Day & Weekend <u>Subsequent Days</u>	0	24	Your Smalls Sliders Restaurant
Total	0	50 <u>46</u>	

~~We may choose to provide the above services to franchisees after their second Restaurant and may not provide all of the above services to renewal or purchases of existing Restaurants.~~

~~Ashley Turner~~

~~Chris Bass, our Director~~ Senior Vice President of Operations ~~Services~~, develops and supervises our training programs. ~~Ashley~~ Chris has been working in the food and beverage field for 23 ~~more than 30~~ years and has been working with us since ~~May 2023~~ January 2025.

The instructional materials for our required training programs currently include, or may include in the future, computer-based training courses and software, videos, handouts, the Brand Standards Manual, and tests or other evaluations we may require you or your attendees to complete.

We reserve the right to vary the length and content of the initial training program based on the experience and skill level of the individual attending the Initial Training Program. We will use the Brand Standards Manual as the primary instruction tool during the Initial Training Program. We do not have a set schedule for the training classes as we hold initial training classes as needed. Training is conducted by members of our Support Center and Operations team.

We will not provide general business or operations training for your employees or independent contractors; however, we may provide limited training on the Smalls Sliders System and brand standards to your key employees. You are responsible for training your employees and independent contractors, including any training on the day-to-day operations of the Smalls Sliders Restaurant. You are responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of ~~the~~ your Smalls Sliders Restaurant. We do not provide you with any assistance in hiring employees.

Ongoing Training

You (or your ~~Managing Operator~~ Operating Partner) and/or other previously trained and experienced employees must attend and complete to our satisfaction various training courses that we periodically provide either online or in-person at the times and locations we designate. We may charge reasonable registration or similar fees for these courses. Besides attending these courses, we may require you to attend an annual national meeting of all Smalls Sliders Restaurant franchise owners at a location

we designate. You are responsible for all related travel and living expenses and wages incurred in attending these courses and meetings.

If any audit discloses your failure to operate your Restaurant in accordance with the System Standards, then we may require you to undertake additional training at your Restaurant, and we will determine the duration of the training and the number of trainers in our sole discretion. If we require you to undertake this additional training, you will pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

Other personnel we designate may assist in our initial and other training programs, including other Smalls Sliders Restaurant representatives, or other Smalls Sliders Restaurant franchise owners or qualified managers or operators of Smalls Sliders Restaurants. The Franchise Agreement requires you to assist in future training programs for other franchise owners, upon our request and for which we will reimburse you for your associated expenses.

ITEM 12 TERRITORY

Franchise Agreement

Before you sign the Franchise Agreement, we will describe in Exhibit B of the Franchise Agreement the Site Selection Area. The Site Selection Area is described solely for the purpose of limiting the area within which you may seek a site location for your Restaurant. The exact size and boundaries of the Site Selection Area are determined in our sole judgment. Once you secure a lease for the location, we will designate a geographical area surrounding your Premises, to be described in the Franchise Agreement and that will be about three-quarters of a mile around the premises of site of your Restaurant (the "Protected Territory"). However, your Protected Territory may be less than three-quarters of a mile, depending on factors including population density, street or walk by traffic patterns and natural geographic features, such as bodies of water, interstate highways and other features that normally define guest trip patterns. We will determine your Protected Territory in our sole discretion.

Except as described below under "Development Rights Rider", you have no options, rights of first refusal, or similar rights to acquire additional franchises within the Protected Territory or in contiguous territories. You may operate your Restaurant only from the Premises we accepted within the Protected Territory and may not relocate the Premises without our acceptance of a new site. We will approve relocation only if the lease for the Premises expires or is terminated without your fault, or if the site for the Premises is destroyed, condemned, or otherwise rendered unusable, and the proposed substitute site meets our criteria. You must locate a substitute site in the Protected Territory, and begin operating your Restaurant from a substitute site, within 180 days after you lose the right to occupy the Premises, or we may terminate the Franchise Agreement.

We and our affiliates retain certain rights within and outside the Protected Territory, as described below in this Item. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control.

Except as limited below, as long as you are in full compliance with the Franchise Agreement, then we and our affiliates will not operate or grant a franchise for the operation of a Smalls Sliders

Restaurant at a location in the Protected Territory during the term of your Franchise Agreement. Otherwise, we and our affiliates retain all rights with respect to Smalls Sliders Restaurants, the Marks, the sale of identical, similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

(1) the right to operate, and to grant others the right to operate Smalls Sliders Restaurants located anywhere outside the Protected Territory under any terms we deem appropriate and regardless of proximity to your Restaurant;

(2) the right to establish and operate, and to grant to others the right to establish and operate businesses offering similar or dissimilar products and services through similar or alternative channels of distribution, at locations inside or outside the Protected Territory under trademarks or service marks other than the Marks and on any terms we deem appropriate;

(3) the right to provide, offer and sell and to grant others the right to provide, offer and sell goods and services that are identical or similar to and/or competitive with those products and services provided at Smalls Sliders Restaurants (including products offered at an Smalls Sliders Restaurant), whether identified by the Marks or other trademarks or service marks, through alternative distribution channels (including, without limitation, the Internet or similar electronic media, any other form of electronic commerce and ~~department stores~~supermarkets) both inside and outside the Protected Territory and on any terms we deem appropriate;

(4) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside the Protected Territory under the Marks and on any terms we deem appropriate;

(5) the right to operate and grant others the right to operate Smalls Sliders Restaurants at “Non-Traditional Sites” within and outside the Protected Territory on any terms we deem appropriate. “Non-Traditional Sites” are sites that generate customer traffic flow that is independent from the general customer traffic flow of the surrounding area, including shopping malls, airports, stadiums, arenas, major industrial or office complexes, hotels, school campuses, casinos, educational facilities, amusement parks and sports or entertainment venues;

(6) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Smalls Sliders Restaurants, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchise owners or licensees of these businesses) are located or operating (including in the Protected Territory); and

(7) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Smalls Sliders Restaurants, or by another business, even if the business operates, franchises and/or licenses Competitive Businesses in the Protected Territory.

We may exercise any of the retained rights without compensating you. Although we have the right to do so (as described above), neither we nor an affiliate currently operates, franchises, or has

present plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will sell in your Restaurant.

You may not use other channels of distribution to make sales at your Restaurant, such as the Internet or any other form of electronic commerce, catalog sales, telemarketing, or other direct marketing to make sales inside or outside the Protected Territory. You must advertise and solicit customers for your Restaurant only within the Protected Territory. You may not operate your Restaurant away from the Premises.

Development Rights Rider

You may (if you qualify) develop and operate a number of Smalls Sliders Restaurants within the Development Area. We and you will identify the Development Area in the Development Rights Rider before signing it. The Development Area typically is defined as a physical geographic area, city, cities, counties or zip codes. We base the Development Area's size primarily on the number of Smalls Sliders Restaurants you agree to develop, population, demographics, and site availability. We and you will negotiate the number of Smalls Sliders Restaurants you must develop to keep your development rights and the dates by which you must develop them. We and you then will complete the schedule in the Development Rights Rider before signing it. While the Development Rights Rider is in effect, we (and our affiliates) will not establish or operate, or grant to others the right to establish or operate, other Smalls Sliders Restaurants, the physical premises of which are located within the Development Area. There are no other restrictions on us (or our affiliates). You must not develop or operate Smalls Sliders Restaurants outside the Development Area. We may terminate the Development Rights Rider if you do not satisfy your development obligations when required. In addition, if you fail to comply with the terms of the Development Rights Rider during its term, we may, at our option, elect to terminate only the exclusivity of the Development Area instead of terminating the Development Rights Rider entirely. This means that during the remainder of the term of the Development Rights Rider, we and our affiliates will have the right to establish and operate, and grant to others the right to establish and operate, Smalls Sliders Restaurants the physical premises of which are located within the Development Area and continue to engage, and grant to others the right to engage, in any activities that we (and they) desire within the Development Area without any restrictions. However, our termination of the exclusivity will be without prejudice to our right to later terminate the Development Rights Rider for the same default or any other defaults under the Development Rights Rider.

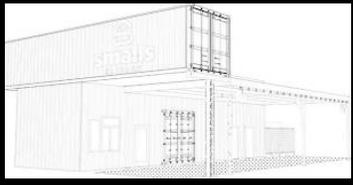
Despite the development schedule under the Development Rights Rider, we may delay your development of additional Smalls Sliders Restaurants within the Development Area for the time period we deem best if we believe, when you apply for the next Smalls Sliders Restaurants, that you are not yet operationally, managerially, or otherwise prepared (due to the particular amount of time that has elapsed since you developed and opened your most recent Smalls Sliders Restaurant) to develop, open and/or operate the additional Smalls Sliders Restaurants according to our standards and specifications. We may delay additional development as long as the delay will not in our reasonable opinion cause you to breach your development obligations under the Development Schedule (unless we are willing to extend the schedule to account for the delay).

Except as described above, we may not alter your Development Area during the Development Rights Rider's term.

**ITEM 13
TRADEMARKS**

The table below consists of the Marks that we license to you as part of the franchise. You may not sublicense the Marks without our permission. The below list may not be an exhaustive list of all Marks owned by us or our affiliates.

MARK	REGISTRATION OR APPLICATION NUMBER	REGISTRATION OR APPLICATION DATE	STATUS
Smalls Sliders	Reg. 5877500	October 8, 2019	Registered
	Reg. 7148906	August 29, 2023	Registered
	Reg. 7364648	April 23, 2024	Registered
 	App. 98264240	November 10, 2023	Pending
	App. 98264281	November 10, 2023	Pending

MARK	REGISTRATION OR APPLICATION NUMBER	REGISTRATION OR APPLICATION DATE	STATUS
	<u>Reg. No. 7403801</u>	<u>May 28, 2024</u>	<u>Registered (Supplemental Register)</u>
	<u>Reg. No. 7591872</u>	<u>Dec. 3, 2024</u>	<u>Registered (Supplemental Register)</u>
	<u>App. 98264253</u>	<u>November 10, 2023</u>	<u>Pending</u>
<u>SMALLS</u>	<u>Reg. No. 7648820</u>	<u>January 14, 2025</u>	<u>Registered</u>

Smalls IP has registered, or applied for registration of, as applicable, the Marks listed above on the Principal Register (except as noted above) of the United States Patent and Trademark Office (“USPTO”). No affidavits or renewal filings are yet due for these registrations, but Smalls IP intends to renew the registrations and submit any required affidavits at the appropriate times and in accordance with applicable law.

Neither we nor Smalls IP have a federal registration for App. 98264240 and App. 98264281. Therefore, these trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use these trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Smalls IP has licensed us the right to use the System and Marks and to sublicense them to our franchise owners in a Trademark, Copyright, And Know-How License Agreement dated as of July 1, 2021. The Trademark, Copyright, And Know-How License Agreement allows us to use, and sublicense to our franchise owners the right to use, the Marks, System, and other intellectual property anywhere in the world. The Trademark, Copyright, And Know-How License Agreement provides for an indefinite term, unless earlier terminated by Smalls IP or us on 120 days’ prior written notice to the other party. Smalls Sliders Restaurant franchise owners must cease using the System and Marks on termination of the Trademark, Copyright, And Know-How License Agreement. No other agreement limits our right to use or license the Marks.

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, and no pending infringement, opposition, or cancellation proceedings or material litigation, involving the Marks. We do not actually

know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state. There are no decided infringement, opposition or cancellation proceedings in which we unsuccessfully fought to prevent registration of a third party's trademark in order to protect our trademarks.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and you may not communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding arising from any infringement, challenge, or claim. You must assist us, as we direct, in protecting and maintaining our interests in any litigation or USPTO or other proceeding. At our option, we may defend and/or control the defense of any proceeding arising from your use of any Mark. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving the Marks; however, if you timely notify us and comply with our directions in response to a trademark infringement proceeding that disputes your authorized use of the Marks, then we will reimburse you for your damages and reasonable expenses you incur.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time (not to exceed 30 days) after receiving notice. We need not reimburse you for your direct expenses of changing your Restaurant's signs, for any loss of revenue due to any modified or discontinued Mark, any loss of goodwill associated with any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise. We claim common law copyrights in the Brand Standards Manual (which contains our trade secrets), advertising and marketing materials, and similar items used in operating Smalls Sliders Restaurants. We have not registered these copyrights with the United States Registrar of Copyrights, but we need not do so at this time to protect them. You may use these items only as we specify while operating your Restaurant (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the USPTO, the United States Copyright Office, or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the best interests of the System or all or some Smalls Sliders Restaurants, as we solely determine. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Brand Standards Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes, or may in the future include: training and operations materials; methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating Smalls Sliders Restaurants; marketing and advertising programs for Smalls Sliders Restaurants; any

computer software or similar technology that is proprietary to us or the System; knowledge of specifications for and suppliers of Smalls Sliders Restaurants and other products and supplies; knowledge of the operating results and financial performance of Smalls Sliders Restaurants other than your Restaurant; and graphic designs and related intellectual property.

All ideas, concepts, inventions, techniques, or materials concerning a Smalls Sliders Restaurant, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a “work made-for-hire” for us, you assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent improper disclosure to others. You agree to have a form of confidential information protection agreement that we have approved signed by all of the following persons before they are given access to any of our confidential information: (i) your General Manager and any supervisory or other of your employees who have received or will receive training from us; (ii) if you are an entity, all your officers, directors, shareholders, partners, members and owners, and those of any entity directly or indirectly controlling you, at the same time the Franchise Agreement is signed, or at any time that they assume this status and (iii) you, your owners and your and your owners’ spouses. You agree to provide us copies of all signed confidential information protection agreements no later than 10 days following their signing. We will be a third-party beneficiary of each confidential information protection agreement with independent enforcement rights.

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

If you are a legal entity, you must appoint a shareholder, member, or partner (who may or may not be an owner) to be your “~~Managing Operator~~Operating Partner,” responsible for overseeing and supervising your Restaurant’s operation. If you are an individual, you will be the “~~Managing Operator~~Operating Partner.” You must maintain a competent, conscientious, trained staff, including a fully-trained, full-time manager, which may be you (or your ~~Managing Operator~~Operating Partner), who must act as the General Manager of your Restaurant with responsibility for direct supervision of your Restaurant. You (or your ~~Managing Operator~~Operating Partner) and the General Manager are responsible for conducting day-to-day business activities at your Restaurant. The General Manager is not required to possess any designated amount of equity interest in your franchised business. You must at all times faithfully, honestly, and diligently perform your contractual obligations and use best efforts to promote and enhance your Restaurant. ~~System Standards may address your Restaurant’s staffing levels, identifying your Restaurant’s personnel, and employee qualifications, training, dress, and appearance.~~

You agree to have all of the following persons sign, and you will submit to us signed copies of, a form of confidential information protection agreement that we have approved from all of the following persons: (i) your General Manager and any supervisory or other employees who have received or will receive training from us; and (ii) if you are a corporation, limited liability company, or partnership, all your officers, directors, shareholders, partners, members and owners, and those of any corporation,

limited liability company, or partnership directly or indirectly controlling you, concurrent with the signing of the Franchise Agreement, or at the time as they assume this status.

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. The required form of “Guaranty and Assumption of Obligations” is attached to the Franchise Agreement.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all goods and perform all services that we periodically require for Smalls Sliders Restaurants. You may not offer or sell any products or perform any services that we have not authorized. (See Item 8) Our System Standards may regulate: (i) required and/or authorized equipment, materials, supplies, ingredients, recipes, Menu Items, Proprietary Products and other products and services; (ii) unauthorized and prohibited services, products, equipment, materials, supplies, ingredients and recipes; and (iii) staffing levels and days and hours of operations of your Restaurant. We periodically may change required and/or authorized services, the Menu Items and Proprietary Products or other products. There are no limits on our right to do so.

We may establish, to the fullest extent allowed by applicable law, maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services, and you must offer and participate in any required discounts, giveaways and other promotions at your sole expense, in accordance with our specifications. You further agree to honor the discounts, giveaways and other promotions offered by other Smalls Sliders Restaurant franchise owners under any program we establish, as long as compliance does not contravene any applicable law, rule or regulation.

You may conduct business only with customers at your Restaurant. Subject to applicable law, your Restaurant must only accept payments from customers in the form of credit and debit cards, mobile payments and any other methods of payment we may specifically authorize in writing. We do not restrict the customers whom you may serve at your Restaurant. You must advertise and solicit clients for your Restaurant only within ~~the~~your Protected Territory unless we otherwise approve in writing and you may not operate your Restaurant outside the Protected Territory. You may not operate your Restaurant, or offer the Proprietary Products, Menu Items or other products for sale from any physical location other than at the Premises.

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 1.5 of Franchise Agreement	15 years.
	Development Agreement	Term of Development Rights Rider depends on development obligations.
b. Renewal or extension of the term	Section 1.5 and Section 13 of Franchise Agreement	If you are in full compliance, you may acquire 4 successor franchise terms of 5 years each.
	Development Rights Rider	No renewal or extension of Development Rights Rider.
c. Requirements for franchisee to renew or extend	Section 13 of Franchise Agreement	To “renew,” you must be in full compliance with the Franchise Agreement; give us timely notice; pay us the renewal fee; maintain possession of the Premises or find acceptable substitute premises; remodel your Restaurant according to our then current standards (regardless of cost); and sign our then current Franchise Agreement, a <u>general</u> release (if law allows), and other documents we use to grant franchises. The terms of our then current Franchise Agreement that you sign for renewal of the franchise may differ materially from your original contract/Franchise Agreement, including reduced <u>Protected</u> Territory and increased fees.
d. Termination by franchisee	Not applicable under Franchise Agreement.	Not applicable under Franchise Agreement (subject to any grounds allowed under state law).
e. Termination by franchisor without cause	Not applicable under Franchise Agreement.	Not applicable under Franchise Agreement.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
f. Termination by franchisor with cause	Sections 14.1 and 14.2 of Franchise Agreement and Section 8 of Development Rights Rider	We may terminate your franchise (and development rights) only if you or your owners commit one of several violations. We and our affiliates have the right to terminate all other agreements between us or our affiliates and you if the Franchise Agreement is terminated. Termination of the Development Agreement will not result in termination of any then effective Franchise Agreements for your Restaurants already in operation.
g. "Cause" defined-curable defaults	Section 14.2 of Franchise Agreement	Curable defaults include: failure to deliver a signed lease addendum within 7 days after its signing; failure to open and operate your Restaurant within the lesser of 150 days from receiving our approval on the lease or 270 days <u>12 months</u> from signing the Franchise Agreement; failure to complete training; failure to maintain the required insurance; violation of health, safety or sanitation law; failure to pay us or our affiliates; failure to pay vendors or suppliers; failure to pay taxes; other default not stated above or in Section 14.1.
h. "Cause" defined-non-curable defaults	Section 14.1 of Franchise Agreement	Non-curable defaults include: misrepresentation in acquiring the franchise; abandonment; unapproved transfers; conviction of a felony, crime involving moral turpitude, or other crime; dishonest or unethical conduct; making an unauthorized representation or warranty on our behalf; lose the right to occupy the Premises; unauthorized use or disclosure of the Brand Standards Manual or other confidential information; interfere with our inspection rights; understating Gross Sales; repeated defaults (even if cured); an assignment for the benefit of creditors; appointment of a trustee or receiver; violation of any anti-terrorism law; knowingly maintaining false books or records or submitting false reports; refusing to permit us to inspect your Restaurant or your books, records, or accounts; termination of any other agreement between you (or your owners or affiliates) and us (or our owners and affiliates) due to failure to comply with the agreement.
	Section 8 of Development Rights	We may terminate the Development Rights Rider if you do not meet development schedule

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Rider	or other obligations; if the Franchise Agreement or any other franchise agreement between us and you (or your affiliated entity) is terminated by us for cause or by you for any or no reason; or we have delivered formal notice of default to you (or your affiliated entity) under the Franchise Agreement or another franchise agreement (whether or not default is cured).
i. Franchisee's obligations on termination/nonrenewal	Section 15 of Franchise Agreement	Obligations include paying outstanding amounts; paying liquidated damages (if applicable); complete de-identification; assigning telephone and other numbers; and returning confidential information (also see (o) and (r) below)
j. Assignment of contract by franchisor	Section 12.1 of Franchise Agreement	No restriction on our right to assign; we may assign without your approval.
k. "Transfer" by franchisee – defined	Section 12.2 of Franchise Agreement	Includes transfer of Franchise Agreement, your Restaurant (or its profits, losses or capital appreciation), sale of Operating Assets, and ownership change in you or your owners.
l. Franchisor approval of transfer by franchisee	Section 12.2 of Franchise Agreement and Section 9 of Development Rights Rider	No transfer without our prior written consent unless the transfer is a non-controlling share of ownership interests in you to a transferee who meets our then-current standards for Smalls Sliders Restaurant owners, you provide us notification of the transfer and you pay us a transfer fee. Your development rights under the Development Rights Rider are not assignable at all.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
m. Conditions for franchisor approval of transfer	Section 12.3 of Franchise Agreement	New franchise owner qualifies (based on business experience, aptitude and financial resources); you pay us, our affiliates, and third party vendors all amounts due and submit all required reports; no default during 60-day period before transfer request or during period between request and transfer's proposed effective date; new franchise owner (and its owners and affiliates) are not in a Competitive Business; training completed; your landlord allows the transfer or sublease of your lease; you or transferee signs our then current Franchise Agreement and other documents; transfer fee paid; you sign <u>general</u> release (if law allows); we accept material terms; you subordinate amounts due to you; you de-identify; and you correct existing Restaurant deficiencies of which we notify you on a punch-list (also see (r) below).
n. Franchisor's right of first refusal to acquire franchisee's business	Section 12.7 of Franchise Agreement	We may match any offer for your Restaurant or an ownership interest in you.
o. Franchisor's option to purchase franchisee's business	Section 15.6 of Franchise Agreement	We have the option to purchase your Restaurant's operating assets on termination or expiration of the Franchise Agreement.
p. Death or disability of franchisee	Section 12.5 of Franchise Agreement	Your or your Managing Operator <u>Operating Partner</u> 's representative must assign the franchise or an ownership interest in you to an approved party within 6 months; substitute management must be appointed within 15 days; we may assume management of your Restaurant and collect a Management Fee plus our expenses if your Restaurant is not managed properly.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
q. Non-competition covenants during the term of the franchise	Section 7 of Franchise Agreement	No diverting business; no ownership interest in, performing services for, or lending money to, Competitive Businesses anywhere (“Competitive Business” means any restaurant or other food service business that derives more than 10% of its revenue from selling hamburgers or sliders of any kind or any business granting franchises or licenses to others to operate such a business); no engagement in activities that may injure goodwill of the Marks.
r. Non-competition covenants after the franchise is terminated or expires	Section 15.5 of Franchise Agreement	You may not own, manage, supervise or control the activities of, train the employees of, advise, franchise, loan any assets to, or lease any property to Competitive Business for 2 years at the Premises where your Restaurant is located; within the <u>Protected Territory</u> ; within a 15 mile radius of the <u>Protected Territory</u> ; or within 15 miles of any other Smalls Sliders Restaurant in operation or under construction as of date Franchise Agreement expires or is terminated.
s. Modification of the agreement	Section 17.10 of Franchise Agreement	No modifications except by written agreement signed by both us and you, but we may change Brand Standards Manual and System Standards.
t. Integration/merger clause	Section 17.12 of Franchise Agreement	Only the terms of the Franchise Agreement are binding (subject to state law). However, nothing in the Franchise Agreement or any related agreement is intended to disclaim our representations made in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Sections <u>Section 17.5 and 17.6</u> of Franchise Agreement	Subject to the requirement to mediate certain disputes, we <u>We</u> and you must arbitrate <u>mediate</u> all disputes in the city where our then current principal business address is located (currently, Atlanta, Georgia).
v. Choice of forum	Section 17.8 of Franchise Agreement	Subject to mediation and arbitration requirements, litigation generally must be in the state or federal court of competent jurisdiction located closest to our then current principal business address (currently, Atlanta, Georgia) (subject to state law)

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
w. Choice of law	Section 17.7 of Franchise Agreement	Except for Federal Arbitration Act and other federal law, Georgia law governs (subject to state law)

**ITEM 18
PUBLIC FIGURES**

Drew Brees, the former quarterback for the New Orleans Saints, is an owner in a company that holds a membership interest in our corporate parent, Smalls ~~Holdings~~ Holding. ~~Drew has no direct investment in us~~ also is one of our franchisees. As one of the beneficial owners of our corporate parent, Drew is involved in brand development, expansion, public relations and advertising of the System. Other than benefits received in connection with his ownership in a company that holds a membership interest in our corporate parent, Drew receives no compensation or other benefit from us or our corporate parent in exchange for his involvement in those activities. Except as stated above, no public figure appears in the franchise name or symbol, endorses or recommends the franchise to prospective franchisees, is involved in our actual management or control, or has invested in us.

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**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 following Table provides certain historical information for all Smalls Sliders Restaurants that were open and operating during the full year or portion of the year for ~~2023~~2024. In ~~2023~~2024, there were 2 affiliate Restaurants and 49 franchised restaurants open for all 52 weeks of the year. In ~~2023~~2024, 51 affiliate Restaurant and 7 franchised Restaurants began operating and remained open for the remainder of ~~2023~~2024. All Restaurants under the above criteria are represented in the below table.

Restaurant	Opening Date	Gross Sales Year 2023 <u>2024</u>	Weeks Open in 2023 <u>2024</u>	Average Week 2023 <u>2024</u>	Median Week 2023 <u>2024</u>
Affiliate Restaurant #1	9/13/2019	\$1,654,852 <u>\$1,784,701</u>	52	\$31,824 <u>\$31,614</u> 34 <u>398</u>	\$31,614 <u>\$31,614</u> 29 <u>398</u>
Affiliate Restaurant #2	12/27/2021	\$1,493,483 <u>\$1,515,690</u>	52	\$28,721 <u>\$28,721</u> 29 <u>148</u>	\$28,461 <u>\$28,461</u> 29 <u>440</u>
Franchised Restaurant #3	5/16/2022	\$989,318 <u>\$989,318</u> 926 <u>904</u>	52	\$19,025 <u>\$19,025</u> 17 <u>825</u>	\$18,561 <u>\$18,561</u> 17 <u>690</u>
Franchised Restaurant #4	7/6/2022	\$1,809,386 <u>\$1,809,386</u>	52	\$34,796 <u>\$34,796</u> 41	\$33,693 <u>\$33,693</u> 42

Restaurant	Opening Date	Gross Sales Year 20232024	Weeks Open in 20232024	Average Week 20232024	Median Week 20232024
		<u>167,772</u>		<u>,688</u>	<u>,200</u>
Franchised Restaurant #5	8/25/2022	<u>\$1,349,548</u> <u>122,674</u>	<u>5251</u>	<u>\$25,953</u> <u>21,590</u>	<u>\$25,448</u> <u>20,296</u>
Franchised Restaurant #6	12/15/2022	<u>\$2,640,998</u> <u>404,020</u>	<u>5251</u>	<u>\$50,788</u> <u>46,231</u>	<u>\$47,878</u> <u>46,548</u>
The below Restaurants have been open for less than one year. Please see Note 4 below.					
Franchised Restaurant #7	4/6/2023	<u>\$2,092,792</u> <u>276,221</u>	<u>3851</u>	<u>\$55,073</u> <u>43,773</u>	<u>\$46,752</u> <u>43,694</u>
Franchised Restaurant #8	5/25/2023	<u>\$1,756,767</u> <u>132,888</u>	<u>3452</u>	<u>\$56,670</u> <u>41,017</u>	<u>\$48,330</u> <u>41,449</u>
Franchised Restaurant #9	7/20/2023	<u>\$1,879,530</u> <u>887,660</u>	<u>2352</u>	<u>\$81,719</u> <u>55,532</u>	<u>\$70,907</u> <u>56,570</u>
Franchised Restaurant #10	11/16/2023	<u>\$446,126</u> <u>1,720,705</u>	<u>652</u>	<u>\$74,354</u> <u>33,090</u>	<u>\$65,170</u> <u>31,177</u>
Franchised Restaurant #11	12/7/2023	<u>\$330,068</u> <u>3,541,951</u>	<u>352</u>	<u>\$110,023</u> <u>6,8114</u>	<u>\$87,911</u> <u>73,724</u>
The below Restaurants have been open for less than one year. Please see Note 4 below.					
Franchised Restaurant #12	2/1/2024	<u>\$3,709,854</u>	<u>47</u>	<u>\$77,289</u>	<u>\$77,927</u>
Franchised Restaurant #13	4/11/2024	<u>\$971,183</u>	<u>37</u>	<u>\$25,557</u>	<u>\$23,272</u>
Franchised Restaurant #14	5/22/2024	<u>\$794,871</u>	<u>31</u>	<u>\$24,840</u>	<u>\$24,769</u>
Franchised Restaurant #15	8/8/2024	<u>\$1,299,669</u>	<u>20</u>	<u>\$61,889</u>	<u>\$57,725</u>
Franchised Restaurant #16	9/12/2024	<u>\$1,095,056</u>	<u>15</u>	<u>\$68,441</u>	<u>\$63,676</u>
Franchised Restaurant #17	9/19/2024	<u>\$1,069,663</u>	<u>14</u>	<u>\$71,311</u>	<u>\$65,662</u>
Franchised Restaurant #18	10/3/2024	<u>\$692,086</u>	<u>12</u>	<u>\$53,237</u>	<u>\$50,411</u>
Franchised Restaurant #19	10/28/2024	<u>\$607,968</u>	<u>9</u>	<u>\$67,552</u>	<u>\$58,780</u>

Notes to Table

1) “Gross Sales” has the same definition as in Section 3.6 of the Franchise Agreement. Specifically, “Gross Sales” means all revenue generated from operating your Restaurant, including, but not limited to, all amounts that you receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions and all other income of every kind and nature related to your Restaurant, excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority.

2) All Smalls Sliders Restaurants offer substantially the same products and services to the public. The Franchised Restaurants reported in this Item 19 receive the same services that will be offered to new franchisees.

3) The foregoing data relates to revenue only; we are not presenting any information on the expenses of operating a Smalls Restaurant. Operating a Smalls Sliders Restaurant incurs a wide variety of expenses that will reduce the Restaurant’s income from the revenue levels shown. Examples of the types of these expenses include, for example, rent and occupancy expenses; food and beverage product

and supply costs; salaries, wages and other personnel-related expenses; federal, state and local taxes and fees; utilities; financing costs (including on loans and leases); royalties and other amounts due us.

4) After a new Restaurant opens, the sales may be much higher than a Restaurant’s normal ongoing sales volume. We refer to this surge in sales as a “honeymoon period”. The honeymoon period may be the result of grand opening activities, new restaurant marketing, new interest from customers, and other factors. The honeymoon period may last several months. More typical or expected sales volumes may not be evident until a Restaurant has been open for at least 3 months.

5) Characteristics of the Restaurants reported in this Item 19 may differ substantially from your Restaurant depending on your previous business or management experience, competition in your area, length of time that the included Restaurants have operated compared to your Restaurant, and the services or goods sold at your Restaurant compared to the included Restaurants.

6) We obtained these historical financial results from information submitted by our franchisees and affiliates that operate Affiliated Restaurants. We have not audited the information presented above, nor have we independently verified this information.

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Other than the preceding financial performance representation, we do not make any financial performance representations. 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: Richard Leveille at 7000 Central Parkway, Suite 1100, Atlanta, Georgia 30328 and (504) 723-0362; the Federal Trade Commission; and the appropriate state regulatory agencies.

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ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
Systemwide Outlet Summary
For years ~~2021~~2022 to ~~2023~~2024**

Column 1	Column 2	Column 3	Column 4	Column 5
Outlet Type	Year	Outlets at the Start of Year	Outlets at the End of Year	Net Change
Franchised	2021	0	0	0
	2022	0	4	+4
	2023	4	9	+5
	2024	9	19	+10

Company Owned	2021	1	2	+1
	2022	2	2	0
	2023	2	2	0
	2024	2	2	0
Total Outlets	2021	1	2	+1
	2022	2	6	+4
	2023	6	11	+5
	2024	11	21	+10

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years ~~2021~~2022 to ~~2023~~2024

Column 1	Column 2	Column 3
State	Year	Number of Transfers
All States	2021	0
Louisiana	2022	0
	2023	0
	2024	2
Totals	2021	0
	2022	0
	2023	0
	2024	2

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Table No. 3
Status of Franchised Outlets
For years ~~2021~~2022 to ~~2023~~2024

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Arkansas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Florida	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
Louisiana	2021	0	0	0	0	0	0	0

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired By Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
	2022	0	4	0	0	0	0	4
	2023	4	4	0	0	0	0	8
	2024	8	5	0	0	0	0	13
Mississippi	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	0	0	0	0	0	0	0
	2023	0	10	0	0	0	0	10
	2024	0	1	0	0	0	0	1
Totals	2021	0	0	0	0	0	0	0
	2022	0	4	0	0	0	0	4
	2023	4	5	0	0	0	0	9
	2024	9	10	0	0	0	0	19

Table No. 4
Status of Company-Owned Outlets
For years ~~2021~~2022 to ~~2023~~2024

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Louisiana	2021	1	1	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
Totals	2021	1	1	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2

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Table No. 5
Projected Openings as of December 31, 2023-2024

Column 1 State	Column 2 Franchise Agreements Signed but Outlets Not Opened	Column 3 Projected New Franchised Outlets In The New Fiscal Year	Column 4 Projected New Company-Owned Outlets In The New Fiscal Year
Alabama	4	2	0
Arizona	2	3	0
Arkansas	1	10	0
Colorado	1	1	0
Florida	26	27	0
Georgia	4	3	20
Iowa	1	0	0
Kansas	0	1	2
Kentucky	1	0	0
Louisiana	81	95	0
Mississippi	1	1	0
Missouri	1	24	0
Nevada	1	0	0
North Carolina	2	0	0
Oklahoma	0	1	2
South Carolina	1	1	31
Texas	813	1213	0
Totals	2439	3545	51

Exhibit I contains the names of all current franchisees and the address and telephone number of each of their Restaurants. Exhibit I also contains the names, city and state, and the current business telephone number, or, if unknown, the last known home telephone number of every franchisee who had Restaurant terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under any Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of this Disclosure Document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, some former franchisees signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Small Sliders System. You may wish to speak with current and former franchisees, but be aware that not all franchisees will be able to communicate with you.

There are currently no trademark-specific franchise owner organizations associated with the franchise system.

**ITEM 21
FINANCIAL STATEMENTS**

Exhibit F contains our audited financial statements as of December 29, 2024, December 27, 2023, December 31, 2022, and for June 22, 2021 (date of inception) through December 31, 2021.

~~Exhibit F also contains our unaudited financial statements as of June 30, 2024.~~

**ITEM 22
CONTRACTS**

The following agreements are exhibits:

- (a) Exhibit C Franchise Agreement
- (b) Exhibit D Development Rights Rider
- (c) Exhibit H Sample Form of General Release
- (d) Exhibit J Franchise Owner Disclosure Questionnaire

**ITEM 23
RECEIPTS**

Our and your copies of the receipt to this Disclosure Document are located at the last 2 pages of this Disclosure Document. One Receipt must be signed, dated, and delivered to us. The other Receipt should be retained for your records.

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EXHIBIT A - List of State Administrators

Exhibit A - 1

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

State Agencies

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

CALIFORNIA

Commissioner of Department of Financial
Protection & Innovation
Department of Financial Protection & Innovation
Toll Free: 1 (866) 275-2677

Los Angeles

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

Sacramento

2101 Arena Boulevard
Sacramento, California 95834
(866) 275-2677

San Diego

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

San Francisco

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

ILLINOIS

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

HAWAII

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

INDIANA

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

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MINNESOTA

Minnesota Department of Commerce
Securities Section
85 7th Place, Suite 280
St. Paul, Minnesota 55101
(651)-539-1638

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 14th Floor – Dept 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

RHODE ISLAND

Director of Business Regulations
State of Rhode Island
John O. Pastore Complex
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02910
(401) 462-9500

VIRGINIA

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

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

NEW YORK

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

OREGON

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

SOUTH DAKOTA

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

WASHINGTON

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

WISCONSIN

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

Exhibit A - 4

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

EXHIBIT B - List of State Agents for Service of Process

Exhibit B - 1

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

Agents For Service Of Process

CALIFORNIA

Commissioner of Department of Financial
Protection & Innovation
Department of Financial Protection & Innovation
Toll Free: 1 (866) 275-2677

Los Angeles

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

Sacramento

2101 Arena Boulevard
Sacramento, California 95834
(866) 275-2677

San Diego

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

San Francisco

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

ILLINOIS

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

MARYLAND

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

HAWAII

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

INDIANA

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

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
G. Mennen Williams Building, 1st Floor
525 W. Ottawa Street
Lansing, Michigan 48909
(517) 373-7117

Exhibit B - 2

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NORTH DAKOTA

Securities Commissioner
North Dakota Securities Department
600 East Boulevard Avenue, Suite 414
Bismarck, North Dakota 58505
(701) 328-4712

RHODE ISLAND

Director of Business Regulations
State of Rhode Island
John O. Pastore Complex
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02910
(401) 462-9500

VIRGINIA

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

WISCONSIN

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

NEW YORK

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

OREGON

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

SOUTH DAKOTA

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

WASHINGTON

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

EXHIBIT C – Franchise Agreement

Exhibit C - i

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1



SMALLS SLIDERS FRANCHISING LLC
FRANCHISE AGREEMENT

FRANCHISE OWNER

DATE OF AGREEMENT

SMALLS SLIDER RESTAURANT ADDRESS

Exhibit C - ii

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

TABLE OF CONTENTS

	<u>Page</u>
1. PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE	1
2. SITE SELECTION, LEASE OF PREMISES, AND DEVELOPMENT AND OPENING OF THE RESTAURANT.	5
3. FEES.	10
4. TRAINING AND ASSISTANCE.	12
5. MARKS.	14
6. CONFIDENTIAL INFORMATION.	16
7. EXCLUSIVE RELATIONSHIP.	18
8. SYSTEM STANDARDS.	19
9. MARKETING.	26
10. RECORDS, REPORTS, AND FINANCIAL STATEMENTS.	29
11. INSPECTIONS AND AUDITS.	30
12. TRANSFER.	31
13. EXPIRATION OF THIS AGREEMENT.	36
14. TERMINATION OF AGREEMENT.	38
15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.	41
16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.	45
17. ENFORCEMENT.	47
18. NOTICES AND PAYMENTS.	52 <u>51</u>
19. COMPLIANCE WITH ANTI-TERRORISM AND OTHER LAWS.	53 <u>52</u>

EXHIBITS

- EXHIBIT A LISTING OF OWNERSHIP INTERESTS
- EXHIBIT B KEY TERMS TO FRANCHISE AGREEMENT
- EXHIBIT C FRANCHISE ADDENDUM TO LEASE AGREEMENT
- EXHIBIT D ELECTRONIC TRANSFER AUTHORIZATION FORM
- EXHIBIT E GUARANTY AND ASSUMPTION OF OBLIGATIONS

SMALLS SLIDERS FRANCHISING LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this “Agreement”) is entered into between SMALLS SLIDERS FRANCHISING LLC, a Georgia limited liability company, with a principal address business at 7000 Central Parkway, Suite 1100, Atlanta, Georgia 30328 (“we,” “us,” or “our”), and _____, with a principal address at _____ (“you” or “your”) as of the date signed by us and set forth below our signature on this Agreement (the “Effective Date”).

1. PREAMBLES, ACKNOWLEDGMENTS, AND GRANT OF FRANCHISE.

1.1. Preambles.

(a) We and our affiliates have, over a considerable time period and with considerable effort, developed (and continue to develop and modify) a system and franchise opportunity for the operation of restaurants offering a limited menu of made-to-order sliders, fries, sauces, milkshakes, beverages and other ancillary food products as authorized from time-to-time (collectively, “Menu Items”). Menu Items are prepared according to our specified recipes, procedures and products, including all food and beverage items, ingredients, condiments and other products, services and equipment that now comprise, or in the future may comprise, part of the System (defined below) or our trade secrets that are developed by and are proprietary to us or our affiliates (collectively, the “Proprietary Products”). These restaurants operate under the “Smalls Sliders” name and other Marks (as defined below) (“Smalls Sliders Restaurants”) and have distinctive business formats, methods, procedures, signage designs, layouts, standards, and specifications, and the Marks, all of which we may improve, further develop, or otherwise modify at any time and from time to time (collectively, the “System”).

(b) We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols in operating Smalls Sliders Restaurants, that have gained and will continue to gain public acceptance and goodwill, and may create, use, and license other trademarks, service marks, and commercial symbols for Smalls Sliders Restaurants (collectively, the “Marks”).

(c) We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate a Smalls Sliders Restaurant using the System and offering the Menu Items and related products and services we authorize.

(d) As a franchise owner of a Smalls Sliders Restaurant, you will comply with this Agreement and all System Standards (defined in Section 4.4) to maintain the high and consistent quality that is critical to attracting and maintaining customers for Smalls Sliders Restaurants.

(e) You have applied for a franchise to own and operate a Smalls Sliders Restaurant and we are willing to grant you a franchise on the terms in this Agreement.

1.2. Acknowledgments.

You acknowledge:

Exhibit C - 1

(a) That you have independently investigated the Smalls Sliders Restaurant franchise opportunity and recognize that, like any other business, the nature of the business a Smalls Sliders Restaurant conducts may, and probably will, evolve and change over time.

(b) That an investment in a Smalls Sliders Restaurant involves business risks that could result in the loss of a significant portion or all of your investment.

(c) That your business abilities and efforts are vital to your success.

(d) That attracting customers for your Restaurant (as defined in Section 1.4 below) will require you to make consistent marketing efforts in your community through various methods and channels.

(e) That retaining customers for your Smalls Sliders Restaurant will require you to have a high level of customer service and adhere strictly to the System and our System Standards and that you are committed to maintaining System Standards.

(f) That you have not received from us, and are not relying on, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Smalls Sliders Restaurant, other than as stated in our Franchise Disclosure Document that we provided to you.

(g) That in all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us.

(h) That you have represented to us, to induce our entry into this Agreement, that all statements you have made and all materials you have given us are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise.

(i) That you have received as one document at one time a copy of the form of this Agreement, its exhibits, and our complete Franchise Disclosure Document at least 14 days before the earlier of: (i) the date on which this Agreement or any other agreement relating thereto was signed, and (ii) the payment of any consideration by or on behalf of you relating to this Agreement (except, where applicable, any deposit permitted under applicable law).

(j) That you have read this Agreement and our Franchise Disclosure Document and understand and agree that this Agreement's terms are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards with respect to every Smalls Sliders Restaurant, and to protect and preserve the goodwill of the Marks.

(k) That we will restrict your sources of Proprietary Products and have the right to restrict your sources of other goods and services, as provided in this Agreement, including Section 8 below.

(l) That we have not made any representation, warranty, or other claim regarding this Smalls Sliders Restaurant franchise opportunity, other than those made in this Agreement and our Franchise Disclosure Document, and that you have independently evaluated this opportunity, including

Exhibit C - 2

by using your business professionals and advisors, and have relied solely on those evaluations in deciding to enter into this Agreement.

(m) That you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the Smalls Sliders Restaurant franchise opportunity.

(n) That you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an attorney and have either done so or waived your right to do so.

1.3. **Corporation, Limited Liability Company, Or Partnership.**

If you are at any time a corporation, limited liability company, general or limited partnership, or other form of business entity (each, an "Entity"), then you agree and represent that:

(a) You will have the authority to sign, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed and validly existing in good standing under the laws of the state of your formation;

(b) Your organizational documents, operating agreement, or partnership agreement, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

(c) Exhibit A to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(d) Each of your owners during the term (as defined in section 1.5~~below~~) and any renewal term (as defined in section 1.5~~below~~) will sign the Guaranty and Assumption of Obligations in the form attached to this Agreement undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Subject to our rights and your obligations under Section 12, you and your owners agree to promptly sign and deliver to us revisions to Exhibit A to reflect any permitted changes in the information that Exhibit A now contains;

(e) You will appoint a person (who may or may not be an owner), to be your "~~Managing Operator~~Operating Partner," who is responsible for overseeing and supervising the operation of the Smalls Sliders Restaurant. The ~~Managing Operator~~Operating Partner as of the effective date is identified in Exhibit A. You may not change the ~~Managing Operator~~Operating Partner without our prior written consent; and

(f) The Restaurant operated under this Agreement and any other Smalls Sliders Restaurants you own, will be the only businesses you operate, unless we otherwise approve in writing, (although your owners may have other, non-competitive business interests).

1.4. **Grant Of Franchise.**

You have applied for a franchise to own and operate a Smalls Sliders Restaurant at a location we have accepted, which will be identified on Exhibit B (the "Premises"). Subject to this Agreement, we

Exhibit C - 3

grant you a franchise (the “Franchise”) to operate a Smalls Sliders Restaurant (the “Restaurant”) at the Premises, and to use the System in its operation, for the Term. You may use the Premises only for the Restaurant. You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote the Restaurant. You do not have the right to provide delivery to offsite locations without our consent, which we may withhold for any reason or no reason in our sole judgment, including the ability to withhold our consent to allowing you to deliver or cater to customers located in another franchisee’s assigned territory.

1.5. **Term And Renewal.**

(a) **Term.** This Agreement is effective and binding on the Effective Date and expires 15 years from the date the Restaurant opens.

(b) **Renewal Term.** You have the right, but not the obligation, to enter into Successor Franchise Agreements (as defined in Section 13.1~~below~~) for up to 4 additional consecutive franchise terms following the Term (each, a “Renewal Term”). The duration of each Renewal Term will be 5 years, provided that you have complied with the conditions and procedures for renewal in Section 13 of this Agreement, and that you comply with the conditions and procedures for renewal in each Successor Franchise Agreement (as applicable) with respect to each Renewal Term.

1.6. **Your Territorial Rights.**

Exhibit B describes the particular geographic area (the “Site Selection Area”) within which you may look for a site for your Restaurant. The Site Selection Area is described solely for the purpose of limiting the area within which you may seek a site location for your Smalls Sliders Restaurant. The exact size and boundaries of the Site Selection Area will be determined in our sole judgment. When you secure a lease for the location that you select and we accept, we will designate a geographical area surrounding your Premises, to be described in Exhibit B (the “Protected Territory”). While you are in full compliance with this Agreement, and except as provided in Section 1.7~~below~~, we and our affiliates will not operate or grant a franchise for the operation of another Smalls Sliders Restaurant at a location within the Protected Territory during the Term.

1.7. **Rights We Reserve.**

Except as limited by Section 1.6~~above~~, we and our affiliates retain all rights with respect to Smalls Sliders Restaurants, the Marks, the sale of identical, similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire. Specifically, but without limitation, we reserve the following rights:

(a) the right to operate, and to grant others the right to operate Smalls Sliders Restaurants located anywhere outside the Protected Territory under any terms we deem appropriate and regardless of proximity to your Restaurant;

(b) the right to establish and operate, and to grant to others the right to establish and operate businesses offering similar or dissimilar products and services through similar or alternative channels of distribution, at any locations inside or outside the Protected Territory under trademarks or service marks other than the Marks and on any terms we deem appropriate;

(c) the right to provide, offer and sell and to grant others the right to provide, offer and sell products and services that are identical or similar to and/or competitive with those products and services provided at Smalls Sliders Restaurants, whether identified by the Marks or other trademarks or service marks, through alternative distribution channels (including, without limitation, any form of electronic commerce and supermarkets) both inside and outside the Protected Territory and on any terms we deem appropriate;

(d) the right to establish and operate, and to grant to others the right to establish and operate, businesses offering dissimilar products and services, both inside and outside the Protected Territory under the Marks and on any terms we deem appropriate;

(e) the right to operate, and to grant others the right to operate Smalls Sliders Restaurants at “Non-Traditional Sites” within and outside the Protected Territory on any terms we deem appropriate. “Non-Traditional Sites” are sites that generate customer traffic flow that is independent from the general customer traffic flow of the surrounding area, including, without limitation, military bases, shopping malls, airports, stadiums, arenas, major industrial or office complexes, hotels and resorts, schools, campuses, train stations, travel plazas, casinos, hospitals, educational facilities, amusement parks, and sports or entertainment venues;

(f) the right to acquire the assets or ownership interests of one or more businesses providing products and services the same as or similar to those provided at Smalls Sliders Restaurants, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Protected Territory); and

(7) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services the same as or similar to those provided at Smalls Sliders Restaurants, or by another business, even if the business operates, franchises and/or licenses competitive businesses in the Protected Territory.

1.8. **Modification Of System.**

Since complete and detailed uniformity under many varying conditions might not be possible or practical, you agree that we specifically reserve the right and privilege, as we deem best, to vary System Standards (defined below) for any franchise owner based on the peculiarities of any condition that we consider important to that franchise owner’s successful operation. You have no right to require us to grant you a similar variation or accommodation.

2. **SITE SELECTION, LEASE OF PREMISES, AND DEVELOPMENT AND OPENING OF THE RESTAURANT.**

2.1. **Site Selection.**

(a) If we have accepted a location for the Restaurant before the Effective Date, the Premises will be stated on Exhibit B. If we and you have not agreed on an accepted location for the Restaurant before signing this Agreement, then you are responsible for selecting the site for the Restaurant. Because of the work we do in connection with evaluating and planning markets, you must

Exhibit C - 5

use our preferred real estate broker to assist you in locating a site for your Restaurant; provided however that if we do not have a preferred real estate broker in your Site Selection Area, then you will work with a qualified real estate broker of your choosing. You agree to obtain our written acceptance of the Restaurant's proposed site before signing any lease, sublease, or other document for the site. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the location, although we will not conduct site selection activities for you.

(b) You agree to send us a description of the proposed site, including a summary of the items listed above, along with a letter of intent or other evidence confirming your favorable prospects for obtaining the proposed site. We will use reasonable efforts to accept or reject the proposed site within 30 days after receiving your written proposal. If we do not accept your proposed site within 30 days of receiving your written proposal (or after you provide any supplemental information that we request), the proposed site is rejected. Notwithstanding our time to review and accept or reject any site you propose, you must have submitted and received our acceptance of a proposed site, signed an approved lease and opened your Restaurant within 12 months after the Effective Date, or we may terminate this Agreement (at our option) under Section 14 ~~below~~. On our acceptance of a site, and after you secure the site, we will insert its address into Exhibit B, and it will be the Premises. You may operate the Restaurant only at the Premises.

(c) You agree that, if we suggest, accept, or give you information regarding a site for the Premises, our action is not a representation or warranty of any kind, express or implied, of the site's suitability for a Smalls Sliders Restaurant or any other purpose. Our action indicates only that we believe the site meets our then minimum acceptable criteria. Applying criteria that has appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we suggest or accept for the location of a Smalls Sliders Restaurant fails to meet your expectations. Accordingly, you agree that your acceptance of the Franchise under this Agreement is based on your own independent investigation of the site's suitability for the Premises.

2.2. Lease Of Premises.

(a) You must submit a proposed lease, sublease or other rental agreement for the Premises (each a "Lease") for our review. All Leases that you propose or enter into must: (i) be in a form and contain substance we approve, and (ii) include our form of addendum to lease agreement attached as Exhibit C (the "Lease Addendum") containing certain required terms applicable to the Lease. You must deliver to us fully signed copies of the Lease and Lease Addendum, as approved by us, within 7 days after their signing. You also agree to sign, and have the landlord sign, any other document(s) we deem necessary to record our interest in the Premises in public real estate indices and elsewhere to protect our interests.

(b) You agree that our approval of the Lease (including the Lease Addendum, for purposes of the remainder of this Section 2.2) does not constitute a guarantee, warranty, or representation of any kind, whether express or implied, as to the Lease's fairness or suitability, your ability to comply with its terms, or the success or profitability of a Smalls Sliders Restaurant operated at the Premises. Our approval of the Lease indicates only that we believe that the Premises and the Lease terms meet our then minimum acceptable criteria. We do not, by virtue of approving the Lease, assume any liability or

Exhibit C - 6

responsibility to you or to any third party. You may not modify the Lease if any proposed modification would impact our rights as a third-party beneficiary of provisions of the Lease without our prior written consent.

(c) If the Lease expires or is terminated without your fault, or if the site for the Premises is destroyed, condemned, or otherwise rendered unusable, we will allow you to relocate the Restaurant to a new site acceptable to us in your current Protected Territory. You must locate a substitute site, and begin operating the Restaurant from that substitute site, within 180 days after you lose the right to occupy the Premises, or we may terminate this Agreement (at our option) under Section 14 below. Any relocation will be at your sole expense, and we may charge you 20% of the then-current initial franchise fee we charge to a new Smalls Sliders Restaurant franchise owner to cover the costs we incur and for our services in connection with any relocation of the Restaurant.

(d) We reserve the right (but we have no obligation) to enter into a master lease for the Premises (or a substitute site you propose), whether directly or through an affiliate, and sublease the Premises (or any substitute site you propose) to you on mutually agreeable terms regarding fees, rent and deposits. You agree that any master lease that we or our affiliate may enter into for the Premises (or a substitute site you propose) will neither give rise to any liability on our part (or that of our affiliates), nor will the master lease be construed as an express or implied warranty to you regarding the viability, profitability or merit of the Premises (or a substitute site you propose) for your Restaurant. You agree that you will not be a third-party beneficiary of the master lease and that we do not make any representations or guarantees regarding the commercial terms of the master lease, including, but not limited to, the rent. If we or our affiliate sublease the Premises (or a substitute site you propose) to you, you agree to sign our then current form of sublease.

2.3. **The Restaurant's Development.**

(a) You are responsible for developing the Restaurant. Unless we have pre-approved in writing, the Restaurant must be a double drive-thru restaurant that is manufactured, shipped and installed on the Premises by our pre-approved supplier. We will give you mandatory and suggested specifications and layouts for a model Smalls Sliders Restaurant, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations for persons with disabilities. It is your responsibility to prepare a site survey and all required construction plans and specifications to suit the Premises and to make sure that these plans and specifications comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions.

(b) You agree to allow our modular building manufacturer or architect to send directly to us construction plans and specifications for review before you begin constructing the Restaurant and all revised or "as built" plans and specifications during construction. We may require you to use an approved or designated architect and/or general contractor (which may include or be limited to us and/or our affiliates) to design and construct the Restaurant, and we reserve the right to require you to submit to us all contractor bids you receive related to the Restaurant for the purpose of recording and benchmarking total construction costs for the future benefit of other franchisees and all Smalls Sliders Restaurants. Any general contractor or other builders you use must maintain builder's

Exhibit C - 7

and/or contractor's insurance (as applicable), lien insurance, and performance and completion bonds in forms and amounts acceptable to us, under Section 8.6 ~~below~~. Because our review is limited to ensuring your compliance with our design requirements, it might not assess compliance with federal, state, or local laws and regulations, including the ADA. Accordingly, you agree that compliance with these laws is your responsibility. We may inspect the Premises while you are developing the Restaurant.

(c) You agree to do the following, at your own expense, to develop the Restaurant at the Premises:

1. secure all financing required to develop and operate the Restaurant;
2. obtain all required building, utility, sign, health, sanitation, business, and other permits and licenses;
3. construct all required improvements to the Premises and decorate the Restaurant according to approved plans and specifications;
4. obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating, and installation services;
5. purchase or lease, and install, if applicable, according to our specifications, all required fixtures, furniture, equipment (including a required or recommended computer, ~~facsimile~~, point-of-sale, and other electronic information systems and all equipment components and software necessary for you to accept and process our gift and loyalty cards and participate in our gift card, customer loyalty, affinity, and similar programs), furnishings, and signs (collectively, "Operating Assets") for the Restaurant; and
6. purchase an opening inventory of authorized and approved Proprietary Products, other products, materials, and supplies to operate the Restaurant.

2.4. **Operating Assets.**

You agree to use in operating the Restaurant only those Operating Assets that we approve for Smalls Sliders Restaurants as meeting our specifications and standards for quality, design, appearance, function, and performance. You agree to place or display at the Premises (interior and exterior) only the signs, emblems, lettering, logos, and display materials that we approve at any time and from time to time. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates).

2.5. **Computer System.**

(a) You agree to obtain and use the computer hardware and/or operating software, including point-of-sale equipment and software and accounting software (collectively, the "Computer System") we specify. We may modify specifications for and components of the Computer System, and you will make all modifications to your Computer System (including changing or upgrading your point-of-sale equipment) on notice from us, even if the modification requires you to incur additional expense. You are not permitted to use a point-of-sale system other than our approved system. You also agree to maintain a functioning e-mail address. Our modification of specifications for the Computer

System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining Term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within 60 days after you receive notice from us, you agree to obtain the Computer System components that we designate and to ensure that your Computer System, as modified, is functioning properly.

(b) You agree that we or our affiliates may condition any license of proprietary software to you, or your use of technology that we or our affiliates develop or maintain, on your signing a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We, our affiliates, or designated suppliers may charge you a monthly or other fee for any proprietary software or technology that we or they license to you and for other maintenance and support services that we or they may require you to receive during the Term.

(c) Despite the fact that you agree to buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) all consequences if the Computer System is not properly operated, maintained, and upgraded.

(d) The Computer System will interface with our information technology systems and be electronically linked to us or our designee to enable us (or our designee) to poll the Computer System on a daily or other basis at all times and in any manner as we or our designee establish, with or without notice, and to retrieve all transaction information, including without limitation sales, sales mix, food usage, paper usage, inventory, and other operations data as we and/or our designee deem appropriate. If for any reason polling is not practicable or prohibited by applicable law, we may require you to download information into machine readable information compatible with the system operated by us, our affiliates, or our agents and to deliver information to us by any method and at any frequency we reasonably require.

(e) You consent to us obtaining, using and disclosing to third parties (including, without limitation, franchisees, prospective franchisees, financial institutions, legal and financial advisors), for any purpose or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by us or disclosed to us, whether by means of the Computer System or otherwise, in accordance with this Agreement. You will obtain consents from third parties, including your customers, as necessary to give effect to the foregoing.

(f) All software must meet the technical and security standards and specifications that we require for front of the house or back office software programs. You must conform to our technical and security standards which include software version updates, operating system updates, hardware upgrades, security broadband internet connectivity, and others. You may not install any software programs that we have not approved on your Computer System. You must have broadband/high speed internet access within your Restaurant. You are responsible for maintaining all security standards associated with the Restaurant's local network. You must use our payment card processor and gateway.

Exhibit C - 9

You must maintain POS network software updates, Windows operating system updates, Anti-Virus, Malware and any network device firmware. You must meet those standards defined by the Payment Card Industry's ("PCI") Security Standards Council. You must comply with the FTC's Fair and Accurate Transactions Act.

(g) To process credit cards, you must be certified PCI compliant. To be certified compliant, you must submit a passing PCI Vulnerability Assessment Scan report along with a copy of the most recent version of SAQ (as required by PCI Council regulations) before opening your Restaurant and at the frequency required in the current version of the PCI DSS standards. We may require you to participate in a data security program we designate. We may terminate your Franchise Agreement and/or suspend credit card processing at any Restaurant that does not comply with the current PCI compliance requirements.

You must subscribe to any third-party on-line ordering or delivery services (which may require you or the third party to provide the delivery services) that we have approved and may be available to provide services in your area.

2.6. The Restaurant Opening.

(a) You must notify us in writing at least 60 days before the opening of the Restaurant. We reserve the right to inspect (or designate a third party to inspect) the Restaurant at any time before opening.

(b) You agree not to open the Restaurant until:

1. we notify you in writing that the Restaurant meets our standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the Restaurant complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);

2. you (or your ~~Managing Operator~~Operating Partner) and your other employees satisfactorily complete training;

3. you pay any amounts then due to us; and

4. you give us certificates for all required insurance policies, or other evidence of insurance coverage and payment of premiums we request.

3. FEES.

3.1. Initial Fees.

(a) Initial Franchise Fee. In consideration of our granting you the Franchise, you agree to pay us a nonrecurring and, except as specifically provided in this Agreement, nonrefundable

initial franchise fee (the “Initial Franchise Fee”) in the amount identified on Exhibit B. This fee is due, and fully earned by us, when you sign this Agreement.

(b) Initial Training Fee. In consideration of the initial training that we provide, you agree to pay us a nonrecurring, except as specifically provided in this Agreement, nonrefundable initial training fee (the “Initial Training Fee”) of \$2,500 This fee is due, and fully earned by us, before you may attend the initial training program.

3.2. **Continuing Service And Royalty Fee.**

You agree to pay us, in the manner provided below (or as the Brand Standards Manual otherwise prescribes), a weekly Continuing Service and Royalty Fee (the “Royalty”) of 6% of the Restaurant’s Gross Sales (defined in Section 3.6.). On or before Monday of each week, you agree to send us on a form we approve (or as we otherwise direct) a signed statement of the Restaurant’s Gross Sales for the preceding week. Each weekly statement of Gross Sales must be accompanied by the Royalty due for the preceding week, if not already otherwise paid for that week pursuant to this Agreement.

3.3. **Brand Fund Contribution.**

You agree to contribute to the Fund (as defined in Section 9.2) in an amount we determine, not to exceed 3% of the Restaurant’s Gross Sales per week, payable in the same manner as the Royalty. The Fund contributions are administered and used as stated in Section 9.2.

3.4. **Technology Contribution.**

On or before the 10th day of each month, or any other frequency we designate, during the term of this Agreement, you must pay to us or our designee our then-current technology contribution (currently up to 1% of Gross Sales) (the "Technology Contribution"). We may increase the Technology Contribution at any time on 60 days’ notice to you. The purpose of the Technology Contribution is to fund some technology within your Restaurant and the System, including digital and other modern ordering capabilities, platforms, “apps” and other now or later developed infrastructure, tools, systems and analytics. You agree that it is vital for the Smalls Sliders System to feature digital, and other modern ordering capabilities, platforms, "apps" and other now or later developed infrastructure, tools, systems and analytics, and that these capabilities are constantly evolving and require continued investment and innovation in a competitive environment. The Technology Contribution is subject to change in our sole discretion to meet these evolving needs.

3.5. **Online Ordering And Delivery.**

You agree to pay us, our affiliates and/or the third parties that we designate, an amount and at the times that we specify, all fees associated with online ordering and delivery, including without limitation, fees for online and delivery support, transactions, management, processing, platforms, and call centers, including the cost of integrating these services with the Computer System.

3.6. **Definition Of “Gross Sales”.**

As used in this Agreement, the term “Gross Sales” means all revenue generated from operating your Restaurant, including, but not limited to, all amounts that you receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other

credit transactions and all other income of every kind and nature related to your Restaurant, excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority.

3.7. **Late Fees And Interest.**

All amounts that you owe us or our affiliate for any reason, bear interest accruing as of their original due date at the maximum interest rate permitted by law. If there is no applicable legal maximum rate, interest will be calculated at the rate of 4% above the prime rate of interest on the first day of each month for the past due amount, as published in The Wall Street Journal. We may debit your bank account automatically for late fees and interest. You agree that this Section 3.7 is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Restaurant.

3.8. **Application Of Payments.**

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

3.9. **Method Of Payment.**

(a) Before the Restaurant opens, you agree to sign and deliver to us the document we require (the current form of which is Exhibit D) to authorize us to debit your business checking account automatically for the Royalty, Fund contributions, and other amounts due under this Agreement and for your purchases from us and/or our affiliates (the “Electronic Depository Transfer Account” or “EDTA”). We will debit the EDTA for these amounts on their due dates. You agree to ensure that funds are available in the EDTA to cover our withdrawals. If there are insufficient funds in the EDTA to cover any amount owed (or, if you are paying by check and a check is returned for insufficient funds), you must pay us, on demand, a processing fee of \$250, plus reimbursement of our additional administrative expenses and charges. If there are insufficient funds in the EDTA, or if your check is returned for insufficient funds, then we may require you to make all subsequent payments to us by a certified or cashier’s check.

(b) If you fail to report the Restaurant’s Gross Sales, we may debit your EDTA for 120% of the last Royalty and Fund contribution that we debited (together with the late fee noted in Section 3.7-~~above~~). If we discover, once we have determined the Restaurant’s true and correct Gross Sales, that the amounts we debited from your EDTA are less than the amounts you actually owe us, then we will debit your EDTA for the remaining balance on the day we specify. Conversely, if we discover that the amounts we debited from your EDTA are greater than the amounts you actually owe us, then we will credit an amount equal to ~~(i)~~ the excess against the amounts we otherwise would debit from your EDTA during the following week, ~~(ii)~~ less a 10% administrative fee on ~~that~~the excess amount ~~that we will retain for having to conduct this process~~ due to your failure to report.

(c) We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (e.g., by check) whenever we deem appropriate, and you agree to comply with our payment instructions.

4. TRAINING AND ASSISTANCE.

4.1. Initial Training.

(a) ~~If this is your first Restaurant, then before~~ Before the Restaurant is scheduled to open for business, we will train you (or, if you are an Entity, your ~~Managing Operator~~ Operating Partner) and the manager-level employee you appoint (your “General Manager”) on the material aspects of operating a Smalls Sliders Restaurant. These persons must begin and complete the initial training (excluding the on-site support phase described below in this Section 4.1) to our satisfaction on dates we establish before the Restaurant’s scheduled opening date.

(b) We will provide the initial training program either online (virtual) and/or at a designated training facility of our choice and/or at an operating Smalls Sliders Restaurant, except for the on-site support phase around opening that we will provide at the Premises (as discussed below in this Section 4.1).

(c) We will provide initial training for no additional fee for your 2 attendees specified ~~above~~ in this Section 4.1. Additional people beyond 2 attendees may attend initial training (subject to our capacity and ability to accommodate additional persons in the training session) if you pay our then current training charge for each additional person. We reserve the right to refuse to provide training to you or any of your proposed attendees for whom we have not received the relevant training fee. In addition to the initial training program fees, you agree to pay for all travel and living expenses that you (or your ~~Managing Operator~~ Operating Partner) and any of your personnel incur, all accrued wages, and related workers’ compensation insurance while these persons train at a designated training facility of our choice and/or at an operating Smalls Sliders Restaurant.

(d) You (or your ~~Managing Operator~~ Operating Partner) and your General Manager must satisfactorily complete initial training. If we determine that you (or your ~~Managing Operator~~ Operating Partner) and your General Manager cannot complete initial training to our satisfaction, we may terminate this Agreement.

(e) When the Restaurant is preparing to open for business, we will, either online and/or at our own cost, send at least one of our representatives to the Restaurant for the duration and hours we determine in our sole judgment are needed to provide on-site support in connection with pre-opening and opening activities. We reserve the right to provide more online training, representatives, or more on-site support, at the Premises during this period as we deem necessary. For avoidance of doubt, we solely determine the timing, scheduling and staffing of on-site support we provide according to this subsection, including the calendar dates and times of our support. You must successfully complete all activities of this online and/or on-site support period to our satisfaction. If you request, and we agree to provide, additional or special guidance, assistance, or training during this on-site support period, then you agree to pay our then applicable charges, including our personnel’s per diem charges and travel and living expenses.

(f) ~~We may not provide initial training if this is your second or subsequent Restaurant.~~

4.2. **Ongoing Training.**

(a) We may require you (or your ~~Managing Operator~~Operating Partner) and/or other previously trained and experienced employees to attend and complete satisfactorily various training courses that we periodically choose to provide either online or in-person at the times and locations that we designate. We may charge reasonable registration or similar fees for these courses. Besides attending these courses, you agree to attend an annual meeting of all Smalls Sliders Restaurants franchise owners at a location we designate, if we organize and plan (at our option) such a meeting. You agree to pay all costs to attend these online or in-person training courses and meetings.

(b) We require that any Managers you hire or appoint after your Restaurant opens for business satisfactorily complete our initial and ongoing training programs as established by us either before or after the date on which you hire or appoint the Manager. We may charge reasonable fees for training Managers, not to exceed our then-current fees for training (currently \$300). You agree to pay all travel and living expenses that you and your employees incur during all training courses and programs.

(c) You agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide specific training or advice, all of which we may discontinue and modify at any time.

4.3. **General Guidance And Consultation Services.**

(a) We will advise you at any time and from time to time regarding the Restaurant's operation based on your reports or our inspections and will guide you with respect to: (1) standards, specifications, and operating procedures and methods that Smalls Sliders Restaurants use; (2) purchasing required and authorized Operating Assets, Proprietary Products, Menu Items, and other items and arranging for their distribution to you; (3) advertising and marketing materials and programs; (4) employee training; and (5) administrative, bookkeeping, accounting, and inventory control procedures.

(b) We will guide you in our brand standards manual (the "Brand Standards Manual"); in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our office or the Restaurant. If you request, and we agree to provide (subject to our availability), additional or special guidance, assistance, or training, you agree to pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

(c) If you request, and we agree to provide (subject to our availability) either (i) additional guidance, assistance, or training, or (ii) specialized Consultation Services, then you agree to pay our then applicable charges, including our personnel's per diem charges and travel and living expenses. For purposes of this Agreement, "Consultation Services" may include any advice related to the operation of your Restaurant, on-site reviews of your operations and additional training as needed, on-site training for you (or your ~~Managing Operator~~Operating Partner), Managers, or any of your other personnel, and other specialized assistance.

4.4. **Brand Standards Manual.**

(a) We will provide you access during the Term to one copy of our online Brand Standards Manual, which may also include audiotapes, videotapes, compact disks, computer software, other electronic media, and/or written materials. The Brand Standards Manual contains mandatory and suggested specifications, standards, operating procedures, and rules (“System Standards”) that we periodically prescribe for operating a Smalls Sliders Restaurant and information on your other obligations under this Agreement. We may modify the Brand Standards Manual periodically, in our sole judgment, to reflect changes in System Standards. For purposes of this Agreement, all written instructions or communications we or our affiliates provide to all, or a substantial number of, Smalls Sliders Restaurant franchise owners concerning aspects or modifications to the System will be deemed part of the Brand Standards Manual.

(b) Our online Brand Standards Manual will be deemed the current version, and if there is a dispute over its contents, our online master copy, including any related written instructions or communications stated above, of the Brand Standards Manual controls. You agree that the Brand Standards Manual’s contents are confidential and that you will not disclose the Brand Standards Manual to any person other than Restaurant employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Brand Standards Manual.

(c) We will post some or all of the Brand Standards Manual on a restricted Website or extranet to which you will have access. (For purposes of this Agreement, “Website” means an interactive electronic document contained in a network of computers linked by communications software, including, without limitation, the internet and World Wide Web home pages). If we do so, you agree to monitor and access the Website or extranet for any updates to the Brand Standards Manual or System Standards. Any passwords or other digital identifications necessary to access the Brand Standards Manual on a Website or extranet will be deemed to be part of Confidential Information (defined in Section 6).

4.5. **Delegation Of Performance.**

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, the third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

5. **MARKS.**

5.1. **Ownership And Goodwill Of Marks.**

Our affiliate, Smalls Sliders IP, LLC, owns and has licensed the Marks to us to use, and to sublicense others to use, in connection with the franchising, development, and operation of Smalls Sliders Restaurants. Therefore, you agree that the Marks are ours (or our affiliate’s) exclusive property, and that we are granting you a license (or sublicense, as applicable) to use the Marks in connection with the Restaurant’s development and operation. Your right to use the Marks is derived only from this Agreement and is limited to your operating the Restaurant according to this Agreement and all System Standards we prescribe during the Term. Your unauthorized use of the Marks is a breach of this

Agreement and infringes our and/or our affiliate's rights in the Marks. You agree that your use of the Marks and any goodwill established by that use are exclusively for our and/or our affiliate's benefit and that this Agreement does not confer any goodwill or other interests in the Marks on you (other than the right to operate the Restaurant under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after the Term and any Renewal Term contest, or assist any other person in contesting, the validity, or our and/or our affiliate's ownership, of the Marks.

5.2. Limitations On Your Use Of Marks.

(a) You agree to use the Marks as the Restaurant's sole identification, except that you agree to identify yourself as its independent owner in the manner we prescribe. You may not use any Mark (1) as part of any corporate or legal business name, (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (3) in selling any unauthorized services or products, (4) as part of any domain name, homepage, electronic address, or otherwise in connection with a Website (other than our Website), or (5) in any other manner that we have not authorized in writing.

(b) You may not use any Mark in advertising the transfer, sale, or other disposition of the Restaurant or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Restaurant and on forms, advertising, supplies, and other materials we designate. You agree to use the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

5.3. Notification Of Infringements And Claims.

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office ("USPTO") proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign all documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our interests in the Marks.

5.4. Discontinuance of Use of Marks.

(a) If, in our sole judgment, it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time (not to exceed 30 days) after receiving notice. We need not reimburse you for your direct expenses of changing the Restaurant's signage, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

(b) Our rights in this Section 5.4 apply to all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for

any reason, business or otherwise, that we think best. You agree to both our right to take this action and your obligation to comply with our directions.

5.5. **Indemnification For Use Of Marks.**

We agree to reimburse you for all damages and reasonable expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

6. **CONFIDENTIAL INFORMATION.**

6.1. **Defined.**

We possess (and will continue to develop and acquire) certain confidential information, some of which are trade secrets under applicable law (the “Confidential Information”), relating to developing and operating Smalls Sliders Restaurants, including (without limitation):

- (a) site selection criteria and layouts, designs and other plans and specifications for Smalls Sliders Restaurants;
- (b) ingredients, recipes and related information concerning any food items as part of the Menu Items;
- (c) training and operations materials and manuals;
- (d) methods, formats, specifications, standards, systems, procedures, food preparation techniques, sales and marketing techniques, knowledge, and experience used in developing and operating Smalls Sliders Restaurants;
- (e) marketing, promotional and advertising research and programs for Smalls Sliders Restaurants;
- (f) knowledge of specifications for and suppliers of Operating Assets, Proprietary Products, and other products and supplies, including supplier pricing and related terms;
- (g) any computer software or similar technology that is proprietary to us or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;
- (h) knowledge of the operating results and financial performance of Smalls Sliders Restaurants other than the Restaurant;
- (i) graphic designs and related intellectual property;

(j) customer solicitation, communication and retention programs, along with data and information used or generated in connection with those programs;

(k) all data and other information generated by, or used in, the operation of the Restaurant, including customer names, addresses, phone numbers, pricing and other information supplied by any customer (such as credit card information or personal information), and any other information contained at any time and from time to time in the Computer System or that visitors to the Restaurant (including you and your personnel) provide to the Website for the network of Smalls Sliders Restaurants;

(l) future business plans relating to Smalls Sliders Restaurants and the Smalls Sliders Restaurants franchise opportunity, including expansion and development plans; and

(m) any other information that we reasonably designate as confidential or proprietary.

6.2. **Your Obligations.**

You agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Restaurant during the Term and any Renewal Term, and that Confidential Information is proprietary, includes our trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

(a) will not use Confidential Information in any other business or capacity;

(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during the Term and any Renewal Term and then thereafter for as long as the item is not generally known in the food-service industry;

(c) will not sell, trade or otherwise profit in any way from the Confidential Information (including by selling or assigning any customer names, addresses, phone numbers, e-mail contact information, or related data), except using methods that we may have authorized or approved in our sole judgment;

(d) will not make unauthorized copies of any Confidential Information disclosed by electronic medium or in written or other tangible form;

(e) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to Restaurant personnel and others and using confidential information protection agreements with those having access to Confidential Information. We have the right to approve the form of agreements that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. The minimum requirements for who must sign an approved form of confidential information protection agreement are stated in Section 6.4.; and

(f) will notify us within 24 hours of any unauthorized use or disclosure of Confidential Information (whether by you or any Restaurant employees or personnel).

6.3. **Exclusions From Confidential Information.**

Confidential Information does not include information, knowledge, or know how that you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; that, at the time we disclosed it to you, already had lawfully become generally known in the food-service industry through publication or communication by others (without violating an obligation to us); or that, after we disclose it to you, lawfully becomes generally known in the food-service industry through publication or communication by others (without violating an obligation to us). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions in this paragraph is fulfilled.

6.4. **Confidential Information Protection Agreements.**

You agree to have all of the following persons sign, and you will submit to us signed copies of, a form of confidential information protection agreement that we have approved from all of the following persons: (i) your manager and any supervisory or other employees who have received or will receive training from us, before their employment; (ii) if you are an entity, all your officers, directors, shareholders, partners, members and owners, and those of any entity directly or indirectly controlling you, concurrent with the signing of this agreement, or at any time as they assume this status; and (iii) all of the persons enumerated in this Section 6 and Section 15.4. You agree to provide us copies of all signed confidential information protection agreements no later than 10 days following their signing.

6.5. **Inventions.**

All ideas, concepts, techniques, or materials relating to a Smalls Sliders Restaurant, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a “work made-for-hire” for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us, you waive all moral rights in that item, and you agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item (including signing assignment or other documents, and causing your owners, employees and contractors to do the same). You may not use any idea, concept, technique or material in connection with the Restaurant without our prior approval.

7. **EXCLUSIVE RELATIONSHIP.**

7.1. You agree that we have granted you the Franchise in consideration of and reliance on your agreement to deal exclusively with us. You agree that, during the Term and any Renewal Term, neither you, any of your owners, nor any of your or your owners’ spouses will:

(a) have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than 2% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange do not violate this subsection);

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

(c) divert or attempt to divert any actual or potential business or customer of the Restaurant to a Competitive Business;

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

(e) engage in any other activity that, in our sole opinion, might injure the goodwill of the Marks and System.

7.2. The term "Competitive Business" means (i) any restaurant or other food-service business that derives more than 10% of its revenue from selling hamburgers or sliders of any kind or (ii) any business granting franchises or licenses to others to operate the type of business stated in subsection (i) (other than a Smalls Sliders Restaurant operated under a franchise agreement with us).

8. SYSTEM STANDARDS.

8.1. CONDITION AND APPEARANCE OF THE RESTAURANT.

You agree that:

(a) you will maintain the condition and appearance of the Restaurant, its Operating Assets and the Premises in accordance with System Standards and consistent with the image of a Smalls Sliders Restaurant and in observing the highest standards of cleanliness, sanitation, efficient, courteous service and pleasant ambiance, and in that connection will take, without limitation, the following actions during the Term: (1) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at intervals we prescribe; (2) interior and exterior repair of the Premises; and (3) repair or replacement of damaged, worn out or obsolete Operating Assets;

(b) you will place or display at the Premises (interior and exterior) only those signs (including neon), emblems, designs, artwork, lettering, logos, and display and advertising materials that we at any time and from time to time approve;

(c) if at any time we determine, in our reasonable judgment, the general state of repair, appearance or cleanliness of the Premises of the Restaurant or its fixtures, furnishings, equipment or signs does not meet our System Standards, we have the right to notify you, specifying the action you must take to correct the deficiency. If (i) within 24 hours after you received our notice in the case of a deficiency of a health, safety, or sanitary law, ordinance or regulation or (ii) within 10 days after you received our notice in the case of any other deficiencies, you do not correct the deficiency, we have the right, in addition to all other remedies, to enter the Premises or the Restaurant and do any required maintenance or refurbishing on your behalf. You must reimburse us on demand for all expenses we incur in connection with this maintenance and refurbishment; and

(d) once every 5 years, but no later than the 5th anniversary of the Effective Date, on notice from us, you will remodel, expand, redecorate, reequip and/or refurbish the Premises and the

Exhibit C - 20

Restaurant at your expense to reflect changes in the operations of Smalls Sliders Restaurants that we prescribe and require of new franchisees. You will diligently complete this renovation within a reasonable time after starting the work.

8.2. Restaurant Menu, Specifications, Standards and Procedures.

(a) You agree that: (1) the Restaurant will offer for sale all Menu Items and other products and services that we specify at any time and from time to time, and, with respect to any food items, will only use ingredients, recipes and methods of food preparation we have specified or approved; (2) the Restaurant will offer and sell approved products and services only in the manner we have prescribed; (3) you will not offer for sale or sell at the Restaurant, the Premises or any other location any products or services we have not approved in advance; (4) all products will be offered and sold only at retail and from the Premises (subject to off-site marketing or sales activities we must specifically approve) and you will not offer or sell any products at wholesale or on the internet; (5) you will discontinue selling and offering for sale any products or services that we at any time decide (in our sole judgment) to disapprove in writing; and (6) you will advertise to, and solicit customers for, the Restaurant only within the Protected Territory and will not operate the Restaurant away from the Premises, except that you may cater or deliver Menu Items to customers within the Protected Territory with our prior written approval.

(b) If we approve you to offer delivery and/or catering services from the Restaurant, you must make accommodations for delivery and/or catering services in compliance with our System Standards stated in the Brand Standards Manual or otherwise in writing by us, including without limitation, using only the specified designated delivery and/or catering service providers we identify, making available the Menu Items identified as appropriate for delivery and/or catering (and only those designated Menu Items), and limiting the delivery and/or catering services to any delivery and/or catering area we specify to you in writing. You agree that any delivery and/or catering area we specify is not exclusive and we may engage, and/or allow other franchisees and third parties to engage, in any activities we desire within the delivery and/or catering area without any restrictions (including allowing other Smalls Sliders Restaurant franchisees and delivery and/or catering service providers to provide delivery and/or catering services in the delivery and/or catering area). You further agree that any delivery and/or catering area we specify is nothing more than the geographic boundaries in which you may deliver and/or cater those Menu Items approved for delivery and/or catering from the Restaurant, and no other rights are granted to you whatsoever.

8.3. Approved Products, Services, Distributors and Suppliers.

(a) We have developed or may develop standards and specifications with respect to certain products and services and with respect to certain types, models and brands of required Operating Assets, Menu Items, Proprietary Products, and related products, ingredients, materials and supplies. We reserve the right at any time and from time to time to approve specifications or suppliers and distributors of the above or other products and services that meet our reasonable standards and requirements. If we do so, you agree to purchase only products and services meeting those specifications, and if we require, only from distributors and other suppliers we have approved, including or limited to ourselves or our affiliates.

(b) We may limit the number of approved distributors or suppliers (collectively “suppliers”) with whom you may deal, designate sources that you must use, and/or refuse any of your

requests for any reason, including that we have already designated an exclusive source (which might be us or our affiliate) for a particular item or service.

(c) We and our affiliates may mark up and profit on the sale of goods or services to you and/or receive payments, rebates, or other material consideration from suppliers on account of a suppliers' dealings with us, you and other franchise owners, and may keep or use any amounts so received without restriction and for any purpose we and our affiliates deem appropriate. We may concentrate purchases with one or more suppliers or distributors to obtain lower prices or the best advertising support or services. Approval of a supplier or distributor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor at any time and from time to time.

(d) If you would like to purchase any items from any unapproved supplier or distributor, you must submit to us a written request for approval of the proposed supplier or distributor. We have the right to inspect the proposed supplier's or distributor's facilities, and to require product samples from the proposed supplier or distributor to be delivered at our option either directly to us or to any independent, certified laboratory that we designate for testing. Either you or the proposed supplier or distributor must pay us a fee (not to exceed the reasonable cost of the inspection, including reasonable costs to cover employee compensation and travel expenses, and the actual cost of the test) to make the evaluation. We have no obligation to approve any new supplier, product, or service you propose. We reserve the right to periodically re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet any of our criteria.

(e) We and our affiliates have developed, or may develop, specially formulated and prepared Proprietary Products for use in the operation of Smalls Sliders Restaurants. You must use only the recipes, techniques and Proprietary Products that meet our current requirements and specifications in the preparation of any food items that we require as part of the Menu Items served and sold by your Restaurant. You may only use those containers, cartons, bags, boxes, napkins, and other paper goods and packaging with our Marks or other design specifications that meet our current requirements and quality standards for Smalls Sliders Restaurants. We reserve the right to require you to purchase Proprietary Products we and/or our affiliates develop from us, our affiliates or a designated third-party supplier.

8.4. **Compliance With Laws And Good Business Practices.**

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Restaurant and must operate the Restaurant in full compliance with all applicable laws, ordinances and regulations, including, without limitation, government regulations relating to occupational hazards, health, food safety, menu labeling, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The Restaurant must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice that may be injurious to our business and the goodwill associated with the Marks and other Smalls Sliders Restaurants. You must notify us in writing within 5 days of the commencement of any action, suit or proceeding, and of the

issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, that may adversely affect your operation or financial condition or that of the Restaurant and of any notice of violation of any law, ordinance, or regulation relating to the Restaurant.

8.5. **Management of the Restaurant/Conflicting Interests.**

(a) The Restaurant must at all times be under the full-time direct, on-premises supervision of you (or your ~~Managing Operator~~Operating Partner), or your Manager, either of whom must have successfully completed the initial training program that we describe in this Agreement. You will take all steps as are necessary to ensure that all of the Restaurant's employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet minimum brand standards as we establish from time to time in the Brand Standards Manual or otherwise in writing. You and your employees will handle all customer complaints, refunds, returns, and other adjustments in a manner that will not detract from the name and goodwill of the Marks, the System or us.

1. You agree to pay us our then-current monthly fee for our, or our affiliate's or designee's management of customer satisfaction summaries, reporting, insights, and responses to guest reviews and complaints.

2. If a customer of your Restaurant contacts us to submit a complaint and we provide a gift card, refund, or other item of value to the customer to resolve the complaint, you must promptly reimburse us for the amount of the gift card, refund or other value.

(b) If your relationship with a Manager terminates for any reason, then you must promptly appoint a replacement Manager that successfully completes the initial training program within a reasonable time after hiring. Even if you appoint a Manager for day-to-day operations, you (or your ~~Managing Operator~~Operating Partner) must remain active in overseeing the Restaurant's ongoing business activities.

(c) Besides you (or your ~~Managing Operator~~Operating Partner) or the Manager, the Restaurant must at all times have a sufficient number of personnel on staff to operate the Restaurant in accordance with our then current System Standards.

(d) You (or your ~~Managing Operator~~Operating Partner) must keep us informed at all times of the identity of the Manager and ensure that these personnel are competent and proficient in their duties. You (or your ~~Managing Operator~~Operating Partner) are solely responsible for all employment decisions for the Restaurant, including hiring, firing, remuneration, personnel policies, training, benefits, and maintaining supervision and discipline, regardless of whether you received advice from us on any of these subjects.

8.6. **Insurance.**

(a) During the Term you must maintain the following categories of insurance coverage in force at your sole expense, underwritten by an insurance company having an A.M. Best's rating of A- or higher, a financial size of VII or better and licensed to do business in the state where your Restaurant will be located, all containing the minimum liability coverage we prescribe periodically in the Brand Standards Manual (unless otherwise indicated below):

1. Broad form comprehensive public liability, general liability, product liability, and contractual liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Restaurant's operation;

2. All risk or special form coverage on your Premises, including boiler and machinery coverage extending to all improvements and alterations, trade fixture, and business personal property having adequate limits to replace all that is damaged as caused by, or occurring in connection with, the Restaurant's operation;

3. Business interruption insurance to cover the rent of the Premises, previous profit margins, maintenance of competent personnel and other fixed expenses for the duration of the interruption to your Restaurant's operation;

4. If any vehicle is used in connection with the operation of the Restaurant, automobile liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Restaurant's operation;

5. Worker's compensation and employer's liability insurance (in amounts authorized by statute), unemployment insurance and state disability insurance (as required by governing law) for your employees;

6. For any construction, refurbishment, and/or remodeling of the Restaurant, builder's and/or contractors' insurance (as applicable), lien insurance, and performance and completion bonds in forms and amounts we accept;

7. Umbrella liability insurance in excess of that provided by employer's liability and general liability;

8. Insurance coverage of the type, nature and scope sufficient to satisfy your indemnification obligations under Section 16.4 below; and

9. Any additional insurance required by your lessor or master lessor.

(b) You currently must have comprehensive commercial general liability coverage (\$1 million per occurrence for bodily injury and property damage and \$2 million aggregate); \$2 million products and completed operations aggregate; automobile (\$1,000,000 combined single limit) for owned and hired, non-owned liability; umbrella liability (\$5,000,000 per occurrence and aggregate) with employer's liability, general liability, and automobile liability scheduled as underlying policies; property covering the Restaurant and personal property in an amount 100% of the full replacement cost of the Restaurant and personal property, and business income coverage covering 12 months of actual loss sustained; employment practices liability (\$1,000,000 per occurrence and aggregate limit); cyber insurance (\$1,000,000 per occurrence and aggregate limit); \$1 million personal and advertising injury limit; and \$100,000 damage to rented premises), and other policies containing the minimum liability coverage we specify, such as worker's compensation and employer's liability insurance (\$1,000,000 per accident for bodily injury, \$1,000,000 per employee for injury by disease, and \$1,000,000 aggregate for injury by disease), and any other coverage required by law or your lease. Premiums depend on the insurance carrier's charges, terms of payment, and your history.

(c) We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. Required coverage must contain the following (i) a severability of interest clause for all named insureds, with no cross-liability for exclusion; (ii) insurers' waiver of subrogation against us and all named insureds, and (iii) a waiver of rights of recovery against us.

(d) These insurance policies must name us, any affiliates we designate, and the Indemnified Parties (as defined in Section 16.4) as additional named insureds for claims arising from the Restaurant's operation and provide for 30 days' (10 days for non-payment of premiums) prior written notice to us of a policy's material modification, cancellation or expiration. These insurance policies must be primary to and without right of contribution from any other insurance policy purchased by us or any other Indemnified Party; must not limit or reduce coverage for you if there is a claim by us or any one or more of the other Indemnified Parties; and must extend to and provide indemnity for all of your indemnification obligations to us and the other Indemnified Parties under this Agreement. You agree not to reduce the policy limits, restrict coverage, cancel or otherwise alter or amend your insurance policies without our prior written consent. If there is a claim by us or any one or more of the other Indemnified Parties against you, you must, on our request, assign to us all rights that you then have or later may have with respect to the claim against the insurer(s) providing the coverages described above.

(e) You must provide us with copies of your Certificates of Insurance or other evidence we require evidencing the required coverages no later than 10 days before you begin operations at your Restaurant. You must furnish us, on an annual basis, copies of your Certificates of Insurance or other evidence we require of your maintaining this insurance coverage and paying premiums. You must furnish us the original policies evidencing all insurance coverages within 5 days of our written request. You agree to renew all policies and documents, and to furnish us copies of renewal Certificates of Insurance or other evidence we require of your maintaining this insurance coverage and paying premiums before the expiration date of the policy.

(f) If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain the insurance for you and the Restaurant on your behalf, in which event you will cooperate with us and reimburse us for all premiums and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining the insurance. If we obtain the insurance for you and the Restaurant on your behalf, you must furnish all information necessary to obtain and maintain the insurance within 15 days of our request.

8.7. **Pricing.**

We reserve the right, to the fullest extent allowed by applicable law, to establish maximum, minimum, or other pricing requirements with respect to the prices you may charge for products and services. These rights may include (without limitation) prescribing the maximum and/or minimum retail prices that you may charge customers for the products and/or services offered by your Restaurant; recommending retail prices; advertising specific retail prices for some or all products or services sold at your Restaurant; requiring you to participate in marketing, promotional and related campaigns that may directly or indirectly impact your retail prices; and, otherwise mandating, directly or indirectly, the maximum and/or minimum retail prices that your Restaurant may charge the public for the products and services it offers. We may engage in any this activity either periodically or throughout the Term. Further, we may engage in this activity only in certain geographic areas (cities, states, regions) and not

others, or with regard to certain subsets of franchisees and not others. You agree that the prices we prescribe or suggest may or may not optimize the revenues or profitability of your Restaurant and you irrevocably waive all claims arising from the establishment or suggestion of your Restaurant's retail prices.

8.8. Discounts, Giveaways and Other Promotions.

You agree to offer and participate in any required discounts, gift cards, giveaways and other promotions at your sole expense, in accordance with our specifications. You further agree to honor the discounts, gift cards giveaways and other promotions offered by other Smalls Sliders Restaurant franchise owners under any program we establish, as long as your compliance does not contravene any applicable law, rule or regulation.

8.9. Compliance With System Standards.

(a) You agree that operating and maintaining the Restaurant according to System Standards are essential to preserve the goodwill of the Marks and all Smalls Sliders Restaurants. Therefore, you agree at all times to operate and maintain the Restaurant according to all of our System Standards, as we periodically modify and supplement them, even if you believe that a System Standard, as originally issued or subsequently modified, is not in the System's or the Restaurant's best interests. Although we retain the right to establish and periodically modify System Standards that you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the Restaurant and implementing and maintaining System Standards at the Restaurant.

(b) As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Section 8:

1. purchase, storage, preparation, handling, and packaging procedures and techniques for Menu Items and Proprietary Products; and inventory requirements for Proprietary Products and other products, services and supplies so that the Restaurant may operate at full capacity;

2. terms of the sale and delivery of, and terms and methods of payment for, Proprietary Products, other products, and services that you obtain from us and affiliated and unaffiliated suppliers; and our and our affiliates' right not to sell you any Proprietary Products, or other products or to provide you with services, or to do so only on a "cash-on-delivery" or other basis, if you are in default under any agreement with us;

3. sales, marketing, advertising, promotional and loyalty programs and materials and media, including required signage and brochures for the Restaurant, social media Websites, used in these programs ("social media" includes personal blogs, common social networks like Facebook, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools);

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

5. issuing and honoring gift certificates;

6. days and hours of operation;
7. participation in market research and testing and product and service development programs and preparation of reports and other relevant information we request on the market research, and participation in, and dues assessed for, advisory councils;
8. accepting credit and debit cards, other payment systems, and check verification services;
9. product sampling, including requirements regarding quantity and frequency;
10. catering and delivery services and on-line customer ordering (to the extent we allow you to engage in these activities), including using only delivery sources dedicated to your Restaurant;
11. bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the Restaurant;
12. use of social media in connection with your Restaurant's operation or otherwise referencing the Marks and System; and
13. any other aspects of operating and maintaining the Restaurant that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Smalls Sliders Restaurants.

(c) You agree that you are obligated to comply with all System Standards we prescribe in the Brand Standards Manual, or otherwise communicate to you in writing or another tangible form during the Term (for example, by System extranet or Website), as we periodically modify them.

8.10. **Modification of System Standards.**

We periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may obligate you to invest additional capital in the Restaurant and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we require, whether they involve refurbishing or remodeling the Premises or any other aspect of the Restaurant, buying new Operating Assets, adding new Menu Items and services, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

8.11. **Intranet.**

You must participate in our intranet system (“Intranet”) when one is developed. Through the Intranet, you will be able to access portions of our Brand Standards Manual, training materials, corporate forms and have access to other resources. We will have independent access to the information and data that is electronically generated. We may in the future require you to install computerized management systems meeting our standards, as modified periodically in response to business, operations and marketing conditions.

9. **MARKETING.**

9.1. **Grand Opening Campaign.**

In addition to your local advertising and promotion, you agree to pay us \$15,000, that we will use to help advertise and promote the Restaurant before and during its grand opening (the “Grand Opening Campaign Fee”). The Grand Opening Campaign Fee is due when you sign your lease or otherwise secure the site for your Premises, and it is fully earned and non-refundable. While we will use the Grand Opening Campaign Fee to assist with your grand opening, you must also work to advertise and promote your Restaurant and on activities to be agreed on and approved by us in advance, during a grand opening period beginning 90 days before the scheduled opening of the Restaurant and ending 6 months after your Restaurant opens for business (the “Grand Opening Period”). You may need to spend additional amounts beyond the Grand Opening Campaign Fee to advertise and promote your Restaurant during the Grand Opening Period. You agree to strictly comply with our guidelines for this grand opening advertising program.

9.2. **Brand Fund.**

(a) Recognizing the value of advertising and marketing to the goodwill and public image of Smalls Sliders Restaurants, we have established a Brand Fund (the “Fund”) for general brand recognition, advertising, marketing, and public relations programs and development of materials we deem appropriate. You agree to contribute to the Fund the amount we require as stated in Section 3.3.

(b) We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Smalls Sliders Restaurants and with whom we have agreed that we will so deposit these allowances. (These payments are different from those that are not designated by suppliers to be used exclusively for advertising or similar purposes, and that we and our affiliates therefore may use for any purposes we and they deem appropriate, as provided in Section 8.3.)

(c) We or our designee direct all advertising and promotional programs and have sole discretion over the creative concepts, contents, sponsorships, materials, endorsements, media used, geographic, market, and media placement, and allocation of these programs. We reserve the right to use any media, create any programs, and allocate advertising and promotional expenditures to any regions or locales we deem appropriate. We use the Fund to: maximize general public recognition of the Smalls Sliders® System and the Marks; pay the costs of preparing audio and written advertising and marketing materials, including but not limited to television, radio, magazine, newspaper, and digital campaigns; engaging in research and development; administering national, regional and multi-regional advertising programs; purchasing sports or entertainment sponsorships; holding conventions, purchasing e-commerce

rights, products or services, direct mail and other media advertising; maintaining or paying third parties to maintain on-line ordering and fulfillment systems and advertising or promotional related software and services; supporting public relations and market research, including but not limited to, for the purposes of brand reputation management; employing outside public relations firms and advertising agencies to assist in these activities; paying all expenses including without limitation registration fees and legal fees to evaluate, develop, register, maintain and enforce the Marks; establishing, developing, maintaining, modifying, servicing or hosting social media accounts, Websites, text messaging advertising, call centers or other e-commerce or communication programs or services; paying the costs of enforcement of collections of the Fund Fee; paying administrative costs, accounting fees, and overhead (including allocating our employees' salaries and benefits and our overhead expenses to the Fund to the extent that any employee performs services for the Fund or overhead expenses benefit the Fund), and engaging in other advertising, promotion and marketing development and placement activities we designate or approve in our sole discretion to directly or indirectly promote the System, its franchisees, and/or increase System sales, such as limited time menu offerings, crew incentives, franchisee incentives and/or promotional programs, customized materials, up-sell programs, guest response programs, manager/employee recognition programs, quality assurance and food safety programs, mystery shop programs and other customer service survey and response programs, brand applications, and in-store equipment and technologies related to such programs. The Fund may, at our option, use an in-house advertising department or any local, national, or regional advertising agency we choose. We undertake no obligation, in administering the Fund, to make expenditures for you in your Protected Territory that are equivalent to your contribution or to ensure that any you benefit directly or *pro rata* from the Fund's expenditures. We may use a number of our affiliated companies to facilitate the advertising and promotional programs the Fund purchases.

(d) We will account for the Fund separately from our other funds. The Fund will not be our asset. Although the Fund is not a trust, we will hold all Fund contributions for the benefit of the contributors and use contributions only for the purposes described in this Section 9.2. We do not owe any fiduciary obligation to you for administering the Fund or any other reason. We expect to expend most contributions to the Fund for advertising during the fiscal year when the contributions are made. However, the Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, pay back outstanding principal amounts borrowed in prior years from us or third parties, or invest any surplus for future use. If we advance and expend an amount greater than the amount available in the Fund in any fiscal year, we will be entitled to reimburse ourselves from the Fund during the following fiscal year for all our advanced sums, with interest payable on the advanced funds at the lesser of 1.5% per month or the maximum commercial contract interest rate permitted by law (with interest accruing the first calendar day following the day on which we advance and expend any sum). If we expend less than the total sum available in the Fund during any fiscal year, we may expend the unused sum during the following fiscal year. We will use all interest earned on Fund contributions to pay costs before using the Fund's other assets.

(e) We will prepare an annual, unaudited statement of Fund collections and expenses and give you the statement on written request. We reserve the right, in our sole determination, to have the Fund audited annually at the Fund's expense by an independent certified public accountant. We may incorporate the Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section 9.2.

(f) We intend the Fund to maximize recognition of the Marks and patronage of Smalls Sliders Restaurants. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Smalls Sliders Restaurants, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions by Smalls Sliders Restaurants operating in that geographic area or that any Smalls Sliders Restaurant benefits directly or in proportion to its Fund contribution from the development of advertising and marketing materials or the placement of advertising and marketing.

(g) We have the right, but no obligation, to use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. Except as expressly provided in this Section 9.2, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

(h) We may at any time defer or reduce contributions of a Smalls Sliders Restaurant franchise owner and, on 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to our franchise owners, and to us and our affiliates, in proportion to their, and our, respective Fund contributions during the preceding 12 -month period.

9.3. **By You.**

(a) In addition to your grand opening obligation in Section 9.1 ~~above~~ and your Fund contribution obligations in Section 9.2 ~~above~~, you agree to spend, during the second month of the Term and in all subsequent months, the following minimum amount to advertise and promote your Restaurant: (i) 2% of the Restaurant's Gross Sales as long as your then current Fund contribution ~~does not exceed~~ is 3% of Gross Sales ~~(including if we have not yet instituted the Fund)~~; or (ii) the difference between 5% of Gross Sales and your then required Fund ~~contribution,~~ contributions if your then current Fund contribution ~~then exceeds~~ is below 3% of Gross Sales. For avoidance of doubt, the total sum of the Fund contribution level, the minimum local advertising requirement provided for under this Section 9.3, and the cooperative advertising requirement provided for under Section 9.4 ~~below~~ (if applicable), will not exceed a total of 5% of Gross Sales at any time during the Term. Within 30 days after the end of each month, you agree to send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month.

(b) Your local advertising and promotion must follow our guidelines. All advertising and promotional materials that you develop for your Restaurant must contain notices of our Website's domain name in the manner we designate. You may not develop, maintain, or authorize any Website or social media account that mentions or describes you or the Restaurant or displays any of the Marks without our prior written approval in each instance. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe at any time and from time to time.

(c) Before you use them, you agree to send us or our designated agency for approval samples of all advertising, promotional, and marketing materials which we have not prepared or

previously disapproved including, but not limited to, press releases and interviews for publication in any media. If you do not receive written approval within 15 days after we or our designated agency receives the materials, they are ~~deemed to be~~ disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or that we have ~~(or were deemed)~~ disapproved.

9.4. **Cooperative Advertising Programs.**

(a) We may designate an advertising coverage area (“ACA”) - local or regional - in which two or more Smalls Sliders Restaurants are located in order to establish a cooperative advertising program (“Cooperative Program”) for that ACA. An ACA is the area covered by the particular advertising medium recognized in the industry. All franchise owners in the ACA must participate. Each Smalls Sliders Restaurant operating in the ACA will have one vote, including Smalls Sliders Restaurants operated by us or our affiliates.

(b) If a Cooperative Program is established for your ACA, you must contribute up to 2% of your Restaurant’s Gross Sales to the Cooperative Program weekly, monthly, or as we otherwise specify. You will not be required to contribute more than 2% of your Restaurant’s Gross Sales to the Cooperative Program unless 67% or more of the Smalls Sliders Restaurants operating in the ACA, including any Smalls Sliders Restaurants we or our affiliates operate, vote to increase the contributions of all Smalls Sliders Restaurants operating in the ACA in excess of the 2%. Any amounts you contribute to a Cooperative Program will count toward the percentage of Gross Sales you must spend under Section 9.3 to promote your Restaurant.

10. **RECORDS, REPORTS, AND FINANCIAL STATEMENTS.**

10.1. You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe at any time and from time to time. We may require you to use a Computer System to maintain certain sales data and other information and to report this information to us via a website or other means. You agree to give us in the manner and format that we prescribe at any time and from time to time:

(a) within 5 days after the end of each week, a report on the Restaurant’s Gross Sales during the preceding week;

(b) within 30 days after the end of each calendar quarter, the operating statements, financial statements, statistical reports, purchase records, and other information we request regarding you and the Restaurant covering the previous calendar quarter and the fiscal year to date, and you must certify these statements are true and correct;

(c) within 60 days following the end of each fiscal year during the Term, annual profit and loss and source and use of funds statements and a balance sheet for the Restaurant as of the end of the prior fiscal year;

(d) within 30 days following your filing of tax returns for the Restaurant, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the Restaurant and the Franchise;

(e) any other reports and records we request in writing.

10.2. You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the Restaurant's operation.

10.3. You agree to preserve and maintain all records in a secure location at the Restaurant or your business office for at least three years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

10.4. If you fail to submit any required report to us when due, you must pay us a late report fee of \$100 per late report and an additional \$100 for each week or partial week that the report remains unsubmitted.

11. INSPECTIONS AND AUDITS.

11.1. Our Right To Inspect The Restaurant.

(a) To determine whether you and the Restaurant are complying with this Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect the Restaurant; (2) photograph the Restaurant and observe and videotape the Restaurant's operation for consecutive or intermittent periods we deem necessary; (3) remove samples of any products and supplies; (4) interview the Restaurant's personnel and customers; and (5) inspect and copy any books, records, and documents relating to the Restaurant's operation. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere unreasonably with the Restaurant's operation. You agree that any evaluation or inspection that we or our designated agents or representatives conduct is conducted to protect our interests in the System and Marks and is not intended to exercise, and does not constitute, in whole or in part, control over the day-to-day operation of the Restaurant and you agree to never contend otherwise.

(b) You agree to pay us our then-current Food Safety Assessment Fee for us, our affiliate or designee to perform quarterly food safety assessments of all food products, equipment, smallware, and Restaurant environment.

(c) If you fail a food safety audit or other inspection, you must reimburse us for our expenses in conducting each reinspection until your Restaurant passes the audit and/or inspection.

11.2. Our Right To Audit.

(a) We may at any time during your business hours, and without prior notice to you, examine your (if you are an Entity) and the Restaurant's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any audit. If any audit discloses your failure to operate the Restaurant in accordance with the System Standards, then we may require you to undertake additional training at the Restaurant. We will determine the duration of the training and the number of trainers in

our sole discretion. You agree to pay us \$300 per trainer per day plus all travel and living expenses ~~which~~that our trainers incur during the additional training.

(b) If any audit discloses an understatement of the Restaurant's Gross Sales, you agree to immediately pay us the Royalty and Fund contributions due on the understatement, plus our service charges and interest (to be calculated as ~~set forth~~stated in Section 3.7-~~above~~) from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our audit reveals a Royalty or Fund contribution understatement exceeding 2% of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees. This understatement is a breach of this Agreement and, in addition to our other remedies and rights under this Agreement and applicable laws, we ~~will~~ have the right to terminate this Agreement immediately on notice to you, without opportunity to cure. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

12. TRANSFER.

12.1. By Us.

You agree that we maintain a staff to manage and operate the System and that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, member or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement or any interest therein and any other agreement to a third party without restriction or notice to you. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

12.2. By You.

(a) You agree that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your owners) and that we have granted you the Franchise in reliance on our perceptions of your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval: (i) this Agreement (or any interest in this Agreement); (ii) the Restaurant (or any right to receive all or a portion of the Restaurant's profits or losses or capital appreciation related to the Restaurant); (iii) all or substantially all of the assets of the Restaurant; (iv) any ownership interest in you (regardless of its size); or (v) any ownership interest in any of your owners (if such owners are legal entities). A transfer of the Restaurant's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect.

(b) In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition. An assignment, sale, gift, or other disposition includes the following events:

1. transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;
2. merger or consolidation or issuance of additional securities or other forms of ownership interest;
3. any sale of a security convertible to an ownership interest;
4. transfer of an interest in you, this Agreement, the Restaurant or all or substantially all of its assets, or your owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;
5. if you, one of your owners, or an owner of one of your owners dies, a transfer of an interest in you, this Agreement, the Restaurant or all or substantially all of its assets, or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or
6. pledge of this Agreement (to someone other than us) or of an ownership interest in you or your owners as security, foreclosure on the Restaurant, or your transfer, surrender, or loss of the Restaurant's possession, control, or management. You may grant a security interest (including a purchase money security interest) in the Restaurant's assets (not including this Agreement) to a lender that finances your acquisition, development, and/or operation of the Restaurant without having to obtain our prior written approval as long as you give us 10 days' prior written notice.

12.3. **Conditions For Approval Of Transfer.**

(a) If you (and your owners) are fully complying with this Agreement, then, subject to the other provisions of this Section 12, we will approve a transfer that meets all of the requirements in this Section 12.3.

(b) If you are an entity, your owners may transfer a non-controlling ownership interest in you or your owners (determined as of the date on which the proposed transfer will occur) if: (i) the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and otherwise meet our then applicable standards for Smalls Sliders Restaurants franchise owners (including no ownership interest in or performance of services for a Competitive Business); (ii) you give us prior written notice of the transfer at least 60 days before the proposed transfer, and later provide us final documentation of the consummated transfer; and (iii) you reimburse us, on our demand at any time, for any costs we incur in connection with the proposed transfer (regardless of whether the proposed transfer actually transpires).

(c) For any other proposed transfer (including a transfer of this Agreement, a transfer of a controlling ownership interest in you or one of your owners, or a transfer that is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfer this Agreement or a controlling ownership interest in you or one of your owners), all of the following conditions must be met before or concurrently with the effective date of the transfer:

1. the transferee has sufficient business experience, aptitude, and financial resources to operate the Restaurant;

2. you have paid all Royalties, Fund contributions, and other amounts owed to us, our affiliates, and third party vendors; have submitted all required reports and statements; and have not violated any provision of this Agreement, the Lease, or any other agreement with us during both the 60 day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

3. neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

4. the transferee (or its managing owner) satisfactorily completes our training program;

5. your lessor consents in writing to the transfer of the Lease or sublease of the Premises to the transferee (or, if we are subleasing the Premises to you under a sublease, the master lessor consents in writing to the transfer of the sublease to the transferee and the transferee agrees in writing to assume your obligations under the sublease);

6. any applicable agency or host or authority with jurisdiction over the Premises (such as an airport or an educational institution, if any) approves the transfer of this Agreement to the transferee;

7. the transferee will (if the transfer is of this Agreement), or you will (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then current form of franchise agreement and related documents (including, without limitation, our then current form of Guaranty and Assumption of Obligations, if applicable), and a form of confidential information protection agreement that we have approved, any and all of the provisions of which may differ materially from those in this Agreement, including the Royalty and the Fund contributions, provided, however, that the signing of the new franchise agreement terminates this Agreement (except for your guarantees, the post-termination obligations under this Agreement, and all other rights and obligations that survive termination or expiration of this Agreement), and the term of the new franchise agreement signed will expire on the expiration of this Agreement, unless we and the transferee otherwise agree in writing;

8. you or the transferee pays us a transfer fee equal to ~~the following: (a) if the proposed transfer is to an owner who is not an existing Smalls Sliders Restaurants franchise owner: 7525% of the then-current initial franchise fee we charge to a new Smalls Sliders Restaurant franchise owner; or (b) if you transfer multiple Restaurants at one time, you must pay the proposed transfer is to an existing Smalls Sliders Restaurants franchise owner: 50% of the then-current initial franchise fee we charge to a new Smalls Sliders Restaurants franchise owner~~ fee for each Restaurant);

9. you (and your transferring owners) sign a general release, in a form satisfactory to us, of all claims against us and our shareholders, officers, directors, members, employees, and agents;

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

11. if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Restaurant are subordinate to the transferee's obligation to pay Royalties, Fund contributions, and other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement;

12. (a) you have corrected any existing deficiencies of the Restaurant of which we have notified you on a punchlist or in other communications, and/or (b) the transferee agrees (if the transfer is of this Agreement) to upgrade, remodel, expand and/or refurbish the Restaurant and to add or replace services, vehicles, equipment, Operating Assets and/or Proprietary Products, in accordance with our then current requirements for Smalls Sliders Restaurants within the time period we specify following the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which the actions must be taken);

13. you and your transferring owners (and your and your owners' spouses) will not, for two years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 15.5~~below~~; and

14. you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Smalls Sliders Restaurants you own and operate) identify yourself or themselves or any business as a current or former Smalls Sliders Restaurant or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Smalls Sliders Restaurant in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

(d) We may review all information regarding the Restaurant that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding the Restaurant. In addition, you agree to reimburse us, on our demand at any time before or after the intended effective date of the proposed transfer, for any costs we incur in connection with any proposed transfer that is subject to the immediately preceding conditions (1) through (14), regardless of whether the proposed transfer actually transpires.

12.4. **Transfer To A Wholly-Owned Corporation Or Limited Liability Company.**

Despite Section 12.3~~above~~, if you are fully complying with this Agreement, you may transfer this Agreement to a corporation or limited liability company that conducts no business other than the Restaurant and, if applicable, other Smalls Sliders Restaurants, in which you maintain management control, and of which you own and control 100% of the equity and voting power of all issued and outstanding ownership interests, provided that all of the Restaurant's assets are owned, and the Restaurant's business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to the conditions of Section 12.3~~above~~ that otherwise apply to non-controlling transfers. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.

12.5. **Your Death Or Disability.**

(a) **Transfer On Death or Disability.** On your or your ~~Managing Operator~~ Operating Partner's death or disability, your or the ~~Managing Operator~~ Operating Partner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the ~~Managing Operator~~ Operating Partner's ownership interest in you, to a third party (which may be your or the ~~Managing Operator~~ Operating Partner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed 6 months from the date of death or disability, and is subject to all of the terms in this Section 12. A failure to transfer your interest in this Agreement or the ~~Managing Operator~~ Operating Partner's ownership interest in you within this time period is a breach of this Agreement.

(b) **Disability Defined.** The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or ~~actually~~ does prevent you or the ~~Managing Operator~~ Operating Partner from supervising the Restaurant's management and operation.

(c) **Operation On Death or Disability.** On your or the ~~Managing Operator~~ Operating Partner's death or disability, your or the ~~Managing Operator~~ Operating Partner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed 15 days from the date of death or disability, appoint a manager. The manager must complete our standard training program at your expense. A new ~~Managing Operator~~ Operating Partner acceptable to us also must be appointed for the Restaurant, and that new ~~Managing Operator~~ Operating Partner must complete our standard training program, within 60 days after the date of death or disability.

(d) If, in our judgment, the Restaurant is not being managed properly any time after your or the ~~Managing Operator~~ Operating Partner's death or disability, we may, but need not, assume the Restaurant's management (or appoint a third party to assume its management). All funds from the Restaurant's operation while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. We may charge you (in addition to the Royalty, Fund contributions, and other amounts due under this Agreement) \$500 per day, plus our (or the third party's) direct out-of-pocket expenses, if we (or a third party) assume the Restaurant's management under this subsection. We (or a third party) have a duty to use only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Restaurant incurs, or to any of your creditors for any products, other assets, or services the Restaurant purchases, while we (or a third party) manage it.

12.6. **Effect Of Consent To Transfer.**

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

12.7. **Our Right Of First Refusal.**

(a) If you (or any of your owners) at any time determine to sell or transfer for consideration an interest in this Agreement and the Restaurant, or an ownership interest in you (except to

or among your current owners, which is not subject to this Section 12.7), in a transaction that otherwise would be allowed under Sections 12.2 and 12.3~~above~~, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and the Restaurant. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to 5% or more of the offering price.

(b) The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 12.2 and 12.3. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

(c) We may, by written notice delivered to you or your selling owner(s) within 45 days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

1. we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

2. our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

3. we will have an additional 60 days to prepare for closing after notifying you of our election to purchase; and

4. we must receive, and you and your owners agree to make, all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including, without limitation, representations and warranties regarding: (a) ownership and condition of and title to ownership interests and/or assets; (b) liens and encumbrances relating to ownership interests and/or assets; and (c) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

(d) If we exercise our right of first refusal, you and your selling owner(s) agree that, for two years beginning on the closing date, you and they will be bound by the non-competition covenant in Section 15.5~~below~~. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 12.7.

(e) If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 12.2 and 12.3. This means that, even if we do not exercise our right of first refusal (whether or not it is properly triggered as provided above), if the proposed transfer otherwise would not be allowed under Sections 12.2 and 12.3~~above~~, you (or your owners) may not move forward with the transfer at all.

(f) If you do not complete the sale to the proposed buyer within 60 days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the 45 day period following either the expiration of the 60 day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

13. EXPIRATION OF THIS AGREEMENT.

13.1. Your Right To Acquire A Successor Franchise.

(a) If you meet certain conditions, then you will have the option to acquire four additional consecutive successor Renewal Terms. Each of the Renewal Terms will be 5 years in duration. The qualifications and conditions for the first Renewal Term are described below. The qualifications and conditions for the second Renewal Term will be described in the form of franchise agreement ("Successor Franchise Agreement") signed on the expiration of this Agreement.

(b) When this Agreement expires, you have the option to acquire a Renewal Term of 5 years beginning immediately on the expiration of this Agreement, plus a possible three other Renewal Terms of an additional 5 years thereafter, if you comply with our below terms of renewal under each Successor Franchise Agreement:

1. if you (and each of your owners) have substantially complied with this Agreement during the Term; and

2. if you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise (as provided in Section 13.2-~~below~~) and on the date on which the Renewal Term of the successor franchise would begin, in full compliance with this Agreement and all System Standards; and

3. provided that (a) you maintain possession of and agree (regardless of cost) to remodel and/or expand the Restaurant, add or replace improvements, services, vehicles, equipment, Operating Assets and/or Proprietary Products, and otherwise modify the Restaurant as we require to comply with System Standards then applicable for new Smalls Sliders Restaurants, or (b) at your option, you secure a substitute premises that we accept and you develop those premises according to System Standards then applicable for Smalls Sliders Restaurants.

(c) If you (and each of your owners) are not, both on the date you give us written notice of your election to acquire a successor franchise and on the date on which the Renewal Term begins, in full compliance with this Agreement and all System Standards, then you agree that we need not grant you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during the Term under Sections 14.1 or 14.2.

13.2. **Grant Of A Successor Franchise.**

(a) You agree to give us written notice of your election to acquire a successor franchise no more than 12 months and no less than 9 months before this Agreement expires. We agree to give you written notice of our decision (“Our Notice”):

1. to grant you a successor franchise;
2. to grant you a successor franchise on the condition that you correct existing deficiencies of the Restaurant or in your operation of the Restaurant; or
3. not to grant you a successor franchise because (i) you and/or your owners having received 2 or more separate written notices of default from us during the 24 month period preceding you providing us written notice of your election to acquire a successor franchisor; or (ii) you were not in full compliance with this Agreement and all System Standards on the date you gave us written notice of your election to acquire a successor franchise. If applicable, our notice will: (x) describe the remodeling, expansion, improvements, and/or modifications required to bring the Restaurant into compliance with then applicable System Standards for new Smalls Sliders Restaurants; and (y) state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies.

(b) If we elect not to grant you a successor franchise, Our Notice will describe the reasons for our decision. If we elect to grant you a successor franchise, your right to acquire a successor franchise is subject to your full compliance with all of the terms of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

(c) If Our Notice states that you must cure certain deficiencies of the Restaurant or its operation as a condition to our granting you a successor franchise, we will give you written notice of our decision not to grant a successor franchise, based on your failure to cure those deficiencies. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period, we need not grant you a successor franchise.

13.3. **Agreements/Releases.**

If you satisfy all of the other conditions for a successor franchise, you and your owners agree to sign a Successor Franchise Agreement and any ancillary agreements we then customarily use in granting franchises for Smalls Sliders Restaurants (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from those in this Agreement. You also must pay us a renewal fee of 20% of our then-current renewal initial franchise fee on signing when you sign a Successor Franchise Agreement in connection with your purchase of a successor Franchise for each Renewal Term. You and your owners further agree to sign our current form of general release of all claims against us and our affiliates, shareholders, officers, directors, members, employees, agents, successors, and assigns. We will consider your or your owners’ failure to sign these agreements and releases and to deliver them to us for acceptance and signing within 30 days after their delivery to you to be an election by you not to acquire a successor franchise for the first Renewal Term of 5 years.

14. TERMINATION OF AGREEMENT.

14.1. Termination By Us – On Notice.

We may terminate this Agreement, effective on delivery of written notice of termination to you, if:

- (a) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating the Restaurant;
- (b) you abandon or fail actively to operate the Restaurant for 3 or more consecutive business days, unless the abandonment or failure is for a purpose we approve or because of casualty or government order;
- (c) you (or your owners) make or attempt to make any transfer in violation of Section 12;
- (d) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony, crime or other offense involving moral turpitude, or any other crime or offense that we reasonably believe adversely affects the System's reputation or the goodwill associated with the Marks;
- (e) you (or any of your owners) engage in any dishonest, unethical, unfavorable or offensive conduct that, in our opinion, adversely affects the Restaurant's or System's reputation or the goodwill associated with the Marks, or if you violate our policies relating to ethical or professional conduct, in our sole discretion, including but not limited to, unprofessional, insulting or harassing communications toward our employees, affiliates, vendors, customers or the general public, and you have been given written notice of violating these policies on two previous occasions;
- (f) you make any representation or warranty on our behalf that we have not specifically authorized in writing;
- (g) you lose the right to occupy the Premises and fail (a) to begin immediately to look for a substitute site that we accept or (b) to locate a substitute site that we accept, and to begin operating the Restaurant from that substitute site, within the time period prescribed in Section 2 of this Agreement;
- (h) you (or any of your owners) make any unauthorized use or disclosure of any part of the Brand Standards Manual or any other Confidential Information;
- (i) you interfere with our right to inspect the Restaurant, or our ability to observe or videotape its operation, as provided in Section 11;
- (j) you understate the Restaurant's Gross Sales 3 times or more during the Term or by more than 5% on any one occasion;
- (k) you (or any of your owners) (i) fail on 3 or more separate occasions within any 12 consecutive months to comply with this Agreement, whether or not you correct the failures after our

Exhibit C - 41

sending notice to you; or (ii) fail on 2 or more separate occasions within any 6 consecutive month period to comply with the same obligation under this Agreement, whether or not you correct the failures after our sending of notice to you;

(l) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; the Restaurant is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of you or the Restaurant is not vacated within 30 days following the order's entry;

(m) you or any of your owners fail to comply with Section 19 of this Agreement, or your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities;

(n) you knowingly maintain false books or records, or submit any false reports to us;

(o) you refuse to permit us to inspect the Restaurant's books, records, or accounts ~~upon~~ request;

(p) you (or any of your owners or affiliates) are in default or breach of the Lease and you do not correct the default or breach within the applicable cure period provided under the Lease, if any; or

(q) you fail to pay when due any amounts owed to vendors, suppliers or the landlord for the Premises and do not correct the failure within the time frame provided in the applicable agreement(s);

(r) we (or any of our owners or affiliates) terminate any other agreement between you (or any of your owners and affiliates) and us (or any of our owners or affiliates) due to your (or any of your owners' or affiliates') failure to comply with the terms of such agreement.

14.2. **Termination by Us – After Notice and Right to Cure.**

We may terminate this Agreement, effective on delivery of written notice of termination to you, if you fail to cure any of the below defaults within the cure period stated ~~below~~:

(a) you do not deliver a fully-signed copy of any Lease that includes our prescribed Lease Addendum within 7 days after their signing, subject to a 5 business day cure period;

(b) you do not open the Restaurant for business within the time period prescribed in Section 2 of this Agreement, subject to a 30-calendar day cure period;

(c) you (or your ~~Managing Operator~~ Operating Partner) and your Manager do not satisfactorily complete the initial training program, subject to a 30-calendar day cure period;

(d) you fail to maintain the insurance we require and do not correct the failure within 10 business days after we send written notice of that failure to you;

(e) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate the Restaurant in an unsafe manner, subject to a 48-hour cure period;

(f) you fail to pay us (or our affiliates) any amounts due and you do not correct the failure within 10 business days after we send written notice of that failure to you;

(g) you fail to pay when due any federal or state income, service, sales, or other taxes due on the Restaurant operation, unless you are in good faith contesting your liability for these taxes, subject to a 30-calendar day cure period;

(h) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within 30 days after we send written notice of the failure to you.

14.3. Our Alternate Remedies On Your Default.

In addition to, and without limiting, our other rights and remedies under this Agreement, any other agreement or applicable law, on the occurrence of any event giving rise to our right to terminate this Agreement under ~~the preceding~~ Sections 14.1 and 14.2, we may instead elect, at our sole option and on sending you written notice, to take any or all of the following actions without terminating this Agreement:

(a) temporarily or permanently reduce the size of the Protected Territory, in which case the restrictions on us or our affiliates under Section 1~~above~~ will not apply in any geographic area removed from the territorial boundaries;

(b) temporarily remove information concerning the Restaurant from any Website or extranet operated for the network of Smalls Sliders Restaurants, and/or restrict your or the Restaurant's participation in other programs or benefits offered on or through our Website or extranet;

(c) require you to engage a third-party accounting firm we approve to conform to the bookkeeping, accounting, reporting and recordkeeping system requirements and formats we prescribe;

(d) require you to pay us \$500 for each day the condition giving rise to our right to terminate continues to exist to help offset our increased administrative expenses associated with your failure to comply with this Agreement;

(e) suspend your and the Restaurant's right to participate in any advertising, marketing, promotional, or public relations programs that we or the Fund provide, authorize, or administer; or

(f) assume, or appoint a third party to assume, management of the Restaurant in the manner provided in Section 14.5~~below~~.

14.4. Cross Default.

Any default or breach by you (or any of your owners), or your affiliate (or any of your owner's affiliates) of any other agreement with us or our affiliate is an event of default under this Agreement, and any default or breach by you (or any of your owners) of this Agreement is an event of default or breach by you under any and all agreements between us or our affiliate and you (or any of your owners), or your affiliate (or any of your owner's affiliates). ~~If the nature of the default under any other such agreement would have been considered an event of default under this Agreement is not curable or not cured within the time specified, if any, in that agreement, then we or our affiliate have the right to may immediately terminate all other agreements between us or our affiliate and you (or any of your owners), or your affiliate (or any of your owner's affiliates) in accordance with the termination provisions of this Agreement.~~

14.5. Assumption Of Management.

(a) We have the right (but not the obligation), under the circumstances described below, to enter the Premises and assume the Restaurant's management (or to appoint a third party to assume its management) for any period of time we deem appropriate. If we (or a third party) assume the Restaurant's management under subsections (c)(1) and (c)(2) below, you agree to pay us (in addition to the Royalty, Fund contributions, and other amounts due under this Agreement) \$500 per day, plus our (or the third party's) direct out-of-pocket expenses, if we (or a third party) assume the Restaurant's management under this Section 14.5.

(b) If we (or a third party) assume the Restaurant's management, you agree that we (or the third party) will have a duty to use only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Restaurant's incurs, or to any of your creditors for any supplies, products, or other assets or services the Restaurant's purchases, while we (or the third party) manage it.

(c) We (or a third party) may assume the Restaurant's management under the following circumstances: (1) if you abandon or fail actively to operate the Restaurant; (2) if you fail to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period we specify in our notice to you; or (3) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase the Restaurant under Section 15.6 ~~below~~.

(d) Any exercise of our rights under subsections (c)(1) or (c)(2) ~~above~~ in this Section 14.5 will not affect our right to terminate this Agreement under Sections 14.1 or 14.2.

15. OUR AND YOUR RIGHTS AND OBLIGATIONS ON TERMINATION OR EXPIRATION OF THIS AGREEMENT.

15.1. Payment Of Amounts Owed To Us.

(a) Immediately on termination or expiration of this Agreement, and on any later date that we determine the amounts due to us, you must pay us all Royalties, Fund contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

(b) If this Agreement is terminated before its Term expires under Sections 14.1 or 14.2-~~above~~, then you agree that we will suffer and incur substantial damages because this Agreement did not continue for the Term's full length, and that our damages are difficult to accurately estimate. As a result, in this event, you will pay us as liquidated damages an amount equal to the average monthly Royalties and Fund Contributions you owed us during the last 12 months of operation preceding the effective date of termination, multiplied by the lesser of 24 months or the number of months remaining in your Term (the "Liquidated Damages"); provided however that (i) if you have not been operating at least 12 months before termination, the monthly average will be calculated according to the actual number of months you were in operation; and (ii) if you never opened the Restaurant, no Liquidated Damages will be owed. You and we agree that the Liquidated Damages is not a penalty but rather the parties' reasonable pre-estimate of the loss to us as a result of your failure to perform your obligations for the remainder of the Term. You further agree that your obligation to pay Liquidated Damages resulting from early termination is in addition to (not in lieu of) your post-termination obligations to pay other amounts due as of the date of termination (as contemplated under the preceding Subsection 15.1(a)-~~above~~) and to otherwise comply with the entirety of Section 15. In addition to the Liquidated Damages, if this Agreement is terminated before its Term expires under Sections 14.1 or 14.2-~~above~~, you agree to pay us for all costs, expenses, attorneys' and experts' fees directly or indirectly related thereto.

(c) Your foregoing payment obligations arising under Subsections 15.1(a) and 15.1(b)-~~above~~ will give rise to, and remain until paid in full, a lien in our favor: (i) against all assets, property, furnishings, equipment, signs, fixtures and inventory owned by you or the Restaurant at the time of termination or expiration; and (ii) against any payment obligation you may allege we have to you, any of your money we are holding, or any other amounts of yours ~~which~~that are otherwise in our possession on or after the effective date of termination or expiration. Our rights and your obligations under this Section 15.1 survive termination or expiration of this Agreement until they are satisfied or later expire by their terms.

15.2. Marks.

When this Agreement expires or is terminated:

(a) you may not directly or indirectly at any time or in any manner (except with other Smalls Sliders Restaurants you own and operate) identify yourself or any business as a current or former Smalls Sliders Restaurant or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Smalls Sliders Restaurant in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(b) you agree to discontinue the use of any Website and social media used in connection with the Restaurant or otherwise referring to the Marks, your Restaurant or Smalls Sliders Restaurants.

(c) you agree, at your expense, to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(d) you agree, at your expense, to deliver to us within 30 days all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a Smalls Sliders Restaurant that we request and allow us, without liability to

Exhibit C - 45

you or third parties for trespass or any other claim, to enter the Premises and remove these items from the Restaurant;

(e) if we do not have or do not exercise an option to purchase the Restaurant under Section 15.6 ~~below~~, you agree promptly and at your own expense to make the alterations we specify in our Brand Standards Manual (or otherwise) to distinguish the Restaurant clearly from its former appearance and from other Smalls Sliders Restaurants in order to prevent public confusion;

(f) you agree to notify within 5 days the telephone company, all telephone directory publishers and all online listings (e.g., Google and Yelp) of the termination or expiration of your right to use any telephone, ~~facsimile~~, or other numbers, telephone directory listings and email addresses associated with any Mark; to authorize the transfer of these numbers and directory listings to us or at our direction; and/or to instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events; and

(g) you agree to give us, within 30 days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

15.3. **Stop Using Related Social Media and Online Business Directories.**

(a) You must immediately cease operating all social media pages within your control associated with, or previously associated at any time with, the Restaurant or Smalls Sliders, including but not limited to, Facebook, Instagram, YouTube, TikTok and X (Twitter). You must also immediately cease operating all online business directory listings within your control associated with, or previously associated with, the Restaurant or Smalls Sliders, including but not limited to, Yelp, Nextdoor, LinkedIn, Google, YP (Yellow Pages), and Angi. You must promptly provide us with all login credentials or other information necessary for us to assume exclusive control over each social media and business directory account, page, or listing. To the extent that you are aware of or become aware of any social media or business directory account, page, or listing associated with the Restaurant that is not within your control, you must promptly notify us thereof in writing.

(b) Notwithstanding the foregoing, we may in our exclusive discretion demand that you delete, deactivate, or otherwise modify each social media or business directory account or listing at any time. You must comply with our demand immediately on receipt.

(c) You agree that all consumer or other published reviews of the Restaurant and/or any goods or services provided by the Restaurant, are the exclusive property of Smalls Sliders Franchising LLC. Your right to use these reviews in any manner terminates with the expiration or termination of this Agreement. You are prohibited from advertising, promoting, quoting, or otherwise referring to the reviews in connection with any business or offer to conduct business on expiration or termination of this Agreement.

(d) You agree that any violation of this Section 15.3 constitutes trademark infringement, service mark infringement, unfair competition, false advertising, and/or deceptive trade practices under federal, state, and common law, that this violation encroaches on the goodwill associated with our brand, and that violation is likely to cause confusion among reasonably prudent consumers.

15.4. **Confidential Information.**

You agree that, when this Agreement expires or is terminated, (1) you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System) in any business or otherwise; (2) return to us all copies of the Brand Standards Manual and any other confidential materials that we have provided you for your use during the Term; and (3) immediately deliver to us all training or other manuals furnished to you (including the Brand Standards Manual and any supplements to the Brand Standards Manual), computer software and database material, customer lists, records and files, documents, instructions, display items, advertising and promotional material, all materials, signs and related items that bear our Marks or slogans and insignias and designs, advertising contracts, forms and other materials or property of ours, and any copies of them in your possession that relate to the operation of the Restaurant. You may retain no copy or record of any of these items, except for your copy of this Agreement, any correspondence between the parties and any other documents that you reasonably need for compliance with any provision of law. You agree that the foregoing items, materials, customer lists, files, software and other similar items are at all times considered to be our property for all purposes.

15.5. **Covenant Not To Compete.**

(a) On expiration of this Agreement without renewal or on termination of this Agreement for any reason whatsoever, you and your owners agree that, for two years beginning on the earlier of the effective date of termination or expiration of this Agreement (the “Restrictive Period”), neither you nor any of your owners will own, manage, supervise or control the activities of, train the employees of, advise, franchise, loan any assets to, or lease any property to any Competitive Business (as defined in Section 7 above) located or operating: (i) at the Premises; (ii) within the Protected Territory; (iii) within a 15-mile radius of the Protected Territory; or (iv) within 15 miles of any other Smalls Sliders Restaurant in operation or under construction on the later of the effective date of the termination or expiration of this Agreement.

(b) The restrictions in Section 15.5. also apply after transfers, as provided in Subsection 12.3.(c)(13). If any person restricted by this Section 15.5. refuses voluntarily to comply with these obligations and if we begin a legal proceeding within the Restrictive Period to enforce this covenant, then the two-year Restrictive Period for that person will begin with the entry of a court order enforcing this provision. You and your owners acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants in this Section 15.5. will not deprive you of your personal goodwill or ability to earn a living.

15.6. **Our Right To Purchase Certain Assets Of The Restaurant.**

(a) On termination of this Agreement for any reason whatsoever, or on expiration of this Agreement without renewal, we have the right and option, but not the obligation, to purchase any or all of the modular building, equipment, furnishings, and accessories from the Restaurant (collectively the “Modular and FF&E”) at a purchase price equal to its then fair market value (“FMV”). If the Parties cannot agree on FMV with 14 days after the date of expiration or termination of this Agreement, then each Party will hire their own appraiser at that party’s respective expense to work together and determine the FMV no later than 30 days after the date of expiration or termination. If the Parties’ respective appraisers are unable to agree on FMV within 30 days after the date of termination or expiration of this Agreement, the Parties’ respective appraisers will appoint a single third appraiser at the Parties’ shared

Exhibit C - 47

expense to determine FMV within 45 days of termination or expiration of this Agreement, and that appraiser's opinion of FMV will be the purchase price of the Modular and FF&E if we elect to purchase it. We will have the right to inspect the Modular and FF&E at any time following the date of the expiration or termination and during the appraisal period. If we elect to purchase the Modular and FF&E, we will be entitled to, and you must provide, all customary warranties and representations relating to the Modular & FF&E to be purchased, including, without limitation, representations and warranties as to the maintenance, function and condition of Modular and FF&E and your good title to those items (including that you own each item free and clear of any liens and encumbrances), the validity of contracts and agreements, and the liabilities affecting the Modular and FF&E, contingent or otherwise. You and your owners further agree to sign general releases, in a form satisfactory to us, of all claims against us and our shareholders, officers, directors, managers, members, employees, agents, successors and assigns. You must deliver the equipment to us within 15 days of receipt of our written notice to you of our election to purchase.

(b) Regardless of whether or not we exercise our right to purchase the equipment, furnishings, and accessories under this Section 15.6, we will have the option, exercisable on written notice to you within 30 days after the date of termination or expiration of this Agreement, to repurchase some or all (at our option) of the Menu Items and Proprietary Products and other products you then own. We have the unrestricted right to assign this option to purchase. The purchase price of all inventory (in full, unopened case-loads) will be as agreed on by the parties, provided that the purchase price will not exceed the prices you paid for the Menu Items and Proprietary Products and other products (less any freight and insurance charges). All purchase prices are freight-on-board ("F.O.B.") our premises. We may set off against the purchase price all amounts you then owe to us, if applicable.

15.7. Continuing Obligations.

All of our and your (and your owners') obligations that expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect after and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

16.1. Independent Contractors.

(a) You and we agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Restaurant' personnel, and others as the Restaurant's owner under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require at any time and from time to time.

(b) None of your employees or other personnel will be considered to be our employees or personnel. Neither you nor any of your employees or personnel whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee or personnel for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state, provincial, or federal governmental agency. We do not have the power to hire or fire your

employees or personnel. You agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees or personnel for qualification to perform certain functions for the Restaurant does not directly or indirectly vest in us the power to hire, fire or control any ~~such~~ employee. You agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of the Restaurant and that under no circumstance will we do so or be deemed to do so. You agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System that you must comply with under this Agreement, whether set forth in the Brand Standards Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of the Restaurant, which you alone control, but only constitute brand standards you must adhere to when exercising your control of the day-to-day operations of the Restaurant.

16.2. **No Liability For Acts Of Other Party.**

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

16.3. **Taxes**

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied on you or the Restaurant, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

16.4. **Indemnification**

(a) You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective affiliates, shareholders, members, managers, directors, partners, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the Restaurant's operation, employment matters in connection with the Restaurant, employment practices liability, cyber liability, the business you conduct under this Agreement, or your breach of this Agreement, including, without limitation, those alleged to be or found to have been caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court ~~or arbitrator~~ with competent jurisdiction. You agree to give us and the Indemnified Parties written notice of any action, suit, proceeding, claim, demand, inquiry or investigation that could be the basis for a claim for indemnification by any of the Indemnified Parties within 3 days of your actual or constructive knowledge of it. The Indemnified Parties have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any claim; and (ii) control the response thereto and the defense thereof, including the right to enter into settlements or take any other remedial, corrective, or other actions. You agree to give your full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any claim, and to reimburse the Indemnified Parties for all of their expenses in defending any claim, including court

costs and reasonable attorneys' fees, within 10 days of the date of each invoice delivered by the Indemnified Parties to you enumerating the costs, expenses and attorneys' fees.

(b) For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', ~~arbitrators'~~, attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, ~~arbitration~~, or alternative dispute resolution, regardless of whether litigation, ~~arbitration~~, or alternative dispute resolution is commenced.

(c) This indemnity continues in full force and effect after and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its or their losses and expenses, in order to maintain and recover from third parties fully a claim against you under this subsection. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this subsection. Your or any of the other Indemnified Parties' undertaking of defense and/or settlement will in no way diminish your obligation to indemnify us and the other Indemnified Parties and to hold us and any of the Indemnified Parties harmless.

17. ENFORCEMENT

17.1. Severability And Substitution Of Valid Provisions.

(a) Except as expressly provided to the contrary in this Agreement, each section; ~~paragraph, term,~~ and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

(b) If any covenant that restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

(c) If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a Successor Franchise Agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits that is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

17.2. **Waiver Of Obligations.**

(a) We and you may by written instrument unilaterally waive or reduce any obligation of or restriction on the other under this Agreement, effective on delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective on delivery of 10 days' prior written notice.

(b) We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our right to demand exact compliance with every term or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist on the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Smalls Sliders Restaurants; the existence of franchise agreements for other Smalls Sliders Restaurants that contain provisions different from those in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

(c) Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as is reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties or Fund contributions due afterward.

17.3. **Costs And Attorneys' Fees.**

If we incur expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the expenses that we incur, including, without limitation, reasonable accounting, attorneys', ~~arbitrators'~~, and related fees.

17.4. **Rights Of Parties Are Cumulative.**

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

17.5. **Mediation.**

(a) Except as otherwise provided herein, if a dispute arises out of or relates to this Agreement, the breach hereof, the rights and obligations of the parties hereto, or the making, interpretation, or performance of either party under this Agreement, the parties agree first to try in good

faith to settle the dispute by non-binding mediation administered by the American Arbitration Association (“AAA”) in accordance with its Commercial Mediation Rules before resorting to ~~arbitration~~ or litigation in accordance with the terms of this Agreement. Mediation will take place before a sole mediator at a location we designate in the city in which our then current principal business address is located (currently, Atlanta, Georgia). The parties will each bear all of their own costs of mediation; provided, however, the fees of the mediator will be divided equally between you and us. All aspects of the mediation, including statements made and documents produced within the mediation, will be confidential in nature and will not be admissible in any later ~~arbitration or other~~ legal proceeding. If the matter is not settled by mediation within 30 days of the commencement of the mediation, or any further period as the parties agree in writing, the parties may ~~initial arbitration or~~ initiate litigation in accordance with the terms of this Agreement. The parties agree that mediation will not be required with respect to any claim or dispute involving: (a) any payment obligation to us that is more than 30 days past due; (b) actual or threatened disclosure or misuse of our Confidential Information; (c) the ownership, validity, or use of the Marks; (d) the insurance or indemnification provisions of this Agreement; (e) a non-curable default; (f) your failure to comply with our System Standards; ~~or~~ (g) any action by us to enforce the covenants stated in Section 7 or Section 15.5 of this Agreement; or (h) any action brought by us seeking injunctive relief.

(b) The object of any mediation subject to this Section 17.5 is to assist the parties in reaching a mutually acceptable resolution of the dispute. Mediation will, in all circumstances, be consistent with the rights and obligations created by this Agreement and will not be premised on the derogation or diminution of those rights or disregard of those rights.

17.6. Arbitration Class Action Waiver.

~~(a) — Subject to the parties’ obligation to mediate certain controversies, disputes and claims pursuant to Section 17.5 above, we and you agree that all controversies, disputes, or claims between us and our affiliates, and our and their respective shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and/or employees) arising out of or related to this Agreement or any other agreement between you and us or your or our respective affiliates, our relationship with you, the scope and validity of this Agreement or any other agreement between you and us or any provision of these agreements (including the validity and scope of the arbitration obligations under this Section 17.6, which the parties agree is to be determined by an arbitrator and not a court), or any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section 17.6 otherwise provides, according to the then current commercial arbitration rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in the city in which our then current principal business address is located (currently, Atlanta, Georgia). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except as expressly provided otherwise in the remainder of this Section 17, judgment on the arbitrator’s award may be entered in any court of competent jurisdiction.~~

~~(b) — The arbitrator has the right to award or include in his or her award any relief that he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys’ fees and costs, provided that the arbitrator may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 17.9 below, award any punitive or exemplary damages against either party (we and you waiving to the fullest extent permitted by law, except as expressly provided in Section 17.9 below, any right to or~~

~~claim for any punitive or exemplary damages against the other). All aspects of the arbitration, including statements made and documents produced within the arbitration, will be confidential in nature and will not be admissible in any later legal proceeding.~~

~~(e) — Except as expressly limited by Section 17.11 below, we and you agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim that is not submitted or filed as required is forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for the arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Section 17.3.~~

~~(d) We and you agree that arbitration mediation and litigation will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between us and our affiliates, and our and their respective shareholders, members, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and/or employees) may not be consolidated with any other arbitration proceeding between us and any other person. Notwithstanding the foregoing or anything to the contrary in this Section 17.6 or Section 17.1, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 17.6, then the parties agree that this arbitration clause will not apply to that dispute and that the dispute will be resolved in a judicial proceeding in accordance with this Section 17 (excluding this Section 17.6).~~

~~(e) — Notwithstanding anything to the contrary herein, we may elect not to arbitrate and instead pursue litigation in court if any of the claims we bring are for a temporary restraining order and temporary or preliminary injunctive relief (a “Court Proceeding”). If we file a Court Proceeding, (i) we may also include all other claims, including claims for damages, in the Court Proceeding; and (ii) you must bring any compulsory counterclaims in the Court Proceeding in lieu of arbitration. If we bring a Court Proceeding, we may bring it in the state or federal court of competent jurisdiction located closest to our then current principal business address (currently, Atlanta, Georgia), and you (and each owner) irrevocably submit to the jurisdiction of those courts and waive any objection you (or the owner) might have to either the jurisdiction of or venue in those courts. Nonetheless, you and your owners agree that we may enforce this agreement and any arbitration orders and awards in the courts of the state or states in which you are domiciled or the restaurant is located. The provisions of this Section 17.6 are intended to benefit and bind certain third party non-signatories and will continue in full force and effect after and notwithstanding this Agreement’s expiration or termination.~~

17.7. Governing Law.

~~**ALL MATTERS RELATING TO ARBITRATION WILL BE GOVERNED BY THE FEDERAL ARBITRATION ACT (9 U.S.C. §§ 1 ET SEQ.). EXCEPT TO THE EXTENT GOVERNED BY THE FEDERAL ARBITRATION ACT, EXCEPT FOR THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.), OR OTHER FEDERAL LAW, THIS AGREEMENT, THE FRANCHISE, AND ALL CLAIMS ARISING FROM THE RELATIONSHIP BETWEEN US AND YOU WILL BE GOVERNED BY**~~

Exhibit C - 53

THE LAWS OF THE STATE OF GEORGIA, WITHOUT REGARD TO ITS CONFLICT OF LAWS RULES, EXCEPT THAT ANY GEORGIA LAW REGULATING THE SALE OF FRANCHISES OR GOVERNING THE RELATIONSHIP OF A FRANCHISOR AND ITS FRANCHISEE WILL NOT APPLY UNLESS ITS JURISDICTIONAL REQUIREMENTS ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS SECTION 17.7.

17.8. Consent To Jurisdiction.

~~SUBJECT TO SECTIONS 17.5 AND 17.6 ABOVE AND THE PROVISIONS BELOW,~~ YOU AND YOUR OWNERS AGREE THAT ALL ACTIONS ARISING UNDER THIS AGREEMENT OR OTHERWISE AS A RESULT OF THE RELATIONSHIP BETWEEN YOU AND US MUST BE FILED IN THE STATE OR FEDERAL COURT OF COMPETENT JURISDICTION LOCATED CLOSEST TO OUR THEN CURRENT PRINCIPAL BUSINESS ADDRESS (CURRENTLY, ATLANTA, GEORGIA), AND YOU (AND EACH OWNER) IRREVOCABLY SUBMIT TO THE JURISDICTION OF THOSE COURTS AND WAIVE ANY OBJECTION YOU (OR THE OWNER) MIGHT HAVE TO EITHER THE JURISDICTION OF OR VENUE IN THOSE COURTS. NONETHELESS, YOU AND YOUR OWNERS AGREE THAT WE MAY ENFORCE THIS AGREEMENT ~~AND ANY ARBITRATION ORDERS AND AWARDS~~ IN THE COURTS OF THE STATE OR STATES IN WHICH YOU ARE DOMICILED OR THE RESTAURANT IS LOCATED.

17.9. Waiver Of Punitive Damages And Jury Trial.

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SECTION 16.4. AND TO PAY US LIQUIDATED DAMAGES UNDER SECTION 15.1, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS. WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.

17.10. Binding Effect.

This Agreement is binding on us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Brand Standards Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

17.11. Limitations Of Claims.

EXCEPT FOR CLAIMS ARISING FROM YOUR NON-PAYMENT OR UNDERPAYMENT OF AMOUNTS YOU OWE US OR YOUR HISTORY OF DEFAULTS, ALL COURT CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR OUR RELATIONSHIP WITH YOU WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED WITHIN 12 MONTHS FROM THE DATE ON WHICH THE

Exhibit C - 54

PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS.

17.12. Construction.

(a) The preambles and exhibits are a part of this Agreement that, together with any addenda or riders signed at the same time as this Agreement, constitutes our and your entire agreement, and supersedes all prior and contemporaneous oral or written agreements and understandings between us and you relating to the subject matter of this Agreement. There are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or the Restaurant (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Notwithstanding the foregoing, nothing in this Agreement disclaims or requires you to waive reliance on any representation we made in our most recent franchise disclosure document (including exhibits and amendments) delivered to you or your representative.

(b) Any policies that we adopt and implement at any time and from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

(c) Except as provided in ~~Sections~~Section 16.4 and 17.6, nothing in this Agreement is intended or deemed to confer any rights or remedies on any person or legal entity not a party to this Agreement.

(d) Except where this Agreement expressly obligates us reasonably to approve, accept or to not unreasonably withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval or acceptance of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

(e) References in this Agreement to “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal. The term “affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. “Control” means the power to direct or cause the direction of management and policies. The words “include” and “including” are meant to be illustrative and not exhaustive and are deemed to be read in all cases as “including, without limitation” and/or “including but not limited to.”

(f) If two or more persons are at any time the owners of the Franchise and the Restaurant, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several. References to “owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the Restaurant or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or the Restaurant and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets.

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

(h) “Person” means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

(i) Unless otherwise ~~specified~~stated, all references to a number of days mean calendar days and not business days.

(j) The term “Restaurant” includes all of the assets of the Smalls Sliders Restaurant you operate under this Agreement, including its revenue and the Lease.

(k) The term “employee” includes all of the Restaurant’s personnel, including all managers, administrators and other personnel, whether any person is classified as an employee of yours or an independent contractor.

(l) This Agreement may be signed in multiple copies, each of which is deemed an original.

18. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Brand Standards Manual will be deemed to be delivered: (a) at the time delivered by hand; (b) at the time delivered by computer transmission and, in the case of the Royalty, Fund contributions, and other amounts due, at the time we actually receive payment by the EDTA; (c) at the date and time on receipt of evidence of delivery, or of rejected delivery, after being placed in the hands of a nationally recognized commercial courier service or United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid.

Any notice to us must be sent to the below address ~~specified on the first page of this Agreement,~~ with a copy to the following:

Smalls Sliders Franchising LLC
7000 Central Parkway, Suite 1100
Atlanta, Georgia 30328
franchise@smallsliders.com

We may change these addresses for notice by giving you notice of the new address(es). Any notice that we send to you may be sent only to the one person identified on Exhibit A, even if you have multiple owners, at the email or postal address specified on Exhibit A. You may change the person

and/or address for notice only by giving us 30 days' prior notice by any of the means ~~specified~~stated in subsections (a) through (c).

Any required payment or report that we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least 2 days before then) will be deemed delinquent.

19. COMPLIANCE WITH ANTI-TERRORISM AND OTHER LAWS.

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with all applicable legislation, laws, regulations, rules, ordinances, administrative orders, decrees and policies of any court, arbiter, government, governmental agency, department, or similar organization that are in effect from time to time pertaining to: (a) the various anti-terrorism, economic sanctions, and anti-money laundering and narco-trafficking laws, regulations, orders, decrees and guidelines of the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC"), (b) the USA PATRIOT Act (Title III of Pub. L. 107-56, signed into law October 26, 2001), as amended, (c) the provisions of United States Executive Order 13224, (d) the U.S. Prevention of Corruption Act 1988, (e) the U. S. Foreign Corrupt Practices Act, 15 U.S.C. Section 78dd 2, (e) relevant multilateral measures such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the UN Convention Against Corruption, (f) bribery and anti-corruption laws, (g) the laws against money laundering, and (h) the laws against facilitating or supporting persons who conspire to commit these and other crimes against any person or government. You must immediately notify us in writing if a potential violation of any of the foregoing legislation, laws, regulations, rules, ordinances, administrative orders, decrees and/or policies has occurred or is suspected to have occurred. You must immediately provide us with copies of any communication to or from any agency, government, or commission that relates to or affects this Agreement, the Restaurant, or the Marks. Any failure to comply with this Section by you or your owners, or any blocking of your or your owners' assets under any of these laws, legislation, regulations, orders, decrees and/or policies constitutes good cause for immediate termination of this Agreement, as provided in Subsection 14.1(n)~~above~~.

IN WITNESS WHEREOF, the parties have signed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

SMALLS SLIDERS FRANCHISING LLC, a
Georgia limited liability company

[NAME OF FRANCHISEE]

By: _____
Name: ~~Maria Rivera~~Charles Watson
Title: Chief Executive Officer

By: _____
Name: _____
Title: _____

DATED*: _____
(*Effective Date of this Agreement):

DATED: _____

EXHIBIT A
TO THE FRANCHISE AGREEMENT
LISTING OF OWNERSHIP INTERESTS

Effective Date: This Exhibit A is current and complete

as of _____

You and Your Owners

1. Form of Owner:

- Individual
- Limited Liability Company
- Corporation
- General Partnership
- Limited Partnership
- Other: _____

For Corporation, Limited Liability Company, or Partnership:

Date of Formation: _____

State of Formation: _____

You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____.

The following is a list of your directors, if applicable, and officers as of the effective date shown above:

Name of Each Director/Officer

Position(s) Held

2. **Owners.** The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

<u>Owner's Name</u>	<u>Percentage/Description of Interest</u>

3. **Name and Address of Person to Receive Notice for Franchise Owner.**

- (a) Name: _____
- (b) Postal Address: _____
- (c) Email Address: _____

4. **Identification of ~~Managing Operator~~ Operating Partner.** Your ~~Managing Operator~~ Operating Partner as of the Effective Date is _____ (must be one of the individuals listed in paragraph 2 above).

SMALLS SLIDERS FRANCHISING LLC, a
Georgia limited liability company

[NAME OF FRANCHISEE]

By: _____
Name: Maria Rivera Charles Watson
Title: Chief Executive Officer

By: _____
Name: _____
Title: _____

DATED: _____

DATED: _____

EXHIBIT B
TO THE FRANCHISE AGREEMENT

KEY TERMS TO FRANCHISING AGREEMENT

1. ~~1.~~ The Initial Franchise Fee is: \$35,000. If you are acquiring development rights under our Development Rights Rider, the Initial Franchise Fee is stated on Exhibit A of our Development Rights Rider.

~~2.~~ _____

2. The Initial Training Fee is: \$2,500

3. The Site Selection Area is:

~~3.~~ _____

4. The Protected Territory is:

SMALLS SLIDERS FRANCHISING LLC, a
Georgia limited liability company

[NAME OF FRANCHISEE]

By: _____

Name: ~~Maria Rivera~~ Charles Watson

Title: Chief Executive Officer

By: _____

Name: _____

Title: _____

DATED: _____

DATED: _____

EXHIBIT C
TO THE FRANCHISE AGREEMENT

FRANCHISE ADDENDUM TO LEASE AGREEMENT

THIS FRANCHISE ADDENDUM TO LEASE AGREEMENT (this “Addendum”) is entered into as of _____, between _____, a(n) _____ (“Landlord”) and _____, a(n) _____ (“Tenant”) for the benefit of SMALLS SLIDERS FRANCHISING LLC, a Georgia limited liability company (“Franchisor”).

A. Tenant and Franchisor have signed a Smalls Sliders Restaurant Franchise Agreement (the “Franchise Agreement”), under which Franchisor has granted Tenant the right to establish and operate a “Smalls Sliders” restaurant at the following location: _____ (the “Premises”).

B. Tenant and Landlord are entering into a lease agreement (the “Lease”), under which Tenant will lease the Premises from Landlord.

C. Franchisor has required Tenant to include certain terms in the Lease to protect Franchisor’s rights, and Landlord has agreed to these terms.

NOW, THEREFORE, for good and valuable consideration, the receipt of which the parties acknowledge, Landlord and Tenant agree as follows:

1. Landlord agrees to: (a) furnish to Franchisor a copy of any default notice served on Tenant and/or another lessee under the Lease simultaneously with the service of the notice to Tenant and/or the other lessee; (b) provide Franchisor with notice of any proposed renewals, extensions, modifications and amendments to the Lease; and (c) give Franchisor the opportunity, but Franchisor will not be required, to cure any default by Tenant or other lessee under the Lease within 15 days following the expiration of any applicable cure period if Tenant and/or the other lessee fail to cure the default. All notices to Franchisor will be sent to the following address: **SMALLS SLIDERS FRANCHISING LLC**, 7000 Central Parkway, Suite 1100, Atlanta, Georgia 30328, unless Franchisor otherwise notifies Landlord in writing. No notice to Tenant will be effective unless and until a copy thereof is served on Franchisor.

2. Landlord agrees that if Franchisor exercises its right to cure a default by Tenant and/or another lessee under the Lease, then Franchisor may, at its option, succeed to Tenant’s and/or the other lessee’s interests under the Lease and will be recognized by Landlord as the lessee or sublessee thereunder for the remaining term of the Lease.

3. Landlord agrees that the expiration of the Franchise Agreement (unless Tenant enters into a renewal Franchise Agreement with Franchisor) or a termination of the Franchise Agreement before expiration will constitute a default under the Lease, giving Franchisor the right, but not the obligation, to cure the default by succeeding to Tenant’s and/or any other lessee’s interests as the new lessee or sublessee under the Lease.

4. Landlord agrees that on the termination or expiration of the Lease, Franchisor will have the first right of refusal to lease the Premises as the new lessee or sublessee.

5. Landlord agrees that Franchisor has the right to enter the Premises to make any modifications or alterations necessary in Franchisor's sole judgment to protect its franchise system, trademarks, trade names, trade dress and other intellectual property without being guilty of trespass or any other tort or crime.

6. Landlord agrees that on the expiration or termination of the Franchise Agreement, Franchisor has the right to enter the Premises and remove any trade fixtures, interior or exterior signs or other items bearing its trademarks. Landlord agrees, on the expiration or termination of the Franchise Agreement, to relinquish to Franchisor all liens or other ownership interests, whether by operation of law or otherwise, in and to any tangible property bearing Franchisor's trademarks, service marks or trade dress. Franchisor will immediately repair all damage caused by its de-identification and Landlord will not be required to bear any expense thereof. Franchisor will indemnify, defend, and hold Landlord harmless from and against all loss, damage, claim, demand, liability, or expense (including reasonable attorneys' fees) resulting from claims by third parties and based on any acts or omissions of Franchisor and its employees and agents arising out of Franchisor's entry and de-identification of the Premises. Tenant agrees that if Tenant fails to de-identify the Premises promptly on termination or expiration as required under the Franchise Agreement, Franchisor may cause all required de-identification to be completed at Tenant's expense.

7. Landlord agrees that, if Franchisor succeeds to Tenant's and/or any other lessee's interests under the Lease for any reason, Franchisor has the right to further assign the lease or to sublease the Premises to either an entity owned or controlled by Franchisor, or to another franchisee of Franchisor on obtaining Landlord's written consent, which consent may not be unreasonably withheld, conditioned or delayed. No assignment permitted under this Section is subject to any assignment or similar fee or will cause any rental acceleration.

8. On Franchisor's delivery to Landlord and Tenant of its election to exercise its rights under this Addendum, Franchisor is entitled to all of Tenant's rights and interests in the Lease, as if Franchisor were the tenant under the Lease, including, by way of example and not limitation, the right to exercise all renewal options under the Lease, without the need for any further action or instrument.

9. Landlord and Tenant agree that Franchisor is a third-party beneficiary of the terms of this Addendum. Landlord and Tenant agree that Franchisor has no liability or obligation under the Lease unless and until Franchisor exercises its right to assume the Lease under this Addendum.

10. On any inconsistency between the terms of this Addendum and the terms of the Lease, the terms of this Addendum control. All of the terms of this Addendum, whether so expressed or not, are binding on, inure to the benefit of, and are enforceable by the parties and their respective personal and legal representatives, heirs, successors and permitted assigns. The provisions of this Addendum may be amended, supplemented, waived or changed only by a written document signed by all the parties to this Addendum that makes specific reference to this Addendum and that must be approved in writing by Franchisor. This Addendum may be signed in one or more counterparts, each of which is an original, but all of which together constitute one and the same instrument.

LANDLORD

TENANT

Exhibit C - 62

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

A _____

«LEGAL_NAME_OF_FRANCHISEE», a
«State_of_Formation» «Type_of_Entity»

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

DATED: _____

DATED: _____

EXHIBIT D
TO THE FRANCHISE AGREEMENT

ELECTRONIC TRANSFER AUTHORIZATION FORM

(ACH CREDITS AND DEBITS)

I authorize SMALLS SLIDERS FRANCHISING LLC (“Franchisor”), to initiate debit and credit entries and to initiate, if necessary, adjustments for any debit or credit entries in error to _____ (“Franchisee”) from the account indicated below at the depository named below, (“Depository”).

Checking or Savings account (select one)

Depository Name: _____

Depository Branch: _____

Depository Address: _____

City _____ State _____ Zip _____

Routing Number: _____

Account Name: _____

Account Number: _____

For good and valuable consideration, the receipt and sufficiency of which is acknowledged, the undersigned agrees that this authorization ~~is to remain~~ remains in full force and effect until terminated by Franchisee in a written notice to Franchisor in such time and in such manner as to afford Franchisor and Depository a reasonable opportunity to act on it, but in no event less than 30 days in advance thereof. Franchisee consents for the Depository to provide Franchisor with a bank account statement and deposit detail, at any time and from time to time, for all accounts described above.

IN WITNESS WHEREOF, this authorization has been signed by the below authorized person.

Franchisee:

By: _____

Title: _____

Phone No.: _____

Date: _____

Exhibit C - 65

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

EXHIBIT E
GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given as of _____ by (list each guarantor):

In consideration of, and as an inducement to, the signing of that certain Franchise Agreement (the "Agreement") on this date by SMALLS SLIDERS FRANCHISING LLC ("us," "we," or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("Franchisee") will punctually pay and perform every undertaking, agreement, and covenant stated in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and ~~arbitration~~ dispute resolution requirements.

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

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned have against Franchisee arising as a result of the undersigned's signing of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed, and any other notices to which he or she is entitled.

If we enforce this Guaranty in a ~~judicial or arbitration~~ proceeding, and prevail in the proceeding, we are entitled to reimbursement of our expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', ~~arbitrators'~~, and expert witness fees, costs of investigation and proof of

Exhibit C - 66

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

facts, court costs, other litigation expenses, and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any proceeding. If we engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned will reimburse us for any of the above-listed expenses we incur.

~~Subject to the arbitration obligations under the Agreement, each~~Each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be filed in the state or federal court of competent jurisdiction located closest to our then current principal business address (currently, Atlanta, Georgia), and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

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

Signatures of Each Guarantor

Percentage of Ownership in Franchisee

Name: «Name_of_Owner_1»

«Percentage_Owned_1»

Name: «Name_of_Owner_2»

«Percentage_Owned_2»

Name: «Name_of_Owner_3»

«Percentage_Owned_3»

Name: «Name_of_Owner_4»

«Percentage_Owned_4»

EXHIBIT D- Development Rights Rider to Franchise Agreement

Exhibit D - 1

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

**DEVELOPMENT RIGHTS RIDER
TO SMALLS SLIDERS FRANCHISE AGREEMENT**

1. **Background.** This Development Rights Rider (this “Rider”) is made between SMALLS SLIDERS FRANCHISING, LLC a Georgia limited liability company (“we,” “us,” or “our”) and _____ (“you” or “your”). This Rider is attached to, and intended to be a part of, that certain Franchise Agreement that we and you have signed concurrently with signing this Rider (the “Franchise Agreement”) for the operation of a Smalls Sliders Restaurant (the “Restaurant”). We and you are signing this Rider because you want the right to develop additional Smalls Sliders Restaurants (besides the Restaurant covered by the Franchise Agreement) within a certain geographic area over a certain time period, and we are willing to grant you those development rights if you comply with this Rider. Capitalized terms not defined in this Rider have the meanings defined in the Franchise Agreement.

2. **Grant of Development Rights.** Subject to your strict compliance with this Rider, the Franchise Agreement and all other franchise agreements then in effect between you and us, we grant you the right to develop the number of new Small Sliders Restaurants stated on Exhibit A (including the Restaurant covered by the Franchise Agreement), according to the mandatory development schedule stated in Exhibit A to this Rider (the “Development Schedule”), within the ~~following~~ geographic area stated on Exhibit B (the “Development Area”).

If you (and, to the extent applicable and with our approval, your affiliated entities) are fully complying with all of your obligations under this Rider, and are fully complying with all of your obligations under the Franchise Agreement and all other franchise agreements then in effect between us and you (and, to the extent applicable and with our approval, your affiliated entities) for the development and operation of Smalls Sliders Restaurants, then during this Rider’s term only, we (and our affiliates) ~~may~~will not establish or operate (except to the extent that we already operate Smalls Sliders Restaurants in the Development Area), or grant to others the right to establish or operate, a Smalls Sliders Restaurant, the physical premises of which are located within the Development Area.

Except for the Smalls Sliders Restaurant location restriction above, there are no restrictions that this Rider imposes on our (and our affiliates’) activities within the Development Area during this Rider’s term. We and our affiliates have the right to engage, and grant to others the right to engage, in any other activities of any nature whatsoever within the Development Area, including, without limitation, those rights we reserve in the Franchise Agreement. After this Rider expires or is terminated (regardless of the reason for termination), we and our affiliates have the right to establish and operate, and grant to others the right to establish and operate, Smalls Sliders Restaurants, the physical premises of which are located within the Development Area and continue to engage, and grant to others the right to engage, in any activities that we (and they) desire within the Development Area without any restrictions whatsoever.

TIME IS OF THE ESSENCE UNDER THIS RIDER AND YOUR RIGHTS UNDER THIS RIDER ARE SUBJECT TO TERMINATION (WITHOUT ANY CURE OPPORTUNITY) IF YOU DO NOT COMPLY STRICTLY WITH THE DEVELOPMENT OBLIGATIONS IN THE DEVELOPMENT SCHEDULE. ~~WE MAY ENFORCE THIS RIDER STRICTLY.~~

3. **Development Obligations.** To maintain your rights under this Rider, you (and/or affiliated entities we approve) must, by the dates stated in the Development Schedule, sign franchise agreements for and have open and operating the agreed number of Smalls Sliders Restaurants in the Development Area. You (and/or the approved affiliated entity) will operate each Smalls Sliders Restaurant under a

Exhibit D - 2

separate franchise agreement with us. The franchise agreement (and related documents, including Guaranty and Assumption of Obligations) that you (and your owners) sign for each additional Smalls Sliders Restaurant will be our then current form of franchise agreement (and related documents), the terms of which may differ materially from the terms in the Franchise Agreement (and related documents). However, despite any contrary provision in the newly-signed franchise agreements, your additional Smalls Sliders Restaurant must be open and operating by the dates stated in the Development Schedule. To retain your rights under this Rider, each of your Smalls Sliders Restaurants must operate continuously throughout this Rider's term in full compliance with its franchise agreement.

4. **Subfranchising Rights.** This Rider does not give you any right to franchise, license, subfranchise, or sublicense others to operate Smalls Sliders Restaurants. Only you (and/or affiliated entities we approve) may develop, open, and operate Smalls Sliders Restaurants under this Rider. This Rider also does not give you (or your affiliated entities) any independent right to use the "Smalls Sliders" trademark or our other trademarks and commercial symbols. The right to use our trademarks and commercial symbols is granted only under a franchise agreement signed directly with us. This Rider only grants you potential development rights if you comply with its terms.

5. **Development Fees.** As consideration for the development rights we grant you in this Rider, you must pay us, at the same time you sign this Rider, a development fee (the "Development Fee") in the amount stated on Exhibit A. The Development Fee is \$15,000, multiplied by the number of Smalls Sliders Restaurants you commit to develop, not including the Smalls Sliders Restaurant that is the subject of the Franchise Agreement. For each franchise agreement that you sign after the Franchise Agreement, (i) your initial franchise fee will be \$30,000 regardless of what our then-current initial franchise fee is; and (ii) you will receive a \$15,000 credit towards the initial franchise fee from the Development Fee. The balance of the initial franchise fee for additional franchise agreements (that is, the remaining \$15,000 for each Smalls Sliders Restaurant) is due when you sign the franchise agreement that governs that Smalls Sliders Restaurant credited toward the Development Schedule. Each franchise agreement must be signed 6 months before the date by which you must develop your Smalls Sliders Restaurant or on signing a lease agreement or purchasing property for your Smalls Sliders Restaurant, whichever occurs first. The Development Fee is consideration for the rights we grant you in this Rider and for reserving the Development Area for you to the exclusion of others, is fully earned by us when we and you sign this Rider, and is not refundable under any circumstances, even if you do not comply or attempt to comply with the Development Schedule and we then terminate this Rider for that reason.

6. **Grant of Franchises.** You must submit to us a separate application for each Smalls Sliders Restaurant you wish to develop under this Rider. You agree to give us all information and materials we request to assess each proposed site. We will supply you with our site selection criteria and may put you in contact with a commercial real estate broker in the Development Area; however, we will not conduct site selection activities for you. In granting you the development rights under this Rider, we are relying on your knowledge of the real estate market and your ability to locate and access sites. We have the absolute right not to accept any site not meeting our then-current site criteria. If we accept a proposed site, you agree, within the time period we specify (but no later than the date stated in the Development Schedule), to sign a separate franchise agreement (and related documents) for the Smalls Sliders Restaurant. If you do not do so, or cannot obtain lawful possession of the proposed site, we may withdraw our acceptance of the proposed site. After you (and your owners) sign the franchise agreement (and related documents, including Guaranty and Assumption of Obligations), its terms will control your

Exhibit D - 3

development and operation of the Smalls Sliders Restaurant (except that the required opening date is governed exclusively by this Rider).

In addition to our rights with respect to proposed Smalls Sliders Restaurants sites, we may delay your development of additional Smalls Sliders Restaurants under this Rider for the time period we deem best if we believe, when you submit your application, that you are not yet operationally, managerially, or otherwise prepared, due to the particular amount of time that has elapsed since you developed and opened your most recent Smalls Sliders Restaurant, to develop, open and/or operate the additional Smalls Sliders Restaurants in full compliance with our standards and specifications. We may delay additional development for the time period we deem best as long as the delay will not in our reasonable opinion cause you to breach your development obligations under the Development Schedule (unless we are willing to extend the Development Schedule proportionately to account for the delay).

7. **Term.** This Rider's term begins on the date we and you sign it and ends on the date when (a) the final Smalls Sliders Restaurant to be developed under the Development Schedule has opened (or, if earlier, must have opened) for business, or (b) this Rider otherwise is terminated.

8. **Termination.** We may terminate this Rider and your right to develop Small Sliders Restaurants within the Development Area at any time, effective on delivery to you of written notice of termination: (a) if you fail to satisfy either your development obligations under the Development Schedule or any other obligation under this Rider, which defaults you have no right to cure; or (b) if the Franchise Agreement, or any other franchise agreement between us and you (or your affiliated entity) for a Smalls Sliders Restaurant, is terminated by us in compliance with its terms or by you (or your affiliated entity) for any (or no) reason. No portion of the Development Fee is refundable on a termination of this Rider or under any other circumstances.

On the occurrence of any of the events above in this Section during the term of this Rider, we may, at our option, elect to terminate only the exclusivity of the Development Area (as provided under Section 2 above) instead of terminating this Rider entirely. This means that during the remainder of the term of this Rider, we and our affiliates will have the right to establish and operate, and grant to others the right to establish and operate, Smalls Sliders Restaurants the physical premises of which are located within the Development Area and continue to engage, and grant to others the right to engage, in any activities that we (and they) desire within the Development Area without any restrictions whatsoever. However, termination of the exclusivity is without prejudice to our right to terminate this Rider at any time thereafter for the same default or any other defaults under this Rider.

A termination of this Rider is not deemed to be the termination of any franchise rights (even though this Rider is attached to the Franchise Agreement) because this Rider grants you no separate franchise rights. Franchise rights arise only under franchise agreements signed directly with us. A ~~termination~~Termination of this Rider does not affect any franchise rights granted under any then-effective individual franchise agreements.

9. **Assignment.** Your development rights under this Rider are not assignable at all. This means that we will not under any circumstances allow the development rights to be transferred. A transfer of the development rights is deemed to occur (and is prohibited) if there is an assignment of the Franchise Agreement, any change in your ownership (whether or not it is a controlling ownership interest), any change in your owners' ownership (if the owners are legal entities and whether or not it is a controlling

ownership interest), a transfer of this Rider separate from the Franchise Agreement, or any other event attempting to assign the development rights.

10. **Incorporation of Other Terms.** Sections 16.1, 16.4, 17.2, and 18 of the Franchise Agreement, entitled “Independent Contractors,” “Indemnification,” “Waiver of Obligations,” and “Notices and Payments,” respectively, are incorporated by reference in this Rider and govern all aspects of this Rider and our and your relationship as if fully restated within this Rider.

11. **Rider to Control.** Except as provided in this Rider, the Franchise Agreement remains in full force and effect as originally written. If there is any inconsistency between the Franchise Agreement and this Rider, the terms of this Rider will control.

IN WITNESS WHEREOF, the parties have signed and delivered this Development Rights Rider on the dates noted below, to be effective as of the Effective Date.

SMALLS SLIDERS FRANCHISING LLC
a Georgia limited liability company

«~~LEGAL~~_[NAME_ OF_
FRANCHISEE»]
a «State_of_Formation» «Type_of_Entity»

By: _____
Name: ~~Maria Rivera~~ Charles Watson
Title: Chief Executive Officer

By: _____
Name: _____
Title: _____

DATED: _____

DATED: _____

Effective Date: _____

Date Signed: _____

**EXHIBIT A
TO DEVELOPMENT RIGHTS RIDER**

You agree to develop and open the following new Smalls Sliders Restaurants in the Development Area, including the Smalls Sliders Restaurant that is the subject of the Franchise Agreement, according to the following Schedule:

Smalls Sliders Number	Development Fee (portion of Initial Franchise Fee due on signing)	Date by which Smalls Sliders Franchise Agreement Must Be Signed	Date by which Smalls Sliders Must be Opened
1	\$35,000		
2	\$15,000		
3			
Total	\$50,000.00		

SMALLS SLIDERS FRANCHISING LLC
a Georgia limited liability company

«~~LEGAL~~ [NAME OF
FRANCHISEE]»
a «State of Formation» «Type of Entity»

By: _____
Name: ~~Maria Rivera~~ Charles Watson
Title: Chief Executive Officer

By: _____
Name: _____
Title: _____

DATED: _____

DATED: _____

EXHIBIT B
TO DEVELOPMENT RIGHTS RIDER
DEVELOPMENT AREA

The Development Area referred to in Section 2 of the Development Rights Rider is shown in the below map.



The boundaries of the Development Area are highlighted. Most of the boundaries of the Development Area are streets, county lines or natural landmarks such as rivers, lakes or other bodies of water. With respect to streets and county lines, the Development Area extends to the middle of the street or county line. As to natural landmarks such as rivers and lakes or other bodies of water, the Development Area extends to the shoreline of the body of water. If the boundary of the Development Area does not follow a street, political line or natural landmark, then the boundary line will be interpreted to extend in a straight line from the last point of reference to the next.

Initials _____

EXHIBIT E – State Addenda to Franchise Agreement

Exhibit E - 1

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to the Smalls Sliders Franchise Agreement dated _____ (“**Franchise Agreement**”) between Smalls Sliders Franchising LLC (“**we,**” “**us,**” or “**our**”) and _____ (“**you,**” or “**your**”) is entered into simultaneously with the execution of the Franchise Agreement.

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, Ill. Comp. Stat. §§ 705/1 through 705/44, the Franchise Agreement, for franchises offered and sold in the State of Illinois or to Illinois residents, is amended to include the following:

1. Section 3.1 of the Franchise Agreement and Section 5 of the Development Rights Rider are amended to include the following:

Payment of Initial Franchise and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.

2. The following sentence is added to the end of Sections 13.3 (Agreements/Releases on Renewal) and 12.3.(c)9. (Conditions For Approval of Transfer):

815 ILCS § 705/41 (Illinois Franchise Disclosure Act) states that “any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void.”

3. Illinois law governs the Franchise Agreement.

4. 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.

5. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

6. 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.

7. Section 1.2. (Acknowledgements) is deleted from all Illinois Franchise Agreements.

8. 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.

Exhibit E - 2

9. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

10. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. for any reason.

SMALLS SLIDERS FRANCHISING LLC, a
Georgia limited liability company

[NAME OF FRANCHISEE]

By: _____

Name:

_____ Charles

Watson

Title:

_____ Chief

Executive Officer

Date Signed: _____

DATED: _____

By: _____

Name: _____

Title: _____

Date Signed: _____

DATED: _____

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to the Smalls Sliders Franchise Agreement dated _____ (“**Franchise Agreement**”) between Smalls Sliders Franchising LLC (“**we,**” “**us,**” or “**our**”) and _____ (“**you,**” or “**your**”) is entered into simultaneously with the execution of the Franchise Agreement.

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Franchise Agreement, for franchises offered and sold in the State of Minnesota or to Minnesota residents, is amended to include the following:

1. The following sentence is added to the end of Section 3.1 (Initial Franchise Fee):

The Initial Franchise Fee will be deferred and will not be due until we have completed all of our pre-opening obligations to you and you have opened for business.

2. The following sentence is added to the end of Section 13.3 (Agreements/Releases):

Any general release language contained in the Franchise Agreement will not relieve us or any other person, directly or indirectly, from liability imposed by the Minnesota Franchises Law.

3. The following sentence is added to the end of Sections 3.7 (Late Fees and Interest) and 3.9(a) (Method of Payment):

NSF checks and related interest and attorney’s fees are governed by Minnesota Statute Section 604.113, which puts a cap of \$30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys’ fees. NSF checks and related interest and attorneys’ fees are governed by Minnesota Statute § 604.113, which puts a cap of \$30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys’ fees.

4. Section 5.5 (Indemnification for Use of Marks) of the Franchise Agreement is amended by adding the following language:

The Minnesota Department of Commerce requires that we indemnify you against liability to third parties resulting from claims by third parties that your use of our trademark infringes trademark rights of the third party. We do not indemnify against the consequences of your use of our trademark except in accordance with the requirements of the Agreement, and, as a condition to indemnification, you must provide notice to us of any claim within 10 days and tender the defense of the claim to us. If we accept the tender of defense, we have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

5. The following sentence is added to the end of Section 15.1(b) (Payment of Amounts Owed To Us):

Exhibit E - 4

The Franchise Agreement contains provisions that may be interpreted as liquidated damages clauses under Minnesota law. Certain liquidated damages clauses are unenforceable.

6. The following sentence is added to the end of Section 12.3(c)9. (Conditions For Approval of Transfer):

Under Minn. Rule 2860.4400D, any general release of claims a transferor may have against us or our directors, officers, shareholders, and employees, including without limitation claims arising under federal, state, and local laws, rules, and ordinances, excludes claims the transferor may have under the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

Minnesota law provides you with certain transfer rights. In sum, Minn. Stat. § 80C.14 (subd. 5) currently requires, except in certain specified cases, that consent to the transfer of the Franchise not be unreasonably withheld.

7. The following sentence is added to the end of Section 14 (Termination Of Agreement):

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. § 80C.14, Subds. 3, 4, and 5, that 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 of non-renewal of the Franchise Agreement, and that we not unreasonably withhold consent to the transfer of the franchise.

8. The following sentence is added to the end of Section 17.8 (Consent To Jurisdiction):

Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring that litigation be conducted outside Minnesota. In addition, nothing in the Franchise Agreement abrogates or reduces any of your rights provided for in Minnesota statutes Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

9. Section 17.11 (Limitation of Claims) of the Franchise Agreement is amended by adding the following language:

Notwithstanding the foregoing, any and all claims arising under the Minnesota Franchises Law may be brought within 3 years from the date on which the cause of action accrues.

10. Minnesota Rules 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

11. 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.

12. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

13. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. for any reason.

SMALLS SLIDERS FRANCHISING LLC, a
Georgia limited liability company

[NAME OF FRANCHISEE]

By: _____

Name:

_____ Charles

Watson

Title:

_____ Chief

Executive Officer

Date Signed: _____

DATED: _____

By: _____

Name: _____

Title: _____

Date Signed: _____

DATED: _____

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to the Smalls Sliders Franchise Agreement dated _____ (“Franchise Agreement”) between Smalls Sliders Franchising LLC (“we,” “us,” or “our”) and _____ (“you,” or “your”) is entered into simultaneously with the execution of the Franchise Agreement.

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the Franchise Agreement, for franchises offered and sold in the State of North Dakota or to North Dakota residents, is amended to include the following:

1. All initial franchise fees will be deferred until all initial obligations the franchisor owes to the franchisee under the franchise agreement or other documents have been fulfilled and the franchisee has opened for business pursuant to the franchise agreement.
2. The following sentence is added to the end of Sections 13.3 (Agreements/Releases on Renewal) and 12.3(c)9. (Conditions For Approval of Transfer):

A contractual requirement that you sign a general release will not apply to claims you may have under the North Dakota Franchise Investment Law.

3. The following sentence is added to the end of Section 15.5 (Covenant Not To Compete):

Covenants not to compete such as those in the Franchise Agreement are generally considered unenforceable in the State of North Dakota.

4. The following sentences are added to Section 17.5 ~~and 17.6~~:

The North Dakota Commissioner has determined that franchise agreements which provide that parties agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee’s business, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Requiring you to arbitrate all disputes with us in the city where our then current principal business address is located (currently, Atlanta, Georgia) may not be enforceable under North Dakota Law.

5. The following sentence is added to the end of Section 17.7 (Governing Law):

The provisions of the Franchise Agreement on governing law will not be a waiver of any right conferred on you by the North Dakota Franchise Investment Law.

6. The following sentence is added to the end of Section 17.8 (Consent To Jurisdiction):

The Franchise Agreement requires that you consent to the jurisdiction of a court in Georgia. This provision may not be enforceable under North Dakota Law because North Dakota Law precludes you from consenting to jurisdiction of any court outside of North Dakota.

Exhibit E - 7

7. The following sentences are added to the end of Section 17.9 (Waiver of Punitive Damages and Jury Trial):

The Franchise Agreement requires you to waive your right to a jury trial. This provision may not be enforceable under North Dakota law. The Franchise Agreement requires you to waive your right to collect exemplary or punitive damages. This provision may not be enforceable under North Dakota law.

8. The following sentence is added to the end of Section 15.1(b) (Payment of Amounts Owed To Us):

The Franchise Agreement contains provisions that may be interpreted as liquidated damages clauses. Under the North Dakota Franchise Investment Law, certain liquidated damages clauses are unenforceable.

9. The following sentence is added to the end of 17.11 (Limitation of Claims):

Notwithstanding, the statute of limitations under North Dakota Law will apply.

10. 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.

11. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

12. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. for any reason.

SMALLS SLIDERS FRANCHISING LLC, a
Georgia limited liability company

[NAME OF FRANCHISEE]

By: _____

Name:

_____ Charles

Watson

Title:

_____ Chief

Executive Officer

Date Signed: _____

DATED: _____

By: _____

Name: _____

Title: _____

Date Signed: _____

DATED: _____

SOUTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to the Smalls Sliders Franchise Agreement dated _____ (“**Franchise Agreement**”) between Smalls Sliders Franchising LLC (“**we,**” “**us,**” or “**our**”) and _____ (“**you,**” or “**your**”) is entered into simultaneously with the execution of the Franchise Agreement.

In recognition of the restrictions contained in South Dakota Codified Laws, Title 37, Chapter 37-5B, the South Dakota Franchise Investment Act, the Franchise Agreement for Smalls Sliders Franchising LLC for use in the State of South Dakota is amended as follows:

1. The following sentence is added to the end of Section 3.1 (Initial Franchise Fee):

The South Dakota Securities Regulation Office requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to us until we have completed our pre-opening obligations under the Franchise Agreement.

2. 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.
3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. for any reason.

SMALLS SLIDERS FRANCHISING LLC, a
Georgia limited liability company

[NAME OF FRANCHISEE]

By: _____

Name:

_____ Charles

Watson

Title:

_____ Chief

Executive Officer

Date Signed: _____

DATED: _____

By: _____

Name: _____

Title: _____

Date Signed: _____

DATED: _____

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to the Smalls Sliders Franchise Agreement dated _____ (“**Franchise Agreement**”) between Smalls Sliders Franchising LLC (“**we,**” “**us,**” or “**our**”) and _____ (“**you,**” or “**your**”) is entered into simultaneously with the execution of the Franchise Agreement.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Agreement for franchises offered and sold in the Commonwealth of Virginia is amended to include the following:

1. ~~2-~~The following sentence is added to the end of Section 3.1 (Initial Franchise Fee):

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

2. ~~3-~~The following sentence is added to the end of Section 14. (Termination of Agreement):

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

3. ~~4-~~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.

4. ~~5-~~Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

5. ~~6-~~Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. for any reason.

SMALLS SLIDERS FRANCHISING LLC, a
Georgia limited liability company

[NAME OF FRANCHISEE]

By: _____

Name: _____
_____ Charles

Watson

Title: _____
_____ Chief

Executive Officer

Date Signed: _____

DATED: _____

By: _____

Name: _____

Title: _____

Date Signed: _____

DATED: _____

EXHIBIT F – Financial Statements

Exhibit F - 1

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

Smalls Sliders Franchising, LLC

Financial Statements

December 29, 2024 and December 31, 2023



Exhibit F - 2

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

Smalls Sliders Franchising, LLC

Table of Contents

	Page
Independent Auditor's Report	1 – 2
Financial Statements:	
Balance Sheets	3
Statements of Operations	4
Statements of Member's Deficit	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 12

Exhibit F - 3



Independent Auditor's Report

To the Member of
Smalls Sliders Franchising, LLC

Opinion

We have audited the accompanying financial statements of Smalls Sliders Franchising, LLC (the Company), which comprise the consolidated balance sheets as of December 29, 2024 and December 31, 2023, the related statements of operations, member's deficit and cash flows for the fiscal years 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 Smalls Sliders Franchising, LLC as of December 29, 2024 and December 31, 2023, and the results of its operations and cash flows for the fiscal 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 Smalls Sliders Franchising, 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.

Other Matter

As part of our audit of the 2023 financial statements, we also audited the adjustments described in Note 7 that were applied to restate the 2022 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2022 financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2022 financial statements as a whole.

Responsibilities of Management for the Financial Statements

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

ATLANTA | DALLAS | DENVER

Exhibit F - 4

A Limited Liability Partnership of Certified Public Accountants & Consultants

btcpa.net

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern 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 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

Bennett Thrasher LLP

Atlanta, Georgia
March 25, 2025

Exhibit F - 5

Smalls Sliders Franchising, LLC

Balance Sheets

December 29, 2024 and December 31, 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 470,511	\$ 2,776,382
Accounts receivable	345,567	582,658
Prepaid expenses	156,751	67,651
Inventory	<u>4,118</u>	<u>5,031</u>
Total current assets	976,947	3,431,722
Property and equipment, net	319,473	119,370
Intangible assets, net	18,660	22,825
Deposits and other assets	<u>138,811</u>	<u>30,997</u>
Total assets	<u>\$ 1,453,891</u>	<u>\$ 3,604,914</u>
Liabilities and Member's Deficit		
Current liabilities:		
Accounts payable and accrued expenses	\$ 748,036	\$ 619,651
Current portion of deferred revenue	195,231	24,000
Due to affiliates, net	<u>5,623,073</u>	<u>6,071,964</u>
Total current liabilities	6,566,340	6,715,615
Deferred revenue, net of current portion	<u>4,500,726</u>	<u>1,950,000</u>
Total liabilities	11,067,066	8,665,615
Commitments and contingencies (Note 4)		
Member's deficit	<u>(9,613,175)</u>	<u>(5,060,701)</u>
Total liabilities and member's deficit	<u>\$ 1,453,891</u>	<u>\$ 3,604,914</u>

See accompanying notes to financial statements.

Exhibit F - 6

Smalls Sliders Franchising, LLC

Statements of Operations

For the Fiscal Years Ended December 29, 2024 and December 31, 2023

	2024	2023
Revenues:		
Franchise and development fees	\$ 936,000	\$ 367,000
Royalties and other related fees	2,586,252	838,080
Advertising fees	<u>655,014</u>	<u>272,134</u>
Total revenues	<u>4,177,266</u>	<u>1,477,214</u>
Costs and expenses:		
General and administrative	3,539,825	2,012,492
Payroll and payroll taxes	4,191,451	2,584,178
Selling and marketing	936,244	789,357
Depreciation and amortization	<u>62,220</u>	<u>11,578</u>
Total costs and expenses	<u>8,729,740</u>	<u>5,397,605</u>
Loss from operations	<u>(4,552,474)</u>	<u>(3,920,391)</u>
Net loss	<u>\$ (4,552,474)</u>	<u>\$ (3,920,391)</u>

See accompanying notes to financial statements.

Exhibit F - 7

Smalls Sliders Franchising, LLC

Statements of Member's Deficit

For the Fiscal Years Ended December 29, 2024 and December 31, 2023

Balance at December 31, 2022, as restated (Note 7)	\$ (1,140,310)
Net loss	<u>(3,920,391)</u>
Balance at December 31, 2023	(5,060,701)
Net loss	<u>(4,552,474)</u>
Balance at December 29, 2024	<u>\$ (9,613,175)</u>

See accompanying notes to financial statements.

Exhibit F - 8

Smalls Sliders Franchising, LLC

Statements of Cash Flows

For the Fiscal Years Ended December 29, 2024 and December 31, 2023

	2024	2023
Cash flows from operating activities:		
Net loss	\$ (4,552,474)	\$ (3,920,391)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	62,220	11,578
Changes in operating assets and liabilities:		
Accounts receivable	237,091	(493,748)
Prepaid expenses	(89,100)	(50,268)
Inventory	913	1,059
Other assets	(107,814)	(15,050)
Accounts payable and accrued expenses	128,385	485,838
Deferred revenue	<u>2,721,957</u>	<u>1,593,000</u>
Net cash used in operating activities	<u>(1,598,822)</u>	<u>(2,387,982)</u>
Cash flows from investing activities:		
Purchases of fixed assets	<u>(258,158)</u>	<u>(123,331)</u>
Net cash used in investing activities	<u>(258,158)</u>	<u>(123,331)</u>
Cash flows from financing activities:		
Due to affiliates, net	<u>(448,891)</u>	<u>4,092,191</u>
Net cash (used in) provided by financing activities	<u>(448,891)</u>	<u>4,092,191</u>
Net (decrease) increase in cash	(2,305,871)	1,580,878
Cash at beginning of year	<u>2,776,382</u>	<u>1,195,504</u>
Cash at end of year	<u>\$ 470,511</u>	<u>\$ 2,776,382</u>

See accompanying notes to financial statements.

Exhibit F - 9

Smalls Sliders Franchising, LLC

Notes to Financial Statements

December 29, 2024 and December 31, 2023

Note 1: Significant Accounting Policies

Nature of Business

Smalls Sliders Franchising, LLC (the Company) was organized on June 22, 2021 in the state of Louisiana. In December 2023, the Company converted to a Georgia limited liability company. The Company is a wholly-owned subsidiary of Smalls Holdings, LLC (the Member).

The Company offers and sells franchises and area development rights throughout the United States of America for the operation of Smalls Sliders Restaurants offering made-to-order sliders, fries, sauces, milkshakes, and beverages. The licensing rights were granted to the Company through a License Agreement from a related party, Smalls Sliders IP, LLC. As of December 29, 2024 and December 31, 2023, affiliates of the Company operate two restaurants of the type being franchised. At December 29, 2024 and December 31, 2023, there were 21 and 11 affiliate owned and franchised restaurants, respectively, open and operating under the Smalls Sliders name in multiple southeastern states.

As of December 29, 2024 and December 31, 2023, the Company is in the beginnings stages of franchise development. The future success of the Company's business is contingent upon successful franchise development and the ability of its member to fund working capital shortfalls until such time the Company maintains satisfactory levels of profitable operations. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Company reports on a 52–53 week year basis, which ends on the last Sunday in December. The fiscal years ended December 29, 2024 and December 31, 2023 contained 52 weeks.

Use of Estimates

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

Franchise Operations

The Company enters into franchise agreements with unrelated third parties to build and operate restaurants using the Company's brand within a defined geographical area. The franchisees are required to operate their restaurants in compliance with a franchise agreement that includes adherence to operating and quality control procedures established by the Company. The Company will not provide loans, leases, or guarantees to franchisees or their employees and vendors. If a franchisee becomes financially distressed, the Company generally will not provide any financial assistance. If financial distress leads to a franchisee's noncompliance with the franchise agreement and the Company elects to terminate the franchise agreement, the Company will have the right, but not the obligation, to acquire the assets of the franchisee at cost or fair value, as determined by an independent appraiser.

At December 29, 2024 and December 31, 2023 there were 66 and 35 executed franchise agreements, respectively. Smalls Sliders Franchising LLC Final FDD Exhibit F-10
1.01.2024

Cash

Cash includes cash on hand and deposits with financial institutions. At times, cash balances may exceed federally insured amounts. The Company believes it mitigates any risk by depositing cash with major financial institutions.

Accounts Receivable

Accounts receivable consist primarily of advertising, franchise royalties, and vendor rebates not received by the Company at December 29, 2024 and December 31, 2023 and are stated at the amount management expects to collect from outstanding balances. As part of certain vendor agreements, the Company earns a cash rebate based on the volume of purchases. These receivables are considered fully collectible; therefore, no reserve for credit losses has been recorded.

Inventory

Inventory consists primarily of operations and advertising supplies distributed to franchisees. Inventory is stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. No adjustment is deemed necessary to reduce inventory to net realizable value due to the rapid turnover and utilization of inventory.

Property and Equipment

Property and equipment are stated at cost or fair value if acquired as part of an acquisition, less accumulated depreciation. Depreciation of property and equipment is calculated using the straight-line method over the useful lives of the assets. The estimated useful life for computers and equipment is 3 to 5 years. Expenditures for repairs and maintenance are charged to expense as incurred.

The Company capitalizes certain eligible labor costs associated with capital technology initiatives. Such costs are amortized over 3 years. Costs incurred to maintain existing product offerings are expensed as incurred.

Intangible Assets

Intangible assets consist of trademarks and branding development. The Company's trademarks and branding development are stated at cost less accumulated amortization. Amortization of intangible assets is calculated using the straight-line method over the useful lives of the assets. The estimated useful lives are primarily as follows: trademarks – 10 years and branding development – 7 years.

Impairment of Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When indicators of impairment are present, management evaluates the carrying amount of such assets in relation to the operating performance and future estimated undiscounted net cash flows expected to be generated by the assets or underlying operations. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The assessment of the recoverability of assets will be impacted if estimated future operating cash flows are not achieved. In the opinion of management, there were no assets impaired as of December 29, 2024 and December 31, 2023.

Revenue Recognition

Revenue is recognized in accordance with a five-step model, as follows: identifying the contract with the customer; identifying the performance obligations in the contract; determining the transaction price; allocating the transaction price to the performance obligations; and recognizing revenue when (or as) the entity satisfies a performance obligation.

Exhibit F - 11

Franchise and Development Fees, Royalties and Other Revenue

The Company sells individual franchises through franchise agreements with an initial 10-year term. These agreements also convey multiple extension terms, depending on contract terms if certain conditions are met. The Company provides its franchisees system training, preopening assistance, and general assistance in exchange for franchise fees and royalties at 6% of restaurant sales.

Royalties are accrued as earned and are calculated each period based on reported franchisees' sales.

The Company applies ASU 2021-02, *Revenue from Contracts with Customers* (Subtopic 952-606): *Practical Expedient*. The practical expedient allows private companies to recognize initial franchise fees when all material services or conditions relating to the sale of the franchise have been substantially performed or satisfied by the Company, which is generally when a new franchise restaurant is opened.

Initial and renewal franchise fees are payable by the franchisee upon the execution of the franchise agreement. These fees are initially recorded to deferred revenue and recognized upon the opening of the initial store location.

The performance obligation under development agreements generally consists of an obligation to grant exclusive development rights over a stated term. These development rights are not distinct from franchise agreements, with the exception of certain real estate services that are recognized when performed and are not associated directly with the license; therefore, upfront fees paid by franchisees for development rights are initially recorded to deferred revenue and are then apportioned to each franchise agreement execution and accounted for as an initial franchise fee at that time.

The Company receives incentive payments from certain suppliers, the amounts of which depend upon the system's volume of purchases from the suppliers. The Company recognizes revenue for these incentives in the period in which the underlying transaction takes place or the point in which the incentive due is determinable. The incentives are included within other revenues in the accompanying statements of operations.

The Company requires all franchisees to pay a technology fee of \$100 per month and is included in royalties and other related fees in the accompanying statements of operations.

Advertising Fees and Related Income

The Company's franchise agreements typically require the franchisee to pay continuing advertising fees each reporting period based on a percentage of franchisee gross sales. Such fees represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchised restaurant sales occur.

Advertising

The cost of advertising, promotion and marketing programs are charged to operations in the year incurred. Advertising expense totaled \$936,244 and \$789,357 during the fiscal years ended December 29 2024, and December 31 2023, respectively.

Income Taxes

The Company has elected to be treated as a partnership for Federal and state income tax purposes. Accordingly, no provision or benefit for Federal or state income taxes is necessary since income, losses, and credits are reported on the member's income tax returns.

The Company applies the provisions of FASB Accounting Standards Codification (ASC) 740, *Income Taxes*, which require that a tax position be recognized or derecognized based on a “more-likely-than-not” threshold. This applies to positions taken or expected to be taken in a tax return. The Company does not believe the financial statements include any material uncertain tax positions. There have been no penalties or interest incurred by the Company during fiscal years 2024 or 2023.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications had no effect on previously reported results of operations or member’s equity.

Note 2: Property and Equipment

Property and equipment consist of the following at December 29, 2024 and December 31, 2023:

	2024	2023
Computers and equipment	\$ 314,739	\$ 81,915
Restaurant equipment	<u>44,430</u>	<u>-</u>
	359,169	81,915
Less: accumulated depreciation	<u>(65,030)</u>	<u>(6,975)</u>
	294,139	74,940
Construction in progress	<u>25,334</u>	<u>44,430</u>
Property and equipment, net	<u>\$ 319,473</u>	<u>\$ 119,370</u>

Depreciation expense totaled \$58,055 and \$6,970 for the fiscal years ended December 29, 2024 and December 31, 2023, respectively. Construction in progress consists of assets not placed in service. No charge for depreciation is made on construction in progress until such time as the assets are placed in service.

Note 3: Intangible Assets

Intangible assets consist of the following at December 29, 2024 and December 31, 2023:

	2024	2023
Brand design	\$ 27,110	\$ 27,110
Trademarks	<u>7,355</u>	<u>7,355</u>
	34,465	34,465
Less: accumulated amortization	<u>(15,805)</u>	<u>(11,640)</u>
	<u>\$ 18,660</u>	<u>\$ 22,825</u>

Amortization expense totaled \$4,165 for the fiscal years ended December 29, 2024 and December 31, 2023, respectively. Estimated amortization expense is as follows at December 29, 2024:

Fiscal year ended December 31,	
2025	\$ 4,608
2026	4,608
2027	4,608
2028	2,571
2029	736
Thereafter	<u>1,529</u>
	<u>\$ 18,660</u>

Note 4: Commitments and Contingencies

Operating Lease

The Company leases its office space under a short-term operating lease which expires in July 2025. Lease expense was \$191,186 and \$154,450 for the fiscal years ended December 29, 2024 and December 31, 2023, respectively. The remaining rental payments as of December 29, 2024 are \$110,117 in 2025.

Litigation

The Company from time to time may be involved in certain litigation and claims in the ordinary course of business. Although the outcome of such claims, litigation, and disputes cannot be predicted with certainty, in the opinion of management, based on facts known at this time, the resolution of such matters are not anticipated to have a material adverse effect on the combined financial position or results of operations of the Company.

Note 5: Employee Benefit Plan

The Company has a 401(k) savings plan which covers substantially all employees. The company makes matching contributions of 3.5% for participants contributing 6%. Matching contributions were \$40,750 and \$8,071 for the fiscal years ended December 29, 2024 and December 31, 2023, respectively.

Note 6: Related Party Transactions

The Company occasionally receives money from entities under common control or ownership for the purpose of funding operations. At December 29, 2024 and December 31, 2023, \$15,698,176 and \$6,326,124, respectively, was due to entities under common control or ownership. At December 29, 2024 and December 31, 2023 \$10,075,103 and \$254,160, respectively, was due from entities under common control or ownership. The balances owed by the Company are non-interest-bearing, unsecured, and due on demand.

Two of the locations in operation as of December 29, 2024 and December 31, 2023 were owned and operated by entities affiliated through common ownership. For the fiscal year ended December 29, 2024, the affiliate locations paid \$66,019 in advertising fees and \$2,400 in technology contributions. For the fiscal year ended , the affiliate locations paid \$49,815 in advertising fees and \$2,400 in technology contributions. There were no royalties paid by these locations.

Exhibit F - 14

Note 7: Restatement of Opening Equity

During 2023, the Company identified adjustments needed to properly state the prior year financial statements in accordance with U.S. GAAP. The prior year financial statements were restated to defer the recognition of development fees until the franchise agreement is executed and the store is opened on a proportionate basis to the contractual store commitment. Opening equity was restated as follows:

Equity at December 31, 2022, as previously reported	\$ (834,310)
Impact of adjustment described herein	<u>(306,000)</u>
Equity at December 31, 2022, as restated	<u>\$ (1,140,310)</u>

Note 8: Subsequent Events

The Company has evaluated for subsequent events between the balance sheet date of December 29, 2024 and the report date, the date the financial statements were available for issuance, and has concluded that all subsequent events requiring recognition or disclosure have been incorporated into these financial statements.

Smalls Sliders Franchising, LLC

Table of Contents

	Page
Independent Auditor's Report	1 – 3
Financial Statements:	
Balance Sheets	4
Statements of Operations	5
Statements of Member's Deficit	6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 13



Independent Auditor's Report

To the Member of
Smalls Sliders Franchising, LLC

Opinion

We have audited the accompanying financial statements of Smalls Sliders Franchising, LLC (the Company), which comprise the balance sheet as of December 31, 2023, the related statements of operations, member's deficit 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 Smalls Sliders Franchising, LLC as of December 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Smalls Sliders Franchising, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

As part of our audit of the 2023 financial statements, we also audited the adjustments described in Note 7 that were applied to restate the 2022 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2022 financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2022 financial statements as a whole.

Responsibilities of Management for the Financial Statements

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



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern 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 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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



Report on 2022 Financial Statements

With the exception of certain adjustments described in the Other Matter section of this report, the financial statements of Smalls Sliders Franchising, LLC as of and for the year ended December 31, 2022 were audited by other auditors whose report, dated January 27, 2023, expressed an unmodified opinion on those financial statements.

Bennett Thrasher LLP

March 1, 2024

Exhibit F - 19

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

Smalls Sliders Franchising, LLC

Balance Sheets

December 31, 2023 and 2022

	2023	2022
Assets		
Current assets:		
Cash	\$ 2,776,382	\$ 1,195,504
Accounts receivable	582,658	88,910
Prepaid expenses	67,651	17,383
Inventory	<u>5,031</u>	<u>6,090</u>
Total current assets	3,431,722	1,307,887
Property and equipment, net	119,370	3,009
Intangible assets, net	22,825	27,433
Deposits and other assets	<u>30,997</u>	<u>15,947</u>
Total assets	<u>\$ 3,604,914</u>	<u>\$ 1,354,276</u>
Liabilities and Member's Deficit		
Current liabilities:		
Accounts payable and accrued expenses	\$ 619,651	\$ 133,813
Deferred revenue	1,974,000	381,000
Due to affiliates, net	<u>6,071,964</u>	<u>1,979,773</u>
Total liabilities	8,665,615	2,494,586
Commitments and contingencies (Note 4)		
Member's deficit	<u>(5,060,701)</u>	<u>(1,140,310)</u>
Total liabilities and member's deficit	<u>\$ 3,604,914</u>	<u>\$ 1,354,276</u>

See accompanying notes to financial statements.

Smalls Sliders Franchising, LLC

Statements of Operations For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues:		
Franchise and development fees	\$ 367,000	\$ 57,000
Royalties and other related fees	838,080	199,636
Advertising fees	<u>272,134</u>	<u>71,708</u>
Total revenues	<u>1,477,214</u>	<u>328,344</u>
Costs and expenses:		
General and administrative	2,012,492	1,089,379
Payroll and payroll taxes	2,584,178	888,269
Selling and marketing	789,357	82,896
Depreciation and amortization	<u>11,578</u>	<u>4,613</u>
Total costs and expenses	<u>5,397,605</u>	<u>2,065,157</u>
Loss from operations	<u>(3,920,391)</u>	<u>(1,736,813)</u>
Other income:		
Interest income	<u>-</u>	<u>190</u>
Total other income	<u>-</u>	<u>190</u>
Net loss	<u>\$ (3,920,391)</u>	<u>\$ (1,736,623)</u>

See accompanying notes to financial statements.

Smalls Sliders Franchising, LLC

Statements of Member's Deficit For the Years Ended December 31, 2023 and 2022

Balance at December 31, 2021, as restated (Note 7)	\$ 246,313
Member contributions	350,000
Net loss, as restated (Note 7)	<u>(1,736,623)</u>
Balance at December 31, 2022, as restated (Note 7)	(1,140,310)
Net loss	<u>(3,920,391)</u>
Balance at December 31, 2023	<u>\$ (5,060,701)</u>

See accompanying notes to financial statements.

Smalls Sliders Franchising, LLC

Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Net loss	\$ (3,920,391)	\$ (1,736,623)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	11,578	4,613
Changes in operating assets and liabilities:		
Accounts receivable	(493,748)	(74,915)
Prepaid expenses	(50,268)	39,772
Inventory	1,059	-
Other assets	(15,050)	(11,327)
Accounts payable and accrued expenses	485,838	(40,241)
Deferred revenue	<u>1,593,000</u>	<u>138,000</u>
Net cash used in operating activities	<u>(2,387,982)</u>	<u>(1,680,721)</u>
Cash flows from investing activities:		
Purchases of fixed assets	<u>(123,331)</u>	<u>(3,014)</u>
Net cash used in investing activities	<u>(123,331)</u>	<u>(3,014)</u>
Cash flows from financing activities:		
Due to affiliates, net	4,092,191	1,971,665
Member contributions	<u>-</u>	<u>350,000</u>
Net cash provided by financing activities	<u>4,092,191</u>	<u>2,321,665</u>
Net increase in cash	1,580,878	637,930
Cash at beginning of year	<u>1,195,504</u>	<u>557,574</u>
Cash at end of year	<u>\$ 2,776,382</u>	<u>\$ 1,195,504</u>

See accompanying notes to financial statements.

Smalls Sliders Franchising, LLC

Notes to Financial Statements December 31, 2023 and 2022

Note 1: Significant Accounting Policies

Nature of Business

Smalls Sliders Franchising, LLC (the Company) is a Louisiana limited liability company, formed on June 22, 2021. The Company is a wholly-owned subsidiary of Smalls Holdings, LLC (the Member).

The Company offers and sells franchises and area development rights throughout the United States of America for the operation of Smalls Sliders Restaurants offering made-to-order sliders, fries, sauces, milkshakes, and beverages. The licensing rights were granted to the Company through a License Agreement from a related party, Smalls Sliders IP, LLC. As of December 31, 2023, affiliates of the Company operate two restaurants of the type being franchised. At December 31, 2023 and 2022, there were 11 and 6 franchised restaurants, respectively, open and operating under the Smalls Sliders name in multiple southeastern states.

As of December 31, 2023 and 2022, the Company is in the beginnings stages of franchise development. The future success of the Company's business is contingent upon successful franchise development and the ability of its member to fund working capital shortfalls until such time the Company maintains satisfactory levels of profitable operations. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

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

Franchise Operations

The Company enters into franchise agreements with unrelated third parties to build and operate restaurants using the Company's brand within a defined geographical area. The franchisees are required to operate their restaurants in compliance with a franchise agreement that includes adherence to operating and quality control procedures established by the Company. The Company will not provide loans, leases, or guarantees to franchisees or their employees and vendors. If a franchisee becomes financially distressed, the Company generally will not provide any financial assistance. If financial distress leads to a franchisee's noncompliance with the franchise agreement and the Company elects to terminate the franchise agreement, the Company will have the right, but not the obligation, to acquire the assets of the franchisee at cost or fair value, as determined by an independent appraiser. At December 31, 2023 and 2022, there were 35 and 8 executed franchise agreements, respectively.

Cash

Cash includes cash on hand and deposits with financial institutions. At times, cash balances may exceed federally insured amounts. The Company believes it mitigates any risk by depositing cash with major financial institutions.

Accounts Receivable

Accounts receivable consist primarily of advertising, franchise royalties, and vendor rebates not received by the Company at December 31, 2023 and 2022, and are stated at the amount management expects to collect from outstanding balances. As part of certain vendor agreements, the Company earns a cash rebate based on the volume of purchases. These receivables are considered fully collectible; therefore, no reserve for credit losses has been recorded.

Inventory

Inventory consists primarily of operations and advertising supplies distributed to franchisees. Inventory is stated at the lower of cost or net realizable value. Cost is determined by the first-in, first-out method. No adjustment is deemed necessary to reduce inventory to net realizable value due to the rapid turnover and utilization of inventory.

Property and Equipment

Property and equipment are stated at cost or fair value if acquired as part of an acquisition, less accumulated depreciation. Depreciation of property and equipment is calculated using the straight-line method over the useful lives of the assets. The estimated useful life for computers and equipment is 5 years. Expenditures for repairs and maintenance are charged to expense as incurred.

Intangible Assets

Intangible assets consist of trademarks and branding development. The Company's trademarks and branding development are stated at cost less accumulated amortization. Amortization of intangible assets is calculated using the straight-line method over the useful lives of the assets. The estimated useful lives are primarily as follows: trademarks – 10 years and branding development – 7 years.

Impairment of Long-lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When indicators of impairment are present, management evaluates the carrying amount of such assets in relation to the operating performance and future estimated undiscounted net cash flows expected to be generated by the assets or underlying operations. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The assessment of the recoverability of assets will be impacted if estimated future operating cash flows are not achieved. In the opinion of management, there were no assets impaired as of December 31, 2023 and 2022.

Revenue Recognition

Revenue is recognized in accordance with a five-step model, as follows: identifying the contract with the customer; identifying the performance obligations in the contract; determining the transaction price; allocating the transaction price to the performance obligations; and recognizing revenue when (or as) the entity satisfies a performance obligation.

Franchise and Development Fees, Royalties and Other Revenue

The Company sells individual franchises through franchise agreements with an initial 10-year term. These agreements also convey multiple extension terms, depending on contract terms if certain conditions are met. The Company provides its franchisees system training, preopening assistance, and general assistance in exchange for franchise fees and royalties at 6% of restaurant sales.

Royalties are accrued as earned and are calculated each period based on reported franchisees' sales.

The Company applies ASU 2021-02, *Revenue from Contracts with Customers* (Subtopic 952-606): *Practical Expedient*. The practical expedient allows private companies to recognize initial franchise fees when all material services or conditions relating to the sale of the franchise have been substantially performed or satisfied by the Company, which is generally when a new franchise restaurant is opened.

Initial and renewal franchise fees are payable by the franchisee upon the execution of the franchise agreement. These fees are initially recorded to deferred revenue and recognized upon the opening of the initial store location.

The performance obligation under development agreements generally consists of an obligation to grant exclusive development rights over a stated term. These development rights are not distinct from franchise agreements, with the exception of certain real estate services that are recognized when performed and are not associated directly with the license; therefore, upfront fees paid by franchisees for development rights are initially recorded to deferred revenue and are then apportioned to each franchise agreement execution and accounted for as an initial franchise fee at that time.

The Company receives incentive payments from certain suppliers, the amounts of which depend upon the system's volume of purchases from the suppliers. The Company recognizes revenue for these incentives in the period in which the underlying transaction takes place or the point in which the incentive due is determinable. The incentives are included within other revenues in the accompanying statements of operations.

The Company requires all franchisees to pay a technology fee of \$100 per month and is included in royalties and other related fees in the accompanying statements of operations.

Advertising Fees and Related Income

The Company's franchise agreements typically require the franchisee to pay continuing advertising fees each reporting period based on a percentage of franchisee gross sales. Such fees represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as franchised restaurant sales occur.

Advertising

The cost of advertising, promotion and marketing programs are charged to operations in the year incurred. Advertising expense totaled \$584,717 and \$67,416 during the years ended December 31, 2023 and 2022, respectively.

Income Taxes

The Company has elected to be treated as a partnership for Federal and state income tax purposes. Accordingly, no provision or benefit for Federal or state income taxes is necessary since income, losses, and credits are reported on the shareholder's and members' income tax returns.

The Company applies the provisions of FASB Accounting Standards Codification (ASC) 740, *Income Taxes*, which require that a tax position be recognized or derecognized based on a “more-likely-than-not” threshold. This applies to positions taken or expected to be taken in a tax return. The Company does not believe the financial statements include any material uncertain tax positions. There have been no penalties or interest incurred by the Company during fiscal years 2023 or 2022.

Recent Accounting Pronouncement

In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases*, which is codified in Accounting Standards Codification 842 Leases (ASC 842) and supersedes current lease guidance. The guidance requires lessees to recognize the following for all leases (with the exception of short-term leases) at the commencement date: a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis; and a right-of-use asset (ROU asset), which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term.

The Company adopted ASC 842 on January 1, 2022 using the modified retrospective approach. The adoption of the new guidance did not have a material impact on the financial statements.

Note 2: Property and Equipment

Property and equipment consist of the following at December 31, 2023 and 2022:

	2023	2022
Computers and equipment	\$ 81,915	\$ 3,014
Less: accumulated depreciation	<u>(6,975)</u>	<u>(5)</u>
	74,940	3,009
Construction in progress	<u>44,430</u>	<u>-</u>
	<u>\$ 119,370</u>	<u>\$ 3,009</u>

Depreciation expense totaled \$6,970 and \$5 for the years ended December 31, 2023 and 2022, respectively. Construction in progress consists of assets not placed in service. No charge for depreciation is made on construction in progress until such time as the assets are placed in service.

Note 3: Intangible Assets

Intangible assets consist of the following at December 31, 2023 and 2022:

	2023	2022
Brand design	\$ 27,110	\$ 27,110
Trademarks	<u>7,355</u>	<u>7,355</u>
	34,465	34,465
Less: accumulated amortization	<u>(11,640)</u>	<u>(7,032)</u>
	<u>\$ 22,825</u>	<u>\$ 27,433</u>

Amortization expense totaled \$4,608 for the years ended December 31, 2023 and 2022, respectively. Estimated amortization expense is as follows at December 31, 2023:

Fiscal Year,	
2024	\$ 4,608
2025	4,608
2026	4,608
2027	4,608
2028	2,571
Thereafter	<u>1,822</u>
	<u>\$ 22,825</u>

Note 4: Commitments and Contingencies

Operating Lease

The Company leases its office space under a short-term operating lease which expires in October 2024. Lease expense was \$154,450 and \$74,089 for the years ended December 31, 2023 and 2022, respectively. The remaining rental payments as of December 31, 2023 are \$117,981 in 2024.

Litigation

The Company from time to time may be involved in certain litigation and claims in the ordinary course of business. Although the outcome of such claims, litigation, and disputes cannot be predicted with certainty, in the opinion of management, based on facts known at this time, the resolution of such matters are not anticipated to have a material adverse effect on the combined financial position or results of operations of the Company.

Note 5: Employee Benefit Plan

The Company has a 401(k) savings plan which covers substantially all employees. The company makes matching contributions of 3.5% for participants contributing 6%. Matching contributions were \$8,071 and \$0 for the years ended December 31, 2023 and 2022.

Note 6: Related Party Transactions

The Company occasionally receives money from entities under common control or ownership for the purpose of funding operations. At December 31, 2023 and 2022, \$6,326,124 and \$2,208,812, respectively, was due to entities under common control or ownership. At December 31, 2023 and 2022, \$254,160 and \$229,039, respectively, was due from entities under common control or ownership. The balances owed by the Company are non-interest-bearing, unsecured, and due on demand.

Two of the locations in operation as of December 31, 2023 and 2022 were owned and operated by entities affiliated through common ownership. For the year ended December 31, 2023, the affiliate locations paid \$49,815 in advertising fees and \$2,400 in technology contributions. For the year ended December 31, 2022, the affiliate locations paid \$38,981 in advertising fees and \$2,400 in technology contributions. There were no royalties paid by these locations.

Note 7: Restatement of Opening Equity

During 2023, the Company identified adjustments needed to properly state the prior year financial statements in accordance with U.S. GAAP. The prior year financial statements were restated to defer the recognition of development fees until the franchise agreement is executed and the store is opened on a proportionate basis to the contractual store commitment. The impact of the restatement resulted in a reduction to revenue of \$138,000 in 2022 and \$168,000 in 2021. Such balances related to prior periods and, as a result, opening equity was restated as follows:

Equity at December 31, 2021, as previously reported	\$ 414,313
Impact of adjustment described herein	<u>(168,000)</u>
Equity at December 31, 2021, as restated	<u>\$ 246,313</u>
Equity at December 31, 2022, as previously reported	\$ (834,310)
Impact of adjustment described herein	<u>(306,000)</u>
Equity at December 31, 2022, as restated	<u>\$ (1,140,310)</u>

Note 8: Subsequent Events

The Company has evaluated for subsequent events between the balance sheet date of December 31, 2023 and the report date, the date the financial statements were available for issuance, and has concluded that all subsequent events requiring recognition or disclosure have been incorporated into these financial statements.



Smalls Sliders Franchising, LLC

Financial Statements

December 31, 2022 and June 22, 2021 (date of inception)

through December 31, 2021



REAGAN & REAGAN

CPAs & Business Advisors

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Exhibit F - 30

Smalls Sliders Franchising LLC Final FDD
11.01.2024
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#237298v1

Smalls Sliders Franchising, LLC

Table of Contents

December 31, 2022 and June 22, 2021 (date of inception) through December 31, 2021

Independent Auditor's Report	1
Balance Sheets	3
Statements of Income	4
Statements of Cash Flows	5
Statement of Changes in Members' Equity	6
Notes to Financial Statements	7 - 13



JOSEPH REAGAN, CPA
Partner

KIM REAGAN, CPA
Partner

Independent Auditor's Report

To the Members
Smalls Sliders Franchising, LLC
Baton Rouge, LA

Opinion

We have audited the financial statements of Smalls Sliders Franchising, LLC, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, changes in members' equity, and cash flows for the year ended December 31, 2022 and period June 22, 2021 (date of inception) through December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements presents fairly, in all material respects, the financial position of Smalls Sliders Franchising, LLC as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the year ended December 31, 2022 and period June 22, 2021 (date of inception) through December 31, 2021 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statement

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 the financial statements that is 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 Smalls Sliders Franchising, LLC's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statement

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

Reagan & Reagan CPA, LLC
512 S. Tyler Street, Covington, LA 70433 Office 985-809-6505 fax 985-809-6507
Smalls Sliders Franchising LLC Final FDD
11-0-2024
www.randcpa.com

#217355v13
Issued 5.8.2025
#237298v1

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Smalls Sliders Franchising, 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 Smalls Sliders Franchising, 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.

Reagan & Reagan CPA, LLC

Covington, LA
January 27, 2023

Reagan & Reagan CPA, LLC

512 S. Tyler Street Covington, LA 70433 Office 985-809-6505 fax 985-809-6507

Exhibit F - 33
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Smalls Sliders Franchising LLC Final FDD

11.01.2024

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Smalls Sliders Franchising, LLC

Balance Sheets

December 31, 2022 and December 31, 2021

	<u>12/31/22</u>	<u>12/31/21</u>
ASSETS		
Current assets		
Cash	\$ 1,195,504	\$ 557,574
Accounts receivable	88,910	13,995
Prepays and other current assets	23,473	63,245
Due from affiliates	<u>229,039</u>	<u>4,997</u>
Total current assets	1,536,926	639,811
Property and equipment, less accumulated depreciation of \$5 and \$0, respectively	3,009	-
Intangible assets, less accumulated amortization of \$7,032 and \$2,424, respectively	27,433	32,041
Deposits and other assets	<u>15,947</u>	<u>4,620</u>
Total assets	\$ <u>1,583,315</u>	\$ <u>676,472</u>
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities		
Accounts payable	\$ 50,732	\$ 131,826
Accrued expenses	83,081	42,228
Deferred revenue	75,000	75,000
Due to affiliates	<u>2,208,812</u>	<u>13,105</u>
Total current liabilities	2,417,625	262,159
Total liabilities	<u>2,417,625</u>	<u>262,159</u>
Members' Equity	<u>(834,310)</u>	<u>414,313</u>
Total liabilities and members' equity	\$ <u>1,583,315</u>	\$ <u>676,472</u>

See accompanying Notes to Financial Statements and Independent Auditor's Report.

Exhibit F - 34

Smalls Sliders Franchising, LLC

Statements of Income

Year ended December 31, 2022 and period June 22, 2021 (date of inception) through December 31, 2021

	<u>2022</u>	<u>June 22, 2021 (date of inception) through December 31, 2021</u>
Revenues:		
Franchise and development fees	\$ 195,000	\$ 210,000
Royalties and other related fees	199,636	700
Advertising fees	<u>71,708</u>	<u>13,795</u>
Total revenue	466,344	224,495
Expenses:		
General and administrative	1,105,004	102,809
Payroll and payroll taxes	888,269	208,260
Selling and marketing	67,271	81,174
Depreciation and amortization	<u>4,613</u>	<u>2,424</u>
Total costs and expenses	2,065,157	394,667
Loss from operations	(1,598,813)	(170,172)
Other income		
Interest income	<u>190</u>	<u>20</u>
Net loss	<u>\$ (1,598,623)</u>	<u>\$ (170,152)</u>

See accompanying Notes to Financial Statements and Independent Auditor's Report.

Exhibit F - 35
4

Smalls Sliders Franchising, LLC

Statements of Cash Flows

Year ended December 31, 2022 and period June 22, 2021 (date of inception) through December 31, 2021

	<u>2022</u>	<u>June 22, 2021 (date of inception) through December 31, 2021</u>
Cash flows from operating activities:		
Net loss	\$ (1,598,623)	\$ (170,152)
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Depreciation and amortization	4,613	2,424
Changes in assets and liabilities		
Deferred revenue	-	75,000
Accounts receivable	(74,915)	(13,995)
Due from/to affiliates	1,971,665	8,108
Prepaid and other current assets	39,772	(63,245)
Deposits and other assets	(11,327)	(4,620)
Accounts payable and accrued expenses	(40,241)	174,054
Net cash provided by operating activities	<u>290,944</u>	<u>7,574</u>
Cash flows from investing activities:		
Purchase of fixed assets	(3,014)	-
Purchase of intangibles	-	(34,465)
Net cash used in investing activities	<u>(3,014)</u>	<u>(34,465)</u>
Cash flows from financing activities:		
Member contributions	350,000	584,465
Net cash provided by financing activities	<u>350,000</u>	<u>584,465</u>
Net increase in cash	637,930	557,574
Cash, beginning of period	557,574	-
Cash, end of period	<u>\$ 1,195,504</u>	<u>\$ 557,574</u>
Supplemental cash flow information:		
Cash paid during the year for interest:	\$ -	\$ -

See accompanying Notes to Financial Statements and Independent Auditor's Report.

Exhibit F - 36

Smalls Sliders Franchising, LLC

Statement of Changes in Members' Equity

Year ended December 31, 2022 and period June 22, 2021 (date of inception) through December 31, 2021

	<u>Members'</u> <u>Equity</u>
Balance at June 22, 2021 (date of inception)	\$ -
Net loss for the period	(170,152)
Member contributions	584,465
Balance at December 31, 2021	<u>\$ 414,313</u>
Net loss for the period	(1,598,623)
Member contributions	350,000
Balance at December 31, 2022	<u>\$ (834,310)</u>

See accompanying Notes to Financial Statements and Independent Auditor's Report.

Exhibit F - 37

Smalls Sliders Franchising, LLC

Notes to Financial Statements

Year ended December 31, 2022 and period June 22, 2021 (date of inception) through December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Smalls Sliders Franchising, LLC (the "Company") is a Louisiana based limited liability company, formed on June 22, 2021. The Company offers and sells franchises and area development rights throughout the United States of America for the operation of Smalls Sliders Restaurants offering made-to-order sliders, fries, sauces, milkshakes and beverages.

The Company has established its brand through coordinated marketing and operational execution that ensures brand recognition and quality throughout its concept. The concept is further strengthened by its emphasis on operational excellence supported by operating guidelines as well as employee and franchisee training.

Basis of Accounting

The Company's accounts are presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Income is recorded when earned and expenses are recorded when incurred.

The Company's franchise arrangements provide its franchisee entities the power to direct the activities that most significantly impact their economic performance; therefore, the Company does not consider it to be the primary beneficiary of any such entity that might be a variable interest entity.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities as of 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.

Cash and Cash Equivalents

The Company continually monitors its positions with, and the credit quality of, the financial institutions in which it maintains its deposits and investments. As of December 31, 2022 and December 31, 2021, the Company maintained balances in various cash accounts in excess of federally insured limits. All highly liquid instruments purchased with an original maturity of three months or less are considered cash equivalents.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash. The Company places its cash and cash equivalents with high quality financial institutions.

Accounts Receivable

Accounts receivable consists primarily of advertising and franchise royalties and are stated at the amount management expects to collect from outstanding balances. Customer accounts are considered delinquent based upon contractual payment terms. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Exhibit F - 38

Smalls Sliders Franchising, LLC

Notes to Financial Statements

Year ended December 31, 2022 and period June 22, 2021 (date of inception) through December 31, 2021

Intangible Assets

Intangible assets consist of trademarks and branding development. The Company's trademarks are stated at cost and amortized using the straight-line method over a ten-year life. The Company's branding development is stated at cost and amortized using the straight-line method over a seven-year life. The Company tests for impairment of its intangible assets at a minimum, on an annual basis. The Company does not believe that any impairment exists as of December 31, 2022 or December 31, 2021.

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. At the balance sheet dates, the fair values of the Company's financial assets and financial liabilities (cash, accounts receivables, prepaids and other assets, amounts due to affiliates, accounts payable, accrued expenses, deposits and deferred revenue) approximate their carrying values.

Revenue Recognition

Revenue is recognized in accordance with a five-step revenue model, as follows: identifying the contract with the customer; identifying the performance obligations in the contract; determining the transaction price; allocating the transaction price to the performance obligations; and recognizing revenue when (or as) the entity satisfies a performance obligation.

Franchise fees and royalties and other related fees

The Company sells individual franchises through franchise agreements with an initial 10-year term. These agreements also convey multiple extension terms, depending on contract terms if certain conditions are met. The Company provides its franchisees system training, preopening assistance, and general assistance in exchange for franchise fees, and royalties of 6% of restaurant sales.

Royalties are accrued as earned and are calculated each period based on reported franchisees' sales.

The Company has determined that all of the initial franchise services are distinct from the continuing rights and services offered during the term of the franchise agreement and therefore, all of the fees are recognized upon the opening of the franchise location. See Note 5.

The Company requires all franchisees to pay a technology fee of \$100 per month and is included in royalties and other related fees in the statement of income.

Advertising fees and related income

The Company's franchise agreements typically require the franchisee to pay continuing advertising fees each reporting period based on a percentage of franchisee gross sales.

Franchise Operations

The Company enters into franchise agreements with unrelated third parties to operate locations using the Smalls Sliders brand within a defined geographical area. The Company believes that franchising is an effective and efficient means to expand the Smalls Sliders brand. The franchisee is required to operate its location in compliance with its franchise agreement that includes adherence to operating and quality control procedures established by the Company.

Smalls Sliders Franchising, LLC

Notes to Financial Statements

Year ended December 31, 2022 and period June 22, 2021 (date of inception) through December 31, 2021

The Company does not provide loans, leases, or guarantees to the franchisee or the franchisee's employees and vendors. If a franchisee becomes financially distressed, the Company does not provide financial assistance. If financial distress leads to a franchisee's noncompliance with the franchise agreement and the Company elects to terminate the franchise agreement, the Company has the right but not the obligation to acquire the assets of the franchisee at fair value. The Company has financial exposure for the collection of the royalty payments. Franchise fees are paid upon the signing of the related agreements.

Advertising Costs

Advertising costs are treated as period costs and expensed as incurred. During the year ended December 31, 2022 and for the period June 22, 2021 (date of inception) through December 31, 2021, advertising costs amounted to \$10,627 and \$4,886, respectively.

Income Taxes

On the date of formation, the Company elected to be treated as a partnership for federal income tax purposes and did not incur income taxes. Instead, its earnings and or losses were included in the personal tax returns of the members.

Recently Adopted Accounting Pronouncements

The Company adopted ASU 2016-02, Leases (Topic 842). The guidance in the ASU supersedes the lease guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months.

The Company adopted ASC 606 *Revenue from Contracts with Customers* on June 22, 2021 (date of inception). The primary impact of adoption was the enhancement of the Company's disclosures related to contracts with customers and revenue recognized from those performance obligations, which includes revenue related to initial fees charged to franchisees. See Note 5, Revenue Recognition.

The Company has reviewed recently issued accounting pronouncements and concluded that they are either not applicable to the operations or that no material effects are expected on its financial statements as a result of future adoption.

NOTE 2 – PROPERTY AND EQUIPMENT

Following is a summary of property and equipment at December 31, 2022 and December 31, 2021:

	<u>2022</u>	<u>2021</u>
Computers and equipment	\$ <u>3,014</u>	\$ <u>-</u>
	3,014	-
Less: Accumulated depreciation	<u>(5)</u>	<u>-</u>
Property and equipment, net	\$ <u>3,009</u>	\$ <u>-</u>

The Company recorded depreciation expense related to these assets of \$5 and \$0 for the year ended December 31, 2022 and for the period June 22, 2021 (date of inception) through December 31, 2021, respectively.

Exhibit F - 40

Smalls Sliders Franchising, LLC

Notes to Financial Statements

Year ended December 31, 2022 and period June 22, 2021 (date of inception) through December 31, 2021

NOTE 3 – INTANGIBLE ASSETS

Following is a summary of intangible assets at December 31:

	<u>2022</u>	<u>2021</u>
Brand design	\$ 27,110	\$ 27,110
Trademarks	<u>7,355</u>	<u>7,355</u>
	34,465	34,465
Less: Accumulated amortization	<u>(7,032)</u>	<u>(2,424)</u>
Net Intangible assets	<u>\$ 27,433</u>	<u>\$ 32,041</u>

Amortization expense for the year ended December 31, 2022 and for the period June 22, 2021 (date of inception) through December 31, 2021 was \$4,608 and \$2,424, respectively. Estimated future amortization expense as of December 31, 2022 is as follows:

Year ending December 31:	
2023	\$ 4,608
2024	4,608
2025	4,608
2026	4,608
2027	4,608
Thereafter	<u>4,393</u>
Total future amortization expense	<u>\$ 27,433</u>

NOTE 4 – ACCRUED EXPENSES

Following is a summary of accrued expenses at December 31:

	<u>2022</u>	<u>2021</u>
Payroll expenses	\$ 57,576	\$ 29,304
Legal & professional	<u>25,505</u>	<u>12,924</u>
Total accrued liabilities	<u>\$ 83,081</u>	<u>\$ 42,228</u>

NOTE 5 – REVENUE RECOGNITION

On June 22, 2021 (date of inception), the Company adopted ASC 606, *Revenue from Contracts with Customers* using the modified retrospective method.

ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price and recognize revenue.

For each franchised location, the Company enters into a formal franchise agreement that clearly outlines

Smalls Sliders Franchising, LLC

Notes to Financial Statements

Year ended December 31, 2022 and period June 22, 2021 (date of inception) through December 31, 2021

the transaction price, which includes an initial fee and ongoing royalties, marketing fees, and technology fees, and the Company's performance obligations.

Upon evaluation of the five-step process, the Company has determined that this standard does not impact the recognition of royalties, marketing fees, and technology fees from locations operated by a franchisee, which are based on a percentage of gross revenue and recognized at the time the underlying sales occur. ASC 606 does have an effect on the process management uses to evaluate the recognition of the initial franchise fees.

Franchise and Development Fees

The adoption of ASC 606 impacted the Company's process used to evaluate the recognition of the initial franchise fees.

In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, Franchisors—Revenue from Contracts with Customers. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These preopening services include the following:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

The Company has determined that the fair value of pre-opening services exceeds the initial franchise fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue upon commencement of operations.

The Company recognized franchise fee revenue of \$45,000 and \$0 for the year ended December 31, 2022 and for the period June 22, 2021 (date of inception) through December 31, 2021, respectively.

At December 31, 2022 and December 31, 2021, the balance of the deferred franchise fees was \$75,000 and \$75,000, respectively, and is included in deferred revenue on the Balance Sheets.

The Company charges a non-refundable development agreement fee based on the number of locations committed to development. The Company has determined that the non-refundable fee is a separate and distinct performance obligation and as such, is recognized as revenue upon the signing of the Development Agreement Rider outlined in the Franchise Agreement.

The Company recognized development fee revenue of \$150,000 and \$210,000 for the year ended December 31, 2022 and for the period June 22, 2021 (date of inception) through December 31, 2021, respectively.

Exhibit F - 42

Smalls Sliders Franchising, LLC

Notes to Financial Statements

Year ended December 31, 2022 and period June 22, 2021 (date of inception) through December 31, 2021

Royalty and Other Related Fees

Upon evaluation of the five-step process, the Company has determined that ASC 606 does not impact the recognition of royalties, marketing fees, and technology fees from locations operated by a franchisee, which are based on a percentage of gross revenue and recognized at the time the underlying sales occur.

Royalties from franchise locations are based on a percentage of restaurant revenue and are recognized in the period the related franchised restaurants' sales occur. For the year ended December 31, 2022 and for the period June 22, 2021 (date of inception) through December 31, 2021, the Company recognized \$199,636 and \$700 in royalty and other related fee revenue, respectively.

Advertising Fees

The adoption of the new guidance requires advertising fund contributions and expenditures to be reported on a gross basis in the Statements of Income. Additionally, advertising costs that have been incurred by the Company outside of the advertising funds are also included within selling and marketing expenses in the Statements of Income.

NOTE 6 – RELATED PARTY TRANSACTIONS

The Company occasionally receives money to entities under common control or ownership, for the purpose of funding operations. At December 31, 2022 and December 2021, \$2,208,812 and \$13,105, respectively, was due to entities under common control or ownership. At December 31, 2022 and December 2021, \$229,039 and \$4,997, respectively, was due from entities under common control or ownership. The balances owed by the Company are non-interest-bearing, unsecured and due on demand.

Two of the locations in operation as of December 31, 2022 and December 31, 2021, were owned and operated by an entity affiliated through common ownership. For the year ended December 31, 2022, the affiliate locations paid \$38,981 in advertising contributions and \$2,400 in technology contributions. For the period June 22, 2021 (date of inception) through December 31, 2021, these locations paid advertising contributions of \$13,795 and \$700 in technology contributions and other related fees. There were no royalties paid by these locations.

NOTE 7 – LEGAL PROCEEDINGS AND CONTINGENCIES

The Company is subject to legal proceedings, claims and liabilities, which arise in the ordinary course of business relating to matters including, but not limited to, disputes with franchisees, suppliers, employees and customers, as well as disputes over the Company's intellectual property.

NOTE 8 – FAIR VALUE

Disclosure of fair value information about financial instruments, whether or not recognized in the balance sheets is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments. Therefore, the aggregate fair value amounts presented do not represent the underlying value of the Company.

The recent fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the

Exhibit F - 43

Smalls Sliders Franchising, LLC

Notes to Financial Statements

Year ended December 31, 2022 and period June 22, 2021 (date of inception) through December 31, 2021

measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions. In accordance with this guidance, the Company groups its financial assets and financial liabilities generally measured at fair value in three levels:

Level 1 – Observable inputs such as quoted prices in active markets;

Level 2 – Inputs, other than the quoted prices in active markets that are observable either directly or indirectly; and

Level 3 – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

At December 31, 2022 and December 31, 2021, the Company did not have any financial assets or liabilities to value.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, January 27, 2023 and determined that there were no items for disclosure.

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.

Smalls Sliders Franchising, LLC	
Balance Sheet	
As of June 30, 2024	
Financial Row	Amount
ASSETS	
Current Assets	
Bank	
1000 – Banks	\$4,495,005.31
Total Bank	\$4,495,005.31
Accounts Receivable	\$1,695,469.44
Other Current Asset	
1200 – Inventory Summary	\$3,519.24
1300 – Other Current Assets	\$74,614.33
Total Other Current Asset	\$78,133.57
Total Current Assets	\$6,268,608.32
Fixed Assets	
1400 – Fixed Assets	\$239,386.69
1460 – Accumulated Depreciation	(\$12,899.10)
Total Fixed Assets	\$226,487.59
Other Assets	
1500 – Other Assets	
1525 – Intangibles Summary	\$20,741.99
Total – 1500 – Other Assets	\$20,741.99
1575 – Deposits Summary	\$36,545.08
Total Other Assets	\$57,287.07
Total ASSETS	\$6,552,382.98
Liabilities & Equity	
Current Liabilities	
Accounts Payable	\$9,898,231.05
Other Current Liability	
1700 – Accrued Expenses Summary	\$515,076.66
1800 – Deferred Revenue	\$1,094,075.10
Total Other Current Liability	\$1,609,151.76
Total Current Liabilities	\$11,507,382.81
	(\$4,954,999.83)
Equity)
Total Liabilities & Equity	\$6,552,382.98

Exhibit F - 45

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

~~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.~~

Smalls Sliders Franchising, LLC	
Income Statement	
From January 1, 2024 to June 30, 2024	
Financial Row	Amount
Ordinary Income/Expense	
Income	
4000—Revenue	
4100—Franchise Revenue	\$2,377,700.75
4200—Rebates	\$299,852.61
4500—Other Revenue	\$2,312.74
Total—4000—Revenue	\$2,679,866.10
Total—Income	\$2,679,866.10
Gross Profit	\$2,679,866.10
Expense	
5000—Expenses	
6000—Payroll	\$1,902,965.06
6100—G&A Expenses	\$1,514,636.32
Total—5000—Expenses	\$3,417,601.38
6500—Franchise Costs	\$322,956.51
7000—Marketing	\$62,105.62
7500—Occupancy Expense	\$84,939.41
Total—Expense	\$3,887,602.92
Net Ordinary Income	(\$1,207,736.82)
Other Income and Expenses	
Other Expense	
8300—Other Expense	\$8,006.49
Total—Other Expense	\$8,006.49
Net Other Income	(\$8,006.49)
Net Income	(\$1,215,743.31)

Exhibit F - 46

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

EXHIBIT G – Table of Contents Brand Standards Manual

Exhibit G - 1

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

TABLE OF CONTENTS – BRAND STANDARDS MANUAL

Smalls Brand Standards Manual: The Table of Contents of Smalls Sliders proprietary Brand Standards Manual. The total number of pages in the Brand Standards Manual is 123.

FRANCHISE BUSINESS	14 Pages
1. Introduction	
2. Confidentiality	
3. Franchisee Obligations	
4. Compliance With Regulations	
5. Trademarks And Intellectual Property	
6. Operations Manual	
7. Technology Standards & It	
8. Marketing And Advertising	
9. Supplier Agreements	
10. Permits And Licenses	
11. Targets, Key Performance Indicators (Kpis) And Goals	
12. Good Standing	
13. Training Programs	
BRAND CONSISTENCY AND FRANCHISE MARKETING	7 Pages
1. INTRODUCTION	
2. BRANDING AND BRAND CONSISTENCY	
3. FRANCHISE MARKETING	
INVENTORY MANAGEMENT	12 Pages
1. Introduction	
2. Inventory Management	
3. Ordering	
4. Shipping / Receiving	
5. Forecasting	
6. Inventory Loss	
7. Special Orders/Direct Ship Items	
Appendix 1. Shelf Life And Quality Standards	
Appendix 2. Waste Log	
CAN MANAGEMENT AND LEADERSHIP	38 Pages
1. Introduction	
2. Management And Leadership	
3. Leadership Expectations	
4. Time Management	
5. Squad Member Dispute Resolution	
6. Performance Management	
7. Communications Strategy	
8. Employee Expectations / Key Behaviors	
9. Team Building	
10. Guest Recovery	
11. Operating Hours	
12. Atmosphere Standards	
13. Financial Reporting	
14. Opening, Closing And Security Procedures	
15. Morning, Shift And Closing Checklists	
16. Training	

Exhibit G - 2

- 27. Accident Reporting And First Aid Procedures
- 28. Emergency & Crisis Management
- 36. Corporate Contact Information
- Appendix 1.
- Appendix 2.
- Appendix 3.
- Appendix 4.
- Appendix 5.

FOOD STATION PROCESSES AND PRODUCTION

26 Pages

- 1. Introduction
- 2. Introduction To Preparation
- 3. Introduction To Menu Assembly
- 4. Using A Daily Prep Guide
- 5. Preparing And Cooking Menu Items
- 6. Menu Assembly
- 7. Preparing Beverages
- 8. Back Of House Stations
- 9. Front Of House Stations

FOOD SAFETY

26 Pages

- 1. Introduction
- 2. Introduction To HACCP
- 3. HACCP Principles
- 4. HACCP Food Safety Plan Prerequisites
- 5. Hazard Analysis And Critical Control Points
- 6. Logbook, Monitoring, And Verification Procedures
- 7. Food Safety Regulations
- 8. Audits And Inspections
- 9. Allergen Management
- 10. Storing And Using Poisonous And Toxic Chemicals
- 11. Sanitizing Equipment And Food Contact Surfaces
- 12. Environmental Hygiene
- 13. Personal Hygiene
- 14. Preventing Contamination And Foodborne Illness
- 15. Food Storage
- 16. Customer And Visitor Policy

Exhibit G - 3

EXHIBIT H – Sample Form of General Release

Exhibit H - 1

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

SMALLS SLIDERS FRANCHISING LLC
GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE

SMALLS SLIDERS FRANCHISING LLC (“we,” “us,” or “our”) and the undersigned franchisee, _____ (“you,” or “your”), currently are parties to a certain franchise agreement dated _____ (the “Franchise Agreement”). You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request stated above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document, and otherwise comply with the Franchise Agreement requirements for the action. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), forever release and discharge us and our affiliates, our and their current and former officers, directors, shareholders, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the “Franchisor Parties”) from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Franchisor Parties (1) arising out of or related to the Franchisor Parties’ obligations under the Franchise Agreement or (2) otherwise arising from or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Franchisor Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity that is not bound by this paragraph.

California Waiver Under Section 1542. The Releasing Parties waive all rights they may have under section 1542 of the California Civil Code. Section 1542 provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Being fully informed of this provision of the Civil Code, the Releasing Parties waive any rights under that section, and acknowledge that this Agreement extends to all claims the Releasing Parties have or might have against the Franchisor Parties, whether known or unknown.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your transferring owners likewise grant to us the release and covenant not to sue provided above.

[Signatures on Next Page]

Exhibit H - 2

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

«LEGAL_NAME_OF_FRANCHISEE»
a «State_of_Formation» «Type_of_Entity»

OWNERS:

By: _____
Name: _____
Title: _____

By: _____
Name: _____

Date Signed: _____

Date Signed: _____

EXHIBIT I – Lists of Current and Former Franchise Owners

Exhibit I - 1

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

Franchisees with Operating Outlets

Entity/Owner	State	City	Address	City	State	Zip	Phone	Entity/Owner
Flipping Burgers			1251 Opelika Road	Auburn	AL	36830	334-321-9211	
DAK Sliders, LLC			2807 Red Wolf Boulevard	Jonesboro	AR	72401	870-336-1934	
DPC Smalls Investment, FL			3394 Southwest College Road	Ocala	FL	34474	352-244-9279	
Gallagher Smalls, LLC			5301 N Davis Hwy	Pensacola	FL	32503	448-200-1990	
MRF-Sliders Alexandria, LLC			1406 Macarthur Drive	Alexandria	LA	71301	318-957-4206	
TSM Development, LLC			7080 Siegen Lane	Baton Rouge	LA	70809	225-228-7104	
TSM Development, LLC	LA	Denham Springs	2302 S. Range	Denham Springs	LA	70726	225-480-3562 225-480-3565	TSM Development, LLC
MOS Eats - Gonzales, LLC			2108 Louisiana 30 West	Gonzales	LA	70737	225-372-8722	
MOS Eats - Lafayette 1, LLC	LA		4611 Ambassador Caffery Pkwy	Lafayette	LA	70508	337-761-5172	MOS Eats - Lafayette 1, LLC
Jay Tee Holdings, LLC			135 West McNeese Street	Lake Charles	LA	70605	337-282-1047	
HNK Holdings, LLC	LA	Marrero	1635 Barataria Blvd	Marrero	LA	70072	504-372-6644	HNK Holdings, LLC
			4580 Veterans Blvd	Metairie	LA	70006	504-324-2883	
MOS Eats - Prairieville, LLC	LA	Prairieville	17329 Airline	Prairieville	LA	70769	225-755-9868	Burger Prairieville, LLC
MRF - Sliders, LLC	LA	Shreveport	6005 Youree Drive	Shreveport	LA	71105	318-300-3890	MRF Sliders, LLC
Southern Sliders, LLC	LA	Slidell	1642 Gause Blvd	Slidell	LA	70458	985-718-0835	Southern Sliders, LLC
MOS Eats, LLC	LA	Thibodaux	305 North Canal Blvd	Thibodaux	LA	70301	985-227-4800	MOS Eats, LLC
MRF-Sliders W. Monroe, LLC	LA		406 Thomas Rd	West Monroe	LA	71292	318-338-0540	MRF Sliders W. Monroe, LLC
Gallagher Smalls, LLC	MS	Flowood	109 East Pineview Drive	Flowood	MS	39047	601-914-2810 601-914-2810	Gallagher Smalls, LLC
Texas Sliders, LLC			806 West Montgomery Street	Willis	TX	77378	936-233-8744	

Exhibit I - 2

Smalls Sliders Franchising LLC Final FDD
 11.01.2024
 #217355v13
 Issued 5.8.2025
 #237298v1

Franchisees with a Signed Franchise Agreement but Outlet Has Not Yet Opened

State	City	Address	Zip	Email	Entity/Owner
AL	Auburn	2610 Weston Street	36832	mhweeks76@gmail.com	Flipping Burgers Auburn, LLC
AR	Jonesboro	2875 Tucker Rd Ste 4	63901	david.kearbey@turnkeyinvestment.net	DAK Sliders, LLC
FL	Ocala	1551 NW 44th Avenue	34482	dpc@conedist.com	DPC Smalls Investment, LLC
FL	Pensacola	102 Vista Drive	39571	mlgallagher1015@gmail.com	Gallagher Smalls, LLC
GA	Stockbridge	900 Old Roswell Lakes Parkway Suite 310	30076	sanjayp@psqmc.com	Purple Buns GA, LLC
LA	Alexandria	362 Parsons Green, Shreveport, Louisiana 71106	71106	ehris@mejunkinsgroup.com	MRF Sliders Alexandria, LLC
LA	Baton Rouge	100 Commission Blvd	70508	blainbech@yahoo.com	TSM Development, LLC
LA	Covington	223 Snowy Egret Court	70447	rockyandek@outlook.com	Southern Sliders, LLC
LA	Gonzales	3960 Burbank Drive	70808	brandon@walk-ons.com	Bburger Gonzales, LLC
LA	Lake Charles	310 West Third Street	70548	judgejperry@gmail.com	Jay Tee Holdings, LLC
LA	Metairie	4580 Veterans	70003	504-324-2883	Smalls Clearview, LLC
LA	New Orleans	701 Poydras Street	70139	troy.henry@henryconsulting.com	Crescent City Sliders, LLC
LA	Shreveport	362 Parsons Green Lane	71106	ehris@mejunkinsgroup.com	MRF Sliders, LLC
MO	St. Louis	1 Overbrook Drive	63124	mikerogers0121@gmail.com	KR Partners, LLC
MS	Gulfport	644 Dina Drive	39540	shaneapres@gmail.com	PH Smalls, LLC
SC	Charleston	605 Stono Shores Point	29412	elliottstrott@gmail.com	Sandlot, LLC
TX	Austin	607 Harthan St	78703	jonmyrogers@hotmail.com	Back Up's Hospitality, LLC
TX	Dallas	830 Julie Rivers Road	77478	gaurav.aggarwal@dvgrent.com	OM Texas Sliders, LLC
TX	Houston	103 Lakeside Oaks Drive	77079	preston@cunninghamtx.com	Texas Sliders, LLC
TX	Houston	103 Lakeside Oaks Drive	77079	preston@cunninghamtx.com	Texas Sliders, LLC
TX	Lubbock	1238 Annunciation Street, Unit B	79130	tina@ajtxmgmt.com	ARJH Encore LP, LLC
TX	McKinney	910 Sydney Lane	75013	chris.raleigh@serendipitymgmt.com	Serendipity Provisions, LLC

State	City	Address	Zip	Email	Entity/Owner
TX	New Braunfels	516 Centennital Drive	79912	mike@pdgatx.com	PDG Restaurant Holdings, LLC
TX	Tyler	6301 Gaston Ave Suite 1216	75214	hh@yukon-development.com	Cajun Burgers, LLC

Entity/Owner	Address	City	State	Zip	Phone
Bburger Prairieville, LLC	17329 Airline	Prairieville	LA	70769	225-755-9868
Bburger Gonzales, LLC	2108 Louisiana 30 West	Gonzales	LA	70737	225-372-8722

Franchisees Who Left the System

None.

EXHIBIT J – ~~Franchisee~~ Franchise Owner Disclosure Questionnaire

Exhibit J - 1

Smalls Sliders Franchising LLC Final FDD
11.01.2024
~~#217355v13~~
Issued 5.8.2025
#237298v1

FRANCHISEE/FRANCHISE OWNER DISCLOSURE QUESTIONNAIRE

THIS DOCUMENT WILL NOT BE SIGNED BY YOU, AND WILL NOT APPLY, IF THE OFFER OR SALE OF THE FRANCHISE IS SUBJECT TO THE STATE FRANCHISE REGISTRATION/DISCLOSURE LAWS IN THE STATES OF CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

Do not sign this Questionnaire if you are a resident of Maryland or the business is to be operated in Maryland.

As you know, Smalls Sliders Franchising LLC and you are preparing to enter into a Franchise Agreement for the operation of a Smalls Sliders Restaurant. In this ~~Franchisee~~ Franchise Owner Disclosure Questionnaire, Smalls Sliders Franchising LLC will be referred to as “we” or “us.” The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the Smalls Sliders Franchising LLC Franchise Agreement and each exhibit, addendum and schedule attached to it?

_____ Yes _____ No

2. Do you understand all of the information in the Franchise Agreement and each exhibit and schedule attached to it?

_____ Yes _____ No

If “No”, what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary.)

3. Have you received and personally reviewed our Disclosure Document we provided to you?

_____ Yes _____ No

4. Do you understand all of the information ~~contained~~ in the Disclosure Document?

_____ Yes _____ No

If “No”, what parts of the Disclosure Document do you not understand? (Attach additional pages, if necessary.)

Exhibit J - 2

5. Have you discussed the benefits and risks of operating the Smalls Sliders Restaurant with an attorney, accountant or other professional advisor and do you understand those risks?

Yes No

6. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of a Smalls Sliders Restaurant that we or our franchisees operate that is contrary to, or different from, the information in the Disclosure Document?

Yes No

7. Has any employee or other person speaking on our behalf made any other statement or promise concerning a Smalls Sliders Restaurant that is contrary to, or different from, the information ~~contained~~ in the Disclosure Document?

Yes No

8. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Smalls Sliders Restaurant?

Yes No

9. Has any employee or other person speaking on our behalf made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information ~~contained~~ in the Disclosure Document?

Yes No

10. If you have answered “Yes” to any of questions 6 through 9, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered “No” to each of these questions, please leave the following line blank.

11. Do you understand that in all dealings with you, our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us?

Yes No

You understand that your answers are important to us and that we will rely on them.

Exhibit J - 3

By signing this ~~Franchisee~~Franchise Owner Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions.

Name of Franchisee/Applicant

Name of Franchisee/Applicant

Signature of Franchisee/Applicant

Signature of Franchisee/Applicant

Date Signed: _____

Date Signed: _____

EXHIBIT K - State Addenda to Disclosure Document

Exhibit K - 1

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, Ill. Comp. Stat. §§ 705/1 through 705/44, the Disclosure Document for Smalls Sliders Franchising LLC for use in the State of Illinois is amended to include the following:

ITEM 5 – INITIAL FEES

Payment of Initial Franchise and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

Notice Required By Law:

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire, or 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.

Exhibit K - 2

MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Disclosure Document for Smalls Sliders Franchising LLC for the offer of franchises for use in the State of Minnesota is amended to include the following:

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 Rules 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

ITEM 5 – INITIAL FEES

The Initial Franchise Fee will be deferred and will not be due until we have completed all of our pre-opening obligations to you and you have opened for business.

ITEM 6 - OTHER FEES

- We may be limited in the amount of the insufficient funds fee (“EFT NSF Fee”) we may charge you as described in Item 6 of this Disclosure Document. The Minnesota Department of Commerce requires us to disclose to you that, currently, the highest such fee permitted under Minnesota Statute 604.113 is \$30. NSF checks and related interest and attorneys’ fees are governed by Minnesota Statute § 604.113, which puts a cap of \$30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys’ fees.
- The Franchise Agreement contains provisions that may be interpreted as liquidated damages clauses under Minnesota law. Certain liquidated damages clauses are unenforceable.

ITEM 13 - TRADEMARKS

The Minnesota Department of Commerce requires us to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the franchisee’s use of our trademark infringes on trademark rights of the third party. We do not indemnify against the consequences of a franchisee’s use of our trademark except in accordance with the requirements of the Franchise Agreement; and, as a condition to indemnification, you must: (i) provide prompt notice to us of any such claim; (ii) tender the defense of the claim to us; and (iii) cooperate with us in the defense against the claim. If we accept the tender of defense, we have the right to manage the defense of the claim including the right to compromise, settle, or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

Exhibit K - 3

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION:

- Item 17.c., f., and m. - With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. § 80C.14, Subds. 3, 4, and 5, that 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 of non-renewal of the Franchise Agreement, and that we not unreasonably withhold consent to the transfer of the franchise.
- Item 17.m. - Under Minn. Rule 2860.4400D, any general release of claims a transferor may have against us or our directors, officers, shareholders, and employees, including without limitation claims arising under federal, state, and local laws, rules, and ordinances, excludes claims the transferor may have under the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.
- Item 17.v. and w. - Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring that litigation be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement abrogates or reduces any of your rights provided for in Minnesota statutes Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code §§ 51-19-01 through 51-19-17, and the policies of the Office of State of North Dakota Securities Commission, the Disclosure Document for Smalls Sliders Franchising LLC for use in the State of North Dakota is amended as follows:

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.

ITEM 5 – INITIAL FEES

- All initial franchise fees will be deferred until all initial obligations the franchisor owes to the franchisee under the franchise agreement or other documents have been fulfilled and the franchisee has opened for business pursuant to the franchise agreement.

ITEM 6 – OTHER FEES

- The Franchise Agreement contains provisions that may be interpreted as liquidated damages clauses. Under the North Dakota Franchise Investment Law, certain liquidated damages clauses are unenforceable.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION:

- Item 17.c. and m. - A contractual requirement that you sign a general release will not apply to claims you may have under the North Dakota Franchise Investment Law.
- Item 17.r. - Covenants not to compete such as those in the Franchise Agreement are generally considered unenforceable in the State of North Dakota.
- Item 17.u. - The North Dakota Commissioner has determined that franchise agreements which provide that parties agree to the arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Requiring you to mediate and arbitrate all disputes with us in the city where our then current principal business address is located (currently, Atlanta, Georgia) may not be enforceable under North Dakota Law.
- Item 17.v. - The Franchise Agreement requires that you consent to the jurisdiction of a court in Georgia. This provision may not be enforceable under North Dakota Law because North Dakota Law precludes you from consenting to jurisdiction of any court outside of North Dakota.

Exhibit K - 5

- Item 17.v. and w. - The provisions of the Franchise Agreement on governing law, jurisdiction, and choice of law will not be a waiver of any right conferred on you by the North Dakota Franchise Investment Law.
- Item 17.w. - The Franchise Agreement requires you to waive your right to collect exemplary or punitive damages. This provision may not be enforceable under North Dakota law.

SOUTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the restrictions contained in South Dakota Codified Laws, Title 37, Chapter 37-5B, the South Dakota Franchise Investment Act, the Franchise Disclosure Document for Smalls Sliders Franchising LLC for use in the State of South Dakota is amended as follows:

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.

ITEM 5 – INITIAL FEES

The South Dakota Securities Regulation Office has required a financial assurance based on the franchisor's financial statements. Therefore, all initial fees and payments owed by franchisees in South Dakota will be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Exhibit K - 7

Smalls Sliders Franchising LLC Final FDD
11.01.2024
#217355v13
Issued 5.8.2025
#237298v1

VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Smalls Sliders Franchising LLC for use in the Commonwealth of Virginia is amended as follows:

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.

ITEM 5 – INITIAL FEES

- The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION:

- Item 17.f. - Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

State	Effective Date
Illinois	July 3, 2024, as amended November 5, 2024 <u>Pending</u>
Indiana	April 29, 2024, as amended November 6, 2024 <u>Pending</u>
Minnesota	October 15, 2024, as amended December 3, 2024 <u>Pending</u>
North Dakota	September 23, 2024, as amended November 5, 2024 <u>Pending</u>
South Dakota	July 29, 2024 <u>Pending</u>
Virginia	June 18, 2024, as amended November 14, 2024 <u>Pending</u>
Wisconsin	July 18, 2024, as amended November 5, 2024 <u>May 8, 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.

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Smalls Sliders Franchising LLC offers you a franchise, it must provide this disclosure document to you: (a) 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; (b) in New York, at the earlier of: (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; (c) in Iowa, at the earlier of: (i) your first personal meeting to discuss the franchise; or (ii) 14 days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; or (d) in Michigan, at least 10 business days before the earlier of when you sign a binding franchise or other agreement or pay any consideration to us (or an affiliate of ours).

If Smalls Sliders Franchising LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, then a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

The franchisor is Smalls Sliders Franchising LLC, located at 7000 Central Parkway, Suite 1100 Atlanta, Georgia 30328. Its telephone number is (504) 723-0363.

The franchise seller(s) for this offering is or are:

- Richard Leveille, 7000 Central Parkway, Suite 1100, Atlanta, Georgia 30328, (504) 723-0362;
- ~~Donald Crocker, 7000 Central Parkway, Suite 1100, Atlanta, Georgia 30328, (609) 442-4191;~~
- _____.

Issuance Date: ~~April 29, 2024, as amended November 1, 2024~~ May 8, 2025

We authorize the state agencies identified on Exhibit B to receive service of process for us in the particular state.

I received a Disclosure Document dated ~~April 29, 2024, as amended November 1, 2024~~ May 8, 2025 that included the following Exhibits:

- | | | | |
|-----------|---|-----------|--|
| Exhibit A | List of State Administrators | Exhibit G | Table of Contents Brand Standards Manual |
| Exhibit B | List of State Agents for Service of Process | Exhibit H | Sample Form of General Release |
| Exhibit C | Franchise Agreement | Exhibit I | Lists of Current and Former Franchise Owners |
| Exhibit D | Development Rights Rider | Exhibit J | Franchise Owner Disclosure Questionnaire |
| Exhibit E | State Addenda to Franchise Agreement | Exhibit K | State Addenda to Disclosure Document |
| Exhibit F | Financial Statements | | |

Date

(Sign, Date and Keep for Your Records)

Prospective Franchisee

Authorized Signature

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Smalls Sliders Franchising LLC offers you a franchise, it must provide this disclosure document to you: (a) 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; (b) in New York, at the earlier of: (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; (c) in Iowa, at the earlier of: (i) your first personal meeting to discuss the franchise; or (ii) 14 days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; or (d) in Michigan, at least 10 business days before the earlier of when you sign a binding franchise or other agreement or pay any consideration to us (or an affiliate of ours).

If Smalls Sliders Franchising, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, then a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit A.

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- _____.

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- | | | | |
|-----------|---|-----------|--|
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| Exhibit E | State Addenda to Franchise Agreement | Exhibit K | State Addenda to Disclosure Document |
| Exhibit F | Financial Statements | | |

Date

(Sign, Date and Return to us, the franchisor)

Prospective Franchisee

Authorized Signature

Document comparison by Workshare Compare on Thursday, May 8, 2025
11:55:21 AM

Input:	
Document 1 ID	iManage://caioiarose-mobility.imatege.work/CR_DOCUMENTS/217355/13
Description	#217355v1<caioiarose-mobility.imatege.work> - Smalls Sliders Franchising LLC-Final FDD-04.29.2024-11.01.2024
Document 2 ID	iManage://caioiarose-mobility.imatege.work/CR_DOCUMENTS/237298/1
Description	#237298v1<caioiarose-mobility.imatege.work> - Smalls Sliders Franchising LLC-Final FDD-5.8.2025
Rendering set	Standard no color

Legend:	
<u>Insertion</u>	
Deletion	
<u>Moved from</u>	
<u>Moved to</u>	
Style change	
Format change	
Moved deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	862
Deletions	928
Moved from	6
Moved to	6
Style changes	0
Format changes	0

Total changes	1802
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