

FRANCHISE DISCLOSURE DOCUMENT



www.spitz-restaurant.com

RADWICK FRANCHISING, LLC
A Delaware limited liability company
12300 S. 62 E
Draper, Utah 84020
Telephone (323) 257-5600
brycerademan@spitzrestaurant.com

We offer franchises for the operation of Spitz restaurants (“Spitz Restaurants”), which are upscale fast casual service restaurants offering Mediterranean-style sandwiches, wraps, salads, liquor, beer & wine and catering services. You may sign a Franchise Agreement to operate a single Spitz Restaurant. The total investment necessary to begin operations of a single Spitz Restaurant ranges from approximately \$579,250 to \$1,150,050. This includes \$35,000 that must be paid to us or our affiliate. You may sign an Area Development Agreement under which you must develop and operate a minimum of 2-4 Spitz Restaurants within a specified period in an area we assign. The total investment necessary to begin operation of 2-4 Spitz Restaurants ranges from approximately \$1,153,500 to \$4,485,200. This includes at least \$65,000 that must be paid to us or our affiliate for 2 Spitz Restaurants and \$125,000 for 4 Spitz Restaurants. You will pay \$30,000 (payable to us or our affiliate) for each additional Spitz Restaurant you agree to develop under the Area Development Agreement. You may sign a Franchise Agreement to operate a single Spitz food truck (a “Mobile Restaurant”) in a defined geographic area. The total investment necessary to begin operations of a single Mobile Restaurant ranges from approximately \$217,250 to \$284,050. This includes \$35,000 that must be paid to us or our affiliate. You may purchase an open and operating Spitz Restaurant (an “Operating Spitz Restaurant”) from our affiliate and sign a Franchise Agreement. The total investment necessary to begin operations of an Operating Spitz Restaurant ranges from approximately \$279,550 to \$906,550. This includes \$249,000 to \$791,000 that must be paid to us or our affiliate. An Operating Spitz Restaurant will not be offered or sold to any Maryland resident or for operation in Maryland by a franchisee.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the Franchisor or an affiliate in connection with the proposed franchise sale. Note, however, that no government 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 our President, Bryce Rademan, 12300 S. 62 E., Draper, Utah 84020, (323) 839-0389, brycerademan@spitzrestaurant.com.

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 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.

[4912-9027-4352v4](#)

You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov 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~~[Issuance Date](#): April ~~1917~~, ~~2024~~-[2025](#)

~~4894-2541-6374v8-2961956-000007~~

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit M.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit K 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~~ companyowned and franchised outlets.
Will my business be the only Spitz 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 Spitz franchisee?	Item 20 or Exhibit M lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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 us by litigation only in Utah. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to sue us in Utah than in your own state.
2. Spousal Liability. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. 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.
4. Mandatory Minimum Payments. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.
5. 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.

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.-

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

- (A) A prohibition on the right of a franchisee to join an association of franchisees.
- (B) A requirement that a franchisee assent to a release, assignment, novation, waiver or estoppel which deprives franchisee of rights and protection provided in this Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (C) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (D) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (E) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (F) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (G) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (H) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in Subdivision (C).
- (I) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

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 THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

RADWICK FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
TABLE OF CONTENTS

Item	Description of Contents	Page Number
ITEM 1-	<u>THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES</u>	<u>21</u>
ITEM 2-	<u>BUSINESS EXPERIENCE</u>	4
ITEM 3-	<u>LITIGATION</u>	4
ITEM 4-	<u>BANKRUPTCY</u>	4
ITEM 5-	<u>INITIAL FEES</u>	4
ITEM 6-	<u>OTHER FEES</u>	5

ITEM 7-	ESTIMATED INITIAL INVESTMENT	~~11~~ <u>13</u>
ITEM 8-	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	~~17~~ <u>21</u>
ITEM 9-	FRANCHISEE'S OBLIGATIONS	~~19~~ <u>25</u>
ITEM 10 FINANCING		~~21~~ <u>27</u>
ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING		~~21~~ <u>27</u>
ITEM 12 TERRITORY		~~28~~ <u>37</u>
ITEM 13 TRADEMARKS		~~30~~ <u>40</u>
ITEM 14 PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION		~~31~~ <u>41</u>
ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....		~~31~~ <u>42</u>
ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL		~~32~~ <u>43</u>
ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP		~~33~~ <u>44</u>
ITEM 18 PUBLIC FIGURES		~~42~~ <u>56</u>
ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS		~~43~~ <u>57</u>
ITEM 20 OUTLETS AND FRANCHISEE INFORMATION		~~47~~ <u>61</u>
ITEM 21 FINANCIAL STATEMENTS		~~49~~ <u>63</u>
ITEM 22 CONTRACTS		~~49~~ <u>63</u>
ITEM 23 RECEIPTS		~~50~~ <u>64</u>

EXHIBITS

EXHIBIT A:	FRANCHISE AGREEMENT
EXHIBIT B:	AREA DEVELOPMENT AGREEMENT
EXHIBIT C:	ASSET PURCHASE AGREEMENT
EXHIBIT D:	OPTION TO OBTAIN LEASE ASSIGNMENT
EXHIBIT E:	MOBILE RESTAURANT ADDENDUM; NON-TRADITIONAL VENUE ADDENDUM
EXHIBIT F:	CONFIDENTIALITY AGREEMENT FOR PROSPECTIVE FRANCHISEES
EXHIBIT G:	CONFIDENTIALITY AGREEMENT FOR EMPLOYEES OF FRANCHISEE
EXHIBIT H:	GENERAL RELEASE
EXHIBIT I:	FRANCHISE COMPLIANCE CERTIFICATES
EXHIBIT J:	GUARANTEE
EXHIBIT K:	FINANCIAL STATEMENTS
EXHIBIT L:	STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
EXHIBIT M:	FRANCHISEE LIST
EXHIBIT N:	STATE-SPECIFIC ADDENDA
EXHIBIT O:	RECEIPTS

EXHIBITS

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EXHIBIT B: AREA DEVELOPMENT AGREEMENT

EXHIBIT C: ASSET PURCHASE AGREEMENT

EXHIBIT D: OPTION TO OBTAIN LEASE ASSIGNMENT

EXHIBIT E: MOBILE RESTAURANT ADDENDUM; NON-TRADITIONAL VENUE
ADDENDUM

EXHIBIT F: CONFIDENTIALITY AGREEMENT FOR PROSPECTIVE FRANCHISEES

EXHIBIT G: CONFIDENTIALITY AGREEMENT FOR EMPLOYEES OF FRANCHISEE

EXHIBIT H: GENERAL RELEASE

EXHIBIT I: FRANCHISE COMPLIANCE CERTIFICATES

EXHIBIT J: GUARANTEE

EXHIBIT K: FINANCIAL STATEMENTS

EXHIBIT L: STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

EXHIBIT M: FRANCHISEE LIST

EXHIBIT N: STATE SPECIFIC ADDENDA

EXHIBIT O: RECEIPTS

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

Radwick Franchising, LLC. Radwick Franchising, LLC, a Delaware limited liability company (“We” or “Franchisor”),

was organized as a California limited liability company on September 20, 2013 and converted to a Delaware limited liability company on December 29, 2017. We are the franchisor for the Spitz Restaurant franchise. To simplify the language in this Disclosure Document, “Franchisor,” “we” and “us” means Radwick Franchising, LLC. “You” or “Franchisee” means the business entity, person or persons who sign the Franchise Agreement. The names and addresses of our agents for service of process appear in Exhibit L to this Disclosure Document.

Franchisor’s Parents, Predecessors and Affiliates. We have no predecessor or parent companies. Our affiliate, Radwick Enterprises LLC, a California limited liability company (the “Operating Company”), was organized on June 14, 2005. The Operating Company operates 5 Spitz Restaurants, one at each of the following 5 addresses: 2506 Colorado Boulevard, Los Angeles, California 90041; 371 E. 2nd Street, Los Angeles, California 90012; 1725 Hillhurst Avenue, Los Angeles, California 90027; 3737 Cahuenga Boulevard, Studio City, California 91604; and 2103 N. Killingsworth Street, Portland, Oregon 97217. The Operating Company has never offered franchises in any line of business or sold goods or services to our franchisees. The Operating Company’s and our principal business address is 1725 Hillhurst Ave, Los Angeles, California 90027. We began offering Spitz franchises in November 2013. We have never offered franchises in any other line of business. As of December 31, ~~2022~~2024, there are 5 company-owned restaurants in operation.

The Spitz Franchise. We have developed the Spitz system (“Spitz System”) for the operation of fixed location restaurants

and food trucks which all use the same trade name “Spitz” and other related trademarks, service marks, logos and commercial symbols (collectively, the “Spitz Marks”). A Spitz restaurant offers Mediterranean-style sandwiches, wraps, salads, liquor, beer and wine in a fast casual format (orders placed at a counter and delivered to the table), and catering services (a “Spitz Restaurant”). You may purchase a Spitz Restaurant franchise to operate a single Spitz Restaurant at a location which you choose and which we accept (the “Franchised Location”) under a Franchise Agreement (Exhibit A). If you qualify, you may purchase an Area Development Agreement (Exhibit B) to develop Spitz Restaurants in a defined area we assign to you (the “Development Area”) within which you, as an area developer (“Area Developer”), must develop and operate 2 to 4 Spitz Restaurants according to a specified schedule. The Development Area may be one city, one or more counties, or some other defined geographic area. For each Spitz Restaurant you open under the Area Development Agreement, you must sign a separate Franchise Agreement on our then current form after we accept the site for the Spitz Restaurant. The form of Franchise Agreement may be different than the form of Franchise Agreement included in this Disclosure Document or attached as an Exhibit to your Area Development Agreement. You may purchase, either alone or in conjunction with a Spitz Restaurant franchise, in our discretion, a Spitz System franchise for one food truck (a “Mobile Restaurant”), which you may operate only within a geographic area we will assign to you (the “Mobile Territory”). You must purchase a new or used food truck (a “Food Truck”) for your Mobile Restaurant. You must sign a separate Franchise Agreement and Mobile Addendum (Exhibit E) for each Mobile Restaurant you will operate. If you decide to add a Mobile Restaurant after you open your Spitz Restaurant at the Franchised Location, you must sign our then-current form of Franchise Agreement and Mobile Addendum that we are then offering to new franchisees, which may contain terms and conditions that are materially different from the forms attached to this Disclosure Document as Exhibit A and Exhibit E.

We may also franchise, and the Operating Company may operate, a Spitz Restaurant to operate in a non-traditional venue that

is not a typical in-line or stand-alone store location. “Non-Traditional Venue” mean a broad variety of atypical sites, including a site or location within a captive market site, another primary business or in conjunction with other businesses or at institutional settings including office buildings and business complexes, arenas, stadiums and entertainment venues, health clubs and recreational facilities, airports, train and bus stations, toll road facilities and other transportation terminals and related facilities, food service fulfillment centers, educational, medical, governmental and other types of institutional facilities, restaurant-in retail locations or restaurant-in restaurant (for example, a restaurant within a grocery

store), food courts operated by a master concessionaire and any site for which the lessor, owner or operator limits the operation of its food service facilities to a master concessionaire or contract food service provider. If we offer to franchise a Non-Traditional Venue Spitz Restaurant to you, you must sign a Franchise Agreement and a “Non-Traditional Venue Addendum” in substantially the form included in Exhibit E. We may require that the owner or operator (the “Host”) of the venue (the “Host Facility”) consent in writing to allow you to operate the Spitz Restaurant. We must review your lease or agreement with the Host for the Host Facility before we accept the allocated space in the Host Facility as the Franchised Location.

Mobile Restaurants and Non-Traditional Venue Restaurants may offer a different menu and may not offer delivery, catering or

other services offered by a bricks and mortar Spitz Restaurant, as we may approve in advance.

Purchase Program. The Operating Company may offer to sell you a company-owned and operating Spitz Restaurant (an “Operating Restaurant”). If you agree to purchase the assets of the Operating Restaurant on terms and conditions and at the price on which you and the Operating Company mutually agree, you will sign an Asset Purchase Agreement in substantially the form of Exhibit C to this Disclosure Document (the “Asset Purchase Agreement”) and will sign a Franchise Agreement to operate the Operating Restaurant and an Addendum to Franchise Agreement for Purchase of Operating Spitz Restaurant (Exhibit E to the Franchise Agreement) (the “Purchase Addendum”) that will change certain terms of the Franchise Agreement to apply to an Operating Restaurant. The Franchise Agreement and Purchase Addendum take effect when you close on the purchase of the Operating Restaurant assets and assume the liabilities specified in the Asset Purchase Agreement.

We may require and condition the sale of a Franchise Agreement or an Area Development Agreement on the signing of personal

guarantees in substantially the form attached as Exhibit C to the Franchise Agreement by some or all of the individuals holding an equity interest in the Franchisee or Area Developer.

If you are signing your Franchise Agreement upon the expiration of the term of an existing Franchise Agreement, the terms,

fees, conditions and requirements of the successor Franchise Agreement may be different from the terms of the existing Franchise Agreement.

All provisions of our Franchise Agreement will apply to a Mobile Restaurant unless otherwise stated in the Mobile Addendum. All references to a “Spitz Restaurant” in this Disclosure Document mean a traditional “brick and mortar” Spitz Restaurant and a Mobile Restaurant unless the context indicates otherwise.

Competition. The typical “brick and mortar” Spitz Restaurant is located on a major thoroughfare or in or adjacent to a retail

shopping center. Mobile Restaurants will travel throughout their Mobile Territory. You will compete in the fast casual restaurant segment generally and with independent local restaurants, regional or national chain outlets and food trucks, some of which specialize in Mediterranean style food products, offering take-out service, catering and full service as well as with other restaurants and take-out facilities selling other kinds of cuisine or specialty foods. You may also compete with other franchised and company-owned Spitz Restaurants. The fast casual restaurant market is well developed and highly competitive, with new concepts and cuisines entering the market continuously. Our Spitz Restaurants are generally not subject to seasonal traffic fluctuations.

Special Industry Regulation. Federal, state and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Spitz Restaurant, including those which (a) establish general standards, specifications and requirements for the construction, design and maintenance of the Spitz Restaurant premises; (b) regulate

matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for life safety (fire and other perils) and general emergency preparedness; (e) govern the use of vending machines; (f) control the sale of alcoholic beverages; and (g) regulate the proper use, storage and disposal of waste, cleaning products, rodenticides, insecticides, and other hazardous materials. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Spitz Restaurant and should consider both their effect and cost of compliance.

The state where you operate your Mobile Restaurant may require the driver to obtain a commercial drivers license to drive the Food Truck, which may depend on the size, weight, brake system and number of axles of the vehicle. You are encouraged to check with your state department of motor vehicles for more information. The jurisdictions in your Mobile Territory may have additional requirements for operating Food Trucks, which may include a designated home base where the Food Truck is cleaned, stocked, serviced and stored when not in service (a "Food Truck Commissary"). A Food Truck Commissary facility will typically provide you with a resource to purchase supplies, a designated parking space, truck cleaning facilities and power and water services. Many Food Truck Commissaries also have on-site mechanical shops. The Food Truck Commissary will charge you a daily, weekly, or monthly service fee for these services.

Brick and mortar Spitz Restaurants serve alcoholic beverages unless the state and local regulations prohibit the sale at the Franchised Location. State alcoholic beverage regulatory authorities administer and enforce laws and regulations that govern the sale of alcoholic beverages. Some jurisdictions involve local authorities in regulating the sale of alcoholic beverages. We require you to use your best efforts to also obtain a license to sell beer, wine and spirits (collectively, a "Liquor License") and comply with all applicable state and local laws, rules and regulations. You must confirm in your request for us to accept a proposed Franchised Location whether you are able to obtain a full Liquor License at the location. We may reject a proposed Franchised Location if you cannot obtain a full Liquor License at the location.

You must comply with all local, state, and federal laws that apply to your Spitz Restaurant including health, sanitation, life safety, occupational health and safety for employees, smoking, labor and employment, tip reporting, and other laws governing workplaces and restaurants. The Americans with Disability Act of 1990 and the related Accessibility Regulations, as well as similar state and local codes, require readily accessible accommodation for persons with disabilities and may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, and any other measures necessary to provide access to the goods, service, facilities, privileges, advantages or accommodations to the public. You must obtain all required construction permits, certificates of use and occupancy, licenses and operational licenses. You must comply with all menu and menu board labeling laws and rules requiring restaurant operators to disclose certain calorie or other nutritional information about the foods they sell, including, for example, the FDA's rule titled Nutrition Labeling of Standard Menu items in Restaurants and Similar Food Establishments. You should consult with your attorney concerning these and other local laws and ordinances that may affect your Spitz Restaurant.

The Payment Card Industry Data Security Standard ("PCI DSS") requires that all companies that process, store, or transmit

credit or debit card information maintain a secure environment. PCI DSS applies to all organizations or merchants, regardless of size or number of transactions, that accepts, transmits or stores any cardholder data.

ITEM 2 BUSINESS EXPERIENCE

President: Bryce Rademan. Bryce Rademan has been our President since September 2013, and he has served as the President

of the Operating Company since June 2005.

Vice President: Robert Wicklund. Robert Wicklund has been our Vice President since September 2013 and the Vice President of the Operating Company since June 2005.

Manager of Operations: Jordan Bernhardt. Jordan Bernhardt has been our Manager of Operations since October 2017.

Creative Director: Devon Paulson. Devon Paulson has been our Creative Director since July 2017.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Single Restaurant. You must pay us an initial franchise fee (the “Initial Franchise Fee”) of \$35,000 when you sign the Franchise Agreement for your Spitz Restaurant. If you are signing the Franchise Agreement at the expiration of an existing Franchise Agreement term, you will pay a Successor Franchise Fee in lieu of an Initial Franchise Fee as provided in your existing Franchise Agreement.

Area Development. Each Area Development Agreement requires that you pay an Initial Franchise Fee of \$35,000 for the first Spitz Restaurant and an Initial Franchise Fee of \$30,000 for each additional Spitz Restaurant you agree to develop and open. In addition to paying the full Initial Franchise Fee for your first Spitz Restaurant when you sign the Area Development Agreement and the Franchise Agreement for that restaurant, you must pay us a development fee (the “Development Fee”) of \$15,000 per additional Spitz Restaurant to be developed when you sign the Area Development Agreement. You must commit to develop and open 2 Spitz Restaurants, and you may commit to open as many as 4 Spitz Restaurants in the Area Development Agreement. The number of Spitz Restaurants will be set when you sign the Area Development Agreement. The minimum amount due at signing is \$50,000 and the maximum due at signing \$80,000 unless you agree to develop more than 4 Spitz Restaurants. The total minimum Development Fees and Initial Franchise Fees you commit to pay is \$65,000 and the maximum total you commit to pay is \$125,000 unless you agree to develop more than 4 Spitz Restaurants. You must sign a separate Franchise Agreement for each additional Spitz Restaurant to be opened under the Area Development Agreement, usually when you have proposed, and we have accepted a Franchised Location, and then pay us the balance of the Initial Franchise Fee, generally \$15,000, after giving you credit for the Development Fee paid for that Spitz Restaurant, (not to exceed a credit of \$15,000 for any single Spitz Restaurant). If you signed an earlier form of Area Development Agreement which differs from our current form, your Initial Franchise Fee will be determined by your Area Development Agreement. All Area Development Agreements signed in ~~2022~~2024 required [payment of](#) Development Fees and Initial Franchise Fees using this formula.

Mobile and Non-Traditional Venue Restaurants. You must pay us an Initial Franchise Fee of \$35,000 when you sign the Franchise Agreement and Mobile Addendum or Non-Traditional Venue Addendum for each Mobile Restaurant or Non-Traditional Venue.

Purchase Program. You must pay us an Initial Franchise Fee of \$35,000 for an Operating Restaurant when you complete the

asset purchase transaction and sign the Franchise Agreement. You must also pay us the purchase price for the assets of an Operating Restaurant, which will generally range from \$200,000 to \$700,000 and pre-paid rent and security deposits that will generally range from \$14,000 to \$56,000. These amounts may vary depending on the finances of each Operating Restaurant and the closing terms and conditions of the Asset Purchase Agreement. You may also agree to assume certain liabilities as part of the purchase transaction.

Refunds, Different Fees and Financing. The Initial Franchise Fee and Development Fee are fully earned by us when paid

and are not refundable under any circumstances. The Operating Company sold a Spitz Restaurant located in California in a transaction that closed on January 1, 2025; we charged no Initial Franchise Fee to the Operating Company manager who purchased this Spitz Restaurant and became a franchisee. In 2022, all In 2024, the Initial Franchise Fees and paid to us ranged from no Initial Franchise Fee for the franchise of the former Affiliate Spitz Restaurant to \$35,000. All Development Fees were paid at the standard formula amounts.

ITEM 6 OTHER FEES

<u>Name of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
<u>Royalty Fee</u>	<u>5.5% of “Gross Revenue” or \$125 per week, whichever is greater. We may increase this percentage up to 7.5% and the minimum up to \$200 if you cannot obtain a full Liquor License. See Note 2</u>	<u>Tuesday of each week on the Gross Revenue of the Spitz Restaurant during the previous week (Opening Monday to Closing Sunday).</u>	<u>“Gross Revenue” includes all revenue from your Spitz Restaurant operations. Gross Revenue does not include bona fide refunds paid to customers, any sales or use taxes actually paid to any governmental authority, the retail price of any gift cards, coupons, gift certificates and vouchers when they are sold, and gratuities paid over to employees. Gift cards are included in Gross Revenue when redeemed.</u>

Name of Fee	Amount	Due Date	Remarks
Royalty Fee	~~5.5% of “Gross Revenue” or \$125 per week, whichever is greater. We may increase this percentage and minimum if you cannot obtain a full Liquor License. See Note 2~~	~~Tuesday of each week on the Gross Revenue of the Spitz Restaurant during the previous week (Opening Monday to Closing Sunday).~~	~~“Gross Revenue” includes all revenue from your Spitz Restaurant operations. Gross Revenue does not include bona fide refunds paid to customers, any sales or use taxes actually paid to any governmental authority, the retail price of any gift cards, coupons, gift certificates and vouchers when they are sold, and gratuities paid over to employees. Gift cards are included in Gross Revenue when redeemed.~~
Marketing Fund Fee	Up to 2% of Gross Revenue. (Currently Not Assessed)	Established by us.	We may, upon 90 days’ notice to all franchisees, require you to contribute up to 2% of Gross Revenue to the Marketing Fund, if and when established. We currently do not collect this fee. The activation date and initial rate for the Marketing Fund Fee may occur in our discretion.

Cooperative Advertising	As determined by each Co-Op Advertising Region; but not to exceed 2% of Gross Revenue. (Currently Not Assessed)	Established by us.	You must contribute to the Co-Op if we establish a Co-Op Advertising Coverage Area for the region where your Spitz Restaurant is located. You, and we or our affiliate, will have 1 vote for each Spitz Restaurant located within each Co-Op Advertising Coverage Area.
<u>[Social Media and Local Advertising Costs]</u>	<u>Currently \$850 per month plus any additional monthly advertising spend; the additional spending currently ranges between \$100 to \$1,600 per month. The maximum spending for this activity will be \$2,500 per month. When the Marketing Fund Fee is activated, up to 1% of Gross Revenue each calendar month.</u>	<u>Established by us.</u>	<u>You must purchase local advertising and pay for media, content and distribution in your market. We currently bill restaurants for these expenses monthly. These expenses may change as the cost of obtaining these services from third parties changes. Substantially all of this expense is paid over to service providers. We may require that you submit documentation or support for these costs to us when we cease to bill you for these services. You authorize our outsourced social media manager Enabler to manage the social media spend for your Spitz Restaurant.</u>

Name of Fee	Amount	Due Date	Remarks
~~Social Media and Local Advertising Costs~~	~~Currently \$850 per month plus any additional monthly advertising spend; the additional spending currently ranges between \$100 to \$600 per month. When the Marketing Fund Fee is activated, up to 1% of Gross Revenue each calendar month.~~	~~Established by us.~~	~~You must purchase local advertising and pay for media, content and distribution in your market. We currently bill restaurants for these expenses monthly. These expenses may change as the cost of obtaining these services from third parties changes. Substantially all of this expense is paid over to service providers. We may require that you submit documentation or support for these costs to us when we cease to bill you for these services. You authorize our outsourced social media manager Enabler to manage the social media spend for your Spitz Restaurant.~~

Late Charge	\$200 plus 1-1.5% on the amount outstanding per month, not to exceed the legal rate, which is currently 10% in California, from the date payment was due until paid in full.	Continues to accrue until paid.	Payable if any electronic or other payment submitted to us is unpaid when processed for any reason or if any amount you owe to us is not paid when due. We may increase the amount once annually by the percentage increase in the Consumer Price Index from the previous year beginning January 1, 2026.
Additional Training Fee	Currently \$300 per additional trainee per day, plus our ~~out-of-pocket~~ of pocket expenses, including transportation, food and lodging. This fee may increase up to \$600 during the term of your franchise.	On demand.	We will provide an Initial Training Program for up to 2 supervisory or managerial personnel you select, who must include the Operating Partner and General Manager. If you send more than 2 supervisory or managerial employees to the Initial Training Program, you must pay this Additional Training Fee per day per additional trainee. You must also pay for all compensation, benefits, insurance, transportation costs, food, lodging, and similar costs incurred for your attendees. We may change this fee once annually in the Manuals for replacement managers and supervisors who attend training after your attendees complete the Initial Training Program, including new managers and supervisors hired after a transfer or assignment.

Name of Fee	Amount	Due Date	Remarks
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Additional/ ~~Remedial~~ Remedial Training Program ¹	Currently, \$300 per day for each trainer, plus our ~~out-of-pocket~~ <u>out of pocket</u> expenses, including transportation, food and lodging. <u>This fee may increase up to \$600 during the term of your franchise.</u>	On demand.	We may require you and your supervisorial or managerial personnel to attend additional and remedial training programs, at our discretion. You must pay us our then-current daily fee for each of our representatives that provides additional training to you. You must also pay for all compensation, benefits, insurance, transportation costs, food, lodging and similar costs incurred for your attendees. We may change this fee once annually in the Manuals.
Consultation Fee	Currently \$500 per day. <u>This fee may increase up to \$1,000 per day during the term of your franchise.</u>	On demand.	We may provide regular consultation and advice to you in response to your inquiries regarding administrative and operating issues. You must pay all transportation costs, food, lodging and similar costs that may be incurred by us to provide these services. We may change this fee once annually in the Manuals.
Manual Replacement/ ~~Access~~ Access Fee	Currently \$500. <u>This fee may increase up to \$1,000 during the term of your franchise.</u>	On demand.	Payable if you misplace the Manuals or fail to return them to us upon demand. We may charge this fee if your administrative credentials and user log-ins for any on-line version of the Manuals must be reset. We may change this fee once annually in the Manuals.
Inspection Fee	Currently \$500 per ~~reinspection~~ <u>re-inspection</u> . <u>This fee may increase up to \$1,000 during the term of your franchise.</u>	On demand.	Payable if we must revisit the Spitz Restaurant for another inspection after you have already been notified of any deficiency or unsatisfactory condition at the Spitz Restaurant, including deficiencies for food quality, cleanliness, service, health/safety and Standards conformity. We may change this fee once annually in the Manuals.

~~Insurance Premium Reimbursement⁴~~	~~Amount of premiums paid on your behalf and our out-of-pocket costs.~~	~~On demand.~~	~~Payable only if you fail to demonstrate that you have our required insurance coverage in force, and we elect to obtain our coverage for you to meet our minimum standards.~~
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Name of Fee	Amount	Due Date	Remarks
<u>Insurance Premium Reimbursement⁴</u>	<u>Amount of premiums paid on your behalf and our out-of-pocket costs.</u>	<u>On demand.</u>	<u>Payable only if you fail to demonstrate that you have our required insurance coverage in force, and we elect to obtain our coverage for you to meet our minimum standards.</u>
Transfer Fee (Franchise Agreement and Area Development Agreement)	50% of our then current Initial Franchise Fee for a Single Restaurant, currently \$17,500	Before transfer.	Payable if you transfer/assign your Franchise Agreement or Area Development Agreement in a transaction where there is a change of control of your equity ownership or a sale or lease of the Restaurant assets or business. Includes attendance for two attendees at our Initial Training Program
Non-Cash Payment System	All costs associated with non-cash payment systems.	As incurred.	You must accept debit cards, credit cards, stored value gift cards or other non-cash payment systems we specify to enable customers to make purchases at your Spitz Restaurant.
Computer/POS System Maintenance	Currently \$1,200 - \$2,000 per year. <u>This fee may increase up to \$4,000 during the term of your franchise.</u>	As needed.	You must maintain and upgrade your POS System as we direct. We may change this cost once annually in the Manuals as our costs to provide this service change.
Default Reimbursement	Our costs and expenses from your default.	Within 5 days after you cure your default or on demand if the default is not cured.	Payable only if you default under the Franchise Agreement. This cost may include reimbursement of our legal fees and expenses, plus our out of pocket expenses if you default.

Audit	Cost of audit plus 1.5% interest per month (not to exceed 18% per year) or the highest rate allowed by law, which is 10% per year in California.	On demand.	Payable only if audit shows an understatement of 3% or more of Gross Revenue.
Successor Franchise Agreement Fee	~~50% of our then current Single Restaurant Initial Franchise Fee, currently \$17,500~~	~~When you deliver a continuity notice to us for your Franchise Agreement.~~	~~This fee will be payable when you elect to continue the Spitz System affiliation under a Successor Franchise Agreement after the term of the Franchise Agreement expires. Includes training for two attendees to our Initial Training Program~~
Renewal Fee (Area Development Agreement)	~~\$15,000~~	~~When you deliver a renewal notice to us for your Area Development Agreement.~~	~~This renewal fee will be payable when you “renew” your Area Development Agreement for an additional three year term to allow you to complete the development obligation.~~

<u>Name of Fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
<u>Successor Franchise Agreement Fee</u>	<u>50% of our then current Single Restaurant Initial Franchise Fee, currently \$17,500</u>	<u>When you deliver a continuity notice to us for your Franchise Agreement.</u>	<u>This fee will be payable when you elect to continue the Spitz System affiliation under a Successor Franchise Agreement after the term of the Franchise Agreement expires. Includes training for two attendees to our Initial Training Program</u>
<u>Renewal Fee (Area Development Agreement)</u>	<u>\$15,000</u>	<u>When you deliver a renewal notice to us for your Area Development Agreement.</u>	<u>This renewal fee will be payable when you “renew” your Area Development Agreement for an additional three year term to allow you to complete the development obligation.</u>

<u>Gross-Up Fees</u>	<u>Covers Actual Cost of Taxes Owed.</u>	<u>On demand.</u>	<u>If we are taxed on your use of our intellectual property or other intangibles or on the fees payable under your Franchise Agreement, you must pay us the Gross Up amount to insure that we receive our full fees, net of the taxes we are obligated to pay. The formula for a Gross Up is (amount due at standard rate) divided by (1-tax rate expressed in hundreths) = Gross Amount Needed to net at standard rate.</u>
<u>Sanitation and Food Safety Audits</u>	<u>Currently \$215 per inspection; \$500 per re-inspection. We may increase these fees up to \$500 and \$1,000 during the term of your franchise.</u>	<u>On demand.</u>	<u>We may, in our sole discretion, contract with a third party to conduct sanitation and food safety audits of the Spitz Restaurant from time to time during the term of your Franchise Agreement, but no less than once per calendar year. We may change these amounts once annually in the Manuals.</u>

Name of Fee	Amount	Due Date	Remarks
~~Gross-Up Fees~~	~~Covers Actual Cost of Taxes Owed.~~	~~On demand.~~	~~If we are taxed on your use of our intellectual property or other intangibles or on the fees payable under your Franchise Agreement, you must pay us the Gross Up amount to insure that we receive our full fees, net of the taxes we are obligated to pay. The formula for a Gross Up is (amount due at standard rate) divided by (1-tax rate expressed in hundreths) = Gross Amount Needed to net at standard rate.~~
~~Sanitation and Food Safety Audits~~	~~Currently \$215 per inspection; \$500 per reinspection.~~	~~On demand.~~	~~We may, in our sole discretion, contract with a third party to conduct sanitation and food safety audits of the Spitz Restaurant from time to time during the term of your Franchise Agreement, but no less than once per calendar year. We may change these amounts once annually in the Manuals.~~

New Product and Supplier Testing	Actual cost of inspection and testing; \$1,000 must be paid as a deposit before facility inspection.	As incurred.	If you propose to purchase any goods or materials from a supplier that we have not previously approved, you must submit a written request to us for approval or you must request the supplier itself to do so. We have the right to require, as a condition of our approval, that our representatives are permitted to inspect the supplier's facilities, and that you deliver to us and/or to an independent, certified laboratory designated by us, all information, specifications and samples that we designate for testing. You must pay us a fee which will not to exceed the actual cost of the inspection and testing.
Annual Conference Fee	Currently \$500. We may increase this fee up to \$1,000 during the term of your franchise.	On demand at least 30 days before the date of the Annual Franchise Conference.	You must pay us a Franchise Conference Fee in the amount of \$500 to reimburse us for a portion of the direct costs to provide the Annual Franchise Conference, whether or not you attend the conference. We may change this fee once annually in the Manuals.
Relocation Fee	Currently \$2,500. We may increase this fee up to \$5,000 during the term of your franchise.	When we approve your request to relocate your Spitz Restaurant.	You must request our prior approval to relocate your Spitz Restaurant. We may change this fee once annually in the Manuals. You must reimburse us for any travel costs we incur to inspect the proposed relocation site.
Name of Fee	Amount	Due Date	Remarks
Private Offering Fee (Franchise Agreement and Area Development Agreement)	\$10,000 or such greater amount as is necessary to reimburse us for our reasonable costs and expenses with reviewing the proposed offering.	Before offering.	Payable for each proposed private offering of securities, partnership or other ownership interests in Franchisee and is in addition to any Transfer Fee under any Franchise Agreement and/or Area Development Agreement.
Name of Fee	Amount	Due Date	Remarks

Data Security Safeguard	Actual cost of defense, advisory fees and resolution costs	On demand.	You must reimburse us for all of our out-of-pocket costs and expenses incurred in responding to and resolving any Cyber Event caused solely by you or your Spitz Restaurant.
Indemnification Expenses and Attorneys' Fees	Actual cost of defense, advisory fees and resolution costs	On demand.	You must indemnify, defend and hold us and our affiliates free and harmless from all claims of third parties arising out of your operation of the Spitz business. If we incur legal expenses to enforce any provision of your Franchise Agreement, we can recover our attorneys' fees, expenses and court costs from you.

NOTES:

1. Unless otherwise noted above, all fees are uniformly imposed by and payable to us by electronic funds transfer or other automatic payment mechanism we designate and are non-refundable. None of these fees are imposed by a cooperative. Fees expressed in dollar amounts that we reserve the right to change annually in the Manuals will be increased or decreased by reasonable amounts reflective of changes in underlying costs to provide the corresponding services to you.
2. If state or local law in the state in which the Spitz Restaurant is located prohibits or restricts in any way your ability to pay and our ability to collect Royalty Fees or other amounts due to us based on revenue derived from the sale of alcoholic beverages at the Spitz Restaurant, we will reset the percentage of Gross Revenues and minimum monthly amount of the Royalty Fees payable to us and redefine Gross Revenue to exclude the payment of Royalty Fees on revenue derived from the sale of alcoholic beverages to an formula that will have the same basic economic result for both you and us.
3. Interest accrues from the date of the underpayment or non-payment until full payment of the amount due.
4. You must maintain insurance of the types and minimum amounts (naming us as an additional insured) that we specify in your Franchise Agreement (Item 8 and Franchise Agreement, Section 13.1), the Manuals, or in supplementary notices. You may obtain additional insurance as you may desire. Insurance policies may not be subject to termination, amendment or cancellation without at least 30 days prior written notice to us. You must provide certificates of insurance evidencing coverage as we request to demonstrate continuous compliance with our insurance coverage requirements.

ITEM 7

ESTIMATED INITIAL INVESTMENT

SINGLE UNIT SPITZ RESTAURANT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of	When Due	
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	Low	High	Payment		To Whom Payment is Made
Utility Deposits, Fees and Licenses ¹	\$500	\$4,000	Cash	As Incurred	City, County, State
Architectural and Engineering Fees	\$15,000	\$30,000	Cash	As Incurred	Architect and Engineer
Real Estate Improvements	\$2,000	\$5,000	As Arranged	As Incurred	Approved Supplier
Leasehold/Construction ²	\$300,000	\$565,000	As Arranged	As Incurred	Approved Supplier
Furniture, Fixtures, Equipment & Signage ³					
Signage	\$10,000	\$40,000	As Arranged	As Incurred	Approved Supplier
POS System and Software ⁴	\$4,050	\$6,050	As Arranged	As Incurred	Approved Supplier
Furniture, Fixtures and Equipment ⁵	\$130,000	\$180,000	As Arranged	As Incurred	Approved Supplier
Opening Inventory	\$5,000	\$15,000	As Arranged	Before Opening	Approved Supplier
Beverage License Costs ⁶	\$5,000	\$110,000	As Arranged	As Incurred	City, County, State
Grand Opening and Initial Advertising Expenditure ⁷	\$6,200	\$10,000	As Arranged	Before Opening	Approved Supplier
Spitz Restaurant Premises (3 Months' Rent and one Month's Lease Deposit) ⁸	\$28,000	\$56,000	Cash (nonrefundable)	At Signing	Lessor
<u>Type of Expenditure</u>	<u>Amount</u>		<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment is Made</u>
	<u>Low</u>	<u>High</u>			
Insurance-Liability & Workers compensation (initial deposit)	\$1,000	\$4,000	Cash	Monthly Premium	Insurance Carriers

Legal Fees/Organizational Expenses ⁹	\$2,500	\$5,000	Cash	As Incurred	Legal & State
Training Expenses (Including Travel and Living Expenses) ¹⁰	\$5,000	\$10,000	As Arranged	Before Opening	Various Vendors
Initial Franchise Fee ¹¹	\$35,000	\$35,000	Cash	At Signing	Us
ADDITIONAL FUNDS (3 months) ^{12, 13}	\$30,000	\$75,000	Cash	As Incurred	Approved Suppliers & Employees
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Grand Total ¹³	\$579,250	\$1,150,050			

AREA DEVELOPMENT AGREEMENT

YOUR ESTIMATED INITIAL INVESTMENT (2-4 SPITZ RESTAURANTS)

<u>Type of Expenditure</u>	<u>Amount</u>		<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment is Made</u>
	<u>Low – 2 Restaurants</u>	<u>High – 4 Restaurants</u>			
<u>Utility Deposits, Fees and Licenses¹</u>	<u>\$1,000</u>	<u>\$16,000</u>	<u>Cash</u>	<u>As Incurred</u>	<u>City, County, State</u>
<u>Architectural & Engineering Fees</u>	<u>\$30,000</u>	<u>\$120,000</u>	<u>Cash</u>	<u>As Incurred</u>	<u>Approved Suppliers</u>
<u>Real Estate Improvements</u>	<u>\$4,000</u>	<u>\$20,000</u>	<u>As Arranged</u>	<u>As Incurred</u>	<u>Approved Suppliers</u>
<u>Leasehold/Construction²</u>	<u>\$600,000</u>	<u>\$2,260,000</u>	<u>As Arranged</u>	<u>As Incurred</u>	<u>Approved Suppliers</u>
<u>Furniture, Fixtures, Equipment & Signage³</u>					

Type of Expenditure	Amount	Method of	When Due	
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	Low – 2 Restaurants	High – 4 Restaurants	Payment		To Whom Payment is Made
Utility Deposits, Fees and Licenses ¹	\$1,000	\$16,000	Cash	As Incurred	City, County, State
Architectural & Engineering Fees	\$30,000	\$120,000	Cash	As Incurred	Approved Suppliers
Real Estate Improvements	\$4,000	\$20,000	As Arranged	As Incurred	Approved Suppliers
Leasehold/Construction ²	\$600,000	\$2,260,000	As Arranged	As Incurred	Approved Suppliers
Furniture, Fixtures, Equipment & Signage ³					
Signage	\$20,000	\$160,000	As Arranged	As Incurred	Approved Supplier
POS System and Software ⁴	\$8,100	\$24,200	As Arranged	As Incurred	Approved Supplier
Furniture, Fixtures and Equipment ⁵	\$260,000	\$720,000	As Arranged	As Incurred	Approved Supplier
Opening Inventory	\$10,000	\$60,000	As Arranged	Before Opening	Approved Supplier
Beverage License Costs ⁶	\$10,000	\$440,000	As Arranged	As Incurred	City, County, State
Grand Opening and Initial Advertising Expenditure ⁷	\$12,400	\$40,000	As Arranged	Before Opening	Approved Supplier
Spitz Restaurant Premises (3 Months’ Rent and one Month’s Lease Deposit) ⁸	\$56,000	\$224,000	Cash (~~nonrefundable~~ nonrefundabl e)	At Signing	Lessor
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low—2 Restaurants	High—4 Restaurants			

Insurance-Liability & Workers compensation (initial deposit)	\$2,000	\$16,000	Cash	Monthly Premium	Insurance Carriers
Legal Fees/Organizational Expenses ⁹	\$5,000	\$20,000	Cash	As Incurred	Legal & State
Training Expenses (Including Travel and Living Expenses) ¹⁰	\$10,000	\$40,000	As Arranged	Before Opening	Various Vendors
Initial Franchise Fee ¹¹	\$65,000	\$125,000	Cash	At Signing	Us
ADDITIONAL FUNDS (3 months) ^{12, 13}	\$60,000	\$300,000	Cash	As Incurred	Approved Suppliers & Employees
<u>Type of Expenditure</u>	<u>Amount</u>		<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment is Made</u>
	<u>Low – 2 Restaurants</u>	<u>High – 4 Restaurants</u>			
Grand Total	\$1,153,500	\$4,585,200			

*For 2 Spitz Restaurants.

**For 4 Spitz Restaurants. You will pay an initial franchise fee of \$30,000 for each additional Spitz Restaurant to be developed under the Area Development Agreement.

**MOBILE RESTAURANT/FOOD TRUCK
YOUR ESTIMATED INITIAL INVESTMENT**

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Food Truck ¹⁴	\$150,000	\$160,000	As Arranged	As Incurred	Chassis supplier and Upfitter for Food Truck Configuration
Business and Food Truck Licenses ¹⁵	\$500	\$1,500	Cash	As Incurred	City, County, State
POS System and Software ⁴	\$4,050	\$6,050	As Arranged	As Incurred	Approved Supplier

Opening Inventory	\$8,000	\$12,000	As Arranged	Before Opening	Approved Supplier
Grand Opening and Initial Advertising Expenditure ⁷	\$3,700	\$5,000	As Arranged	Before Opening	Approved Supplier
Insurance – Liability & Workers compensation (initial deposit)	\$2,500	\$3,500	Cash	Monthly Premium	Insurance Carriers
Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Legal Fees/Organizational Expenses ⁹	\$1,000	\$5,000	Cash	As Incurred	Legal Counsel & State
Training Expenses (Including Travel and Living Expenses) ¹⁰	\$2,500	\$6,000	As Arranged	Before Opening	Various Vendors
Initial Franchise Fee ¹¹	\$35,000	\$35,000	Cash	At Signing	Us
<u>Type of Expenditure</u>	<u>Amount</u>		<u>Method of Payment</u>	<u>When Due</u>	<u>To Whom Payment is Made</u>
	<u>Low</u>	<u>High</u>			
ADDITIONAL FUNDS (3 months) ^{12, 13}	\$10,000	\$50,000	Cash	As Incurred	Approved Suppliers & Employees
Grand Total ¹³	\$217,250	\$284,050			

PURCHASE PROGRAM
 OPERATING RESTAURANT
 YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
POS System and Software ⁴	\$4,050	\$6,050	As Arranged	As Incurred	Approved Supplier
Pre-Paid Rent & Security Deposits	\$14,000	\$56,000	Cash (nonrefundable)	Upon Closing of Purchase	The Operating Company

Insurance – Liability & Workers compensation (initial deposit)	\$2,500	\$3,500	Cash	Monthly Premium	Insurance Carriers
Initial Franchise Fee ¹¹	\$35,000	\$35,000	Cash	At Signing	Us
Purchase Price for Assets of Operating Restaurant ¹⁶	\$200,000	\$700,000	Cash (nonrefundable)	Upon Closing of Purchase	The Operating Company
Pre-Paid Rent & Security Deposits	\$14,000	\$56,000	Cash (nonrefundable)	Upon Closing of Purchase	The Operating Company
ADDITIONAL FUNDS (3 months) ^{12, 13}	\$10,000	\$50,000	Cash	As Incurred	Approved Suppliers & Employees
Grand Total	\$279,550	\$906,550			

[NOTES:](#)

Unless otherwise noted above, all fees are uniformly imposed by and payable to us by electronic funds transfer or other

automatic payment mechanism we designate and are non-refundable. You authorize us to debit from your designated primary business checking or savings operating account for each week any funds due and payable to us for royalty fees, marketing fund fees and all other sums that you owe to us or our affiliate. We currently do not offer financing for any purpose but reserve the right to do so in the future. We do not guarantee your note, lease or other obligation.

1. These estimates include equipment lease deposits, sales tax deposits or bonds, sewer hookup charges, and utility

deposits.

2. These estimates include costs for space plan layout, exterior signage, design, architectural, kitchen, mechanical,

electrical, plumbing and related drawings, engineering, testing, permit expediter, and city permits and fees. The size of most Spitz Restaurants ranges from 1,700 to 2,400 square feet. If you choose to build a larger sized restaurant, you may incur costs in excess of these estimates, both on a cost per square foot and total dollar basis. You must employ a licensed architect and designer approved by us to design and construct your Spitz Restaurant. These estimates are for the costs incurred for project and construction management and construction and remodeling a location to conform to our current standards, including a general contractor's fee (generally equal to 10% to 15% of total construction costs for labor and materials); contractor's (builder's risk) insurance; materials and supplies; tools; labor and subcontractor fees; and other costs to construct leasehold improvements that conform to our standards. You must perform or have performed any construction, remodeling, or additions necessary to cause the premises to conform to applicable Federal, state, county, city, local laws, ordinances, codes, rules, and regulations governing food service businesses and meet our requirements for the layout design, construction, fixture and equipment selection and placement, installation, and the trade dress appearance of a Spitz Restaurant. Construction and remodeling costs vary widely, depending upon the location, design, the condition and configuration of existing services and facilities such as heating, ventilation, air conditioning, electrical and plumbing, and the terms of your lease and the local real estate market. You must grant us a security interest in and to all leasehold improvements, fixtures, furnishings and equipment, inventory, supplies and vehicles located at or used in connection with the Spitz Restaurant. The cost of constructing a building shell. Construction costs estimated do not apply any tenant improvement allowances, which are granted by landlords and vary widely. If your landlord does not deliver a completed

building shell with accessible utility connections that is framed for finishing, your leasehold improvement construction costs may substantially exceed these estimates. These estimates do not include demolition expenses.

3. You must prepare and sell all of the menu items that we designate as part of our standard menu and provide all standard

services we designate in the Manuals. You must purchase any additional equipment or fixtures necessary to provide these services or menu items as our menu evolves over time, the cost of which may be significant.

4. These estimates include the cost to purchase the point-of-sale system and your first three months of maintenance fees. The figure provided is the cost to purchase a computerized cash accounting and point of sale system, including installation. Your costs may vary. We do require you to use the same hardware as a company-owned Spitz Restaurant but we require you to use our specified accounting and point of sale software that is obtained directly from the vendor. We have the right to change accounting and POS systems at any time upon 90 days' notice.

5. These estimates include all furniture and fixtures for a Spitz Restaurant, including chairs, tables, and window blinds. This estimate also includes the cost of all kitchen equipment, soda system, ice makers, coffee equipment, specialty equipment, sound system, security cameras and wide screen televisions.

6. Spitz Restaurants must serve beer and wine and, at your option and with our prior written approval, may also serve

liquor. A beer and wine license will generally range from \$5,000 to \$10,000, and a full liquor license will generally cost an additional \$5,000 to \$100,000. The low estimate assumes purchase of a beer and wine license only in "open jurisdictions" where any qualified party may obtain a license and there is not statutory or regulatory limit on the number of licenses or licensed restaurants. The high estimate assumes the purchase of beer, wine and a full liquor license in a "closed jurisdiction," where licenses are limited by statute or regulation and must be purchased from an existing license holder or acquired with the restaurant premises. The actual cost may be substantially higher than our high estimate in closed jurisdictions. At our discretion, a Mobile Restaurant may or may not be required to serve alcohol. You must check with your state and local alcoholic beverage licensing authority to determine the cost of your beer, wine and liquor license and the timing to obtain a license.

7. You must spend at least \$5,000 to conduct grand opening marketing and promotion for your "brick and mortar" Spitz Restaurant in a manner approved by us. If you operate a Mobile Restaurant or Non-Traditional Venue Restaurant, you must spend at least \$2,500 to conduct grand opening marketing and promotion for your Mobile or Non-Traditional Venue Restaurant in a manner approved by us. Within 90 days of the grand opening for your Spitz Restaurant, you must submit evidence to us of the grand opening expenditures. You must obtain our written consent to the grand opening plan before you implement it. After the first 30 days of the grand opening of your Spitz Restaurant, you must also pay a monthly advertising management fee directly to our approved social media/brand management company, which currently ranges from \$350 to \$500 per month (which may increase to \$1,000 if you elect to add certain services) and advertising costs to Facebook which currently range from \$250 to \$300 per month. We can change the advertising amounts you must spend and forum/social media platform you must advertise in, on written notice to you.

8. These estimates assume that your location will be a leased, unimproved, unfinished retail store-type unit. The estimates

are based on the assumption that the premises will be rented and that the landlord will require one month's rent as a security deposit. A typical Spitz Restaurant will be located in a densely populated suburban or urban area on a major thoroughfare or adjacent to or part of a suburban or urban shopping center. The typical location will be approximately 1,700 to 2,400 square feet. Monthly lease payments usually range from \$7,000 to \$14,000. A larger sized restaurant may cost more to develop, both on a cost per square foot and total dollar basis.

9. This estimate includes legal review and negotiation of the lease for the Franchised Location and accounting assistance

in setting up your books. Additional Legal Fees in the Area Development chart above reflects additional legal costs you may incur as a result of signing an Area Development Agreement.

10. This estimate includes the cost of sending your Operating Partner and General Manager to attend our Initial Training Program in Salt Lake City, Utah or other designated training location. We do not charge a tuition fee for your first two attendees to participate in the Initial Training Program, however, you will be responsible for any compensation, benefits, insurance, meals, lodging, other living expenses and transportation costs incurred by your personnel while attending the Initial Training Program. This estimate also includes the pre-opening training compensation for your managers and employees at the Spitz Restaurant. Your costs of compensation will vary with local market conditions.

11. The non-refundable Initial Franchise Fee and Development Fee are described in Item 5 of this Disclosure Document. On the Area Development Agreement chart, the low estimate assumes you commit to developing 2 Restaurants; the high estimate assumes you commit to developing 4 Restaurants.

12. You must, at all times, maintain adequate reserves and additional funds sufficient for you to fulfill all your obligations

under the Franchise Agreement and to cover the risks and contingencies of the Spitz Restaurant for at least 3 months. The estimates provided above include estimated employee wages, 3 months of inventory (including restaurant equipment and food), facility expenses, opening cash, and other required expenses through the first 3 months of operations. These estimates do not consider any finance charges, interest and related costs you may incur if any portion for the initial investment is financed or all other recurring monthly operating expenses. These amounts are the minimum recommended levels to cover operating expenses, including employee's salaries for 3 months. Additional funds may be required if sales are low or fixed costs are high. Our disclosure of additional costs covers a 3-month start-up period. Your Spitz Restaurant may experience a longer start-up period and require additional funds. We relied on our experience in operating our company-owned Spitz Restaurants in developing these estimates. You should review these estimates carefully with a business advisor before making any decision to purchase the franchise.

13. We generally do not provide financing for the Initial Franchise Fee or Development Fee.

14. The prices for food trucks vary based upon the equipment and specifications you chose, options included and local health department requirements which may result in changes in design and construction. You may purchase a "gourmet food truck" (see <http://www.cateringtruck.com/products.html>) manufactured by Armenco Catering Truck & Hot Dog Cart Manufacturing Company, Inc. ("Armenco"). Gourmet food truck kitchens manufactured by Armenco average 18 feet in length and are furnished with specific equipment for the Spitz menu preparation and service. You may purchase a food truck from any competent supplier as long as it is equipped to our specifications, as published in the Manuals. The décor and layout of your Mobile Restaurant, the equipment, graphics and detailing, trade dress and signs must comply with our requirements. These estimates include the cost of a light-duty or ~~mediumduty~~medium-duty 1/2- or ~~1-ton~~1ton panel step-van chassis, the price for which will depend upon whether you purchase a new or used truck, shipping costs, which will vary depending on factors such as fuel costs, freight, and delivery destination, plan composition, design and Armenco's in-house engineering fees. These estimates do not include the cost of mechanical inspections and/or repairs to meet Federal, state and/or local safety and emission standards. If you finance the lease or purchase of the Food Truck through a third-party lending institution, a substantial portion of the total purchase price will often be required as a down-payment as determined by the lending institution. Armenco requires an initial down payment of \$5,000 to cover plan composition costs and 50% of the kitchen purchase price. The remaining balance must be paid in full prior to delivery. Other suppliers may offer different terms.

15. These estimates include health department plan check and annual permit fees as well as building and safety plan

check/insignia fees (when required) which are not included in the purchase price. Other included expenses are estimated city business license fees and Department of Motor Vehicle registration, renewal and smog check fees. These costs vary from state to state and vehicle model. Various factors determine the costs of these fees, such as area of operation, gross vehicle weight and local tax and licensing fee schedules.

16. The purchase price of an Operating Restaurant typically depends on the business's gross cash flow, the remaining

term of the lease and the value of the leasehold. In the typical case, you will purchase all assets of the Spitz Restaurant owned by the Operating Company, including the goodwill of the business other than the goodwill associated with the Spitz Marks and receive an assignment of all relevant commercial contracts and the lease for the premises. In the typical case, you will reimburse the Operating Company for one month's rent and a security deposit equal to 1 – 3 month's rent for the Spitz Restaurant premises when you complete the purchase of the assets. The low estimate assumes payment of one month's rent and a security deposit equal to one month's rent and the high estimate assumes payment of one month's rent and a security deposit equal to three month's rent. The Operating Company will generally retain all liabilities of the former business accruing before closing, except for liabilities you assume at closing under the operating contracts assigned to you, such as the premises lease. The purchase price and the terms of the Asset Purchase Agreement and its attachments will vary considerably for each transaction, depending upon the gross revenue and cash flow for the existing business, the value of the leasehold improvements and the lease, any unique characteristics of the transaction and the Operating Restaurant, financing arrangements and other factors. The purchase price and terms of the Asset Purchase Agreement are negotiable with the Operating Company.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as described below, you have no obligation to purchase or lease from us, an affiliate or from suppliers approved by us

or according to specifications we issue:

Approved Suppliers. You may only use suppliers that we have accepted and approved ("Approved Suppliers") because they

have demonstrated to us their ability to supply Spitz Restaurants with products and services meeting our specifications as to brand names, models, contents, manner of preparation, ingredients, quality, freshness, compliance with governmental standards and regulations, reliability with respect to delivery and consistency in the quality of their products or services. We will provide you with our Manuals and various supplemental bulletins and notices that will contain the specifications, standards and restrictions, which we may modify from time to time, on your purchase of products and services. Upon request, we will furnish to you a list of Approved Suppliers that we may update from time to time. You must operate your Spitz Restaurant in strict compliance with the standard procedures, policies, rules and regulations contained in the Manuals. We and our affiliate are not currently the only Approved Supplier for any goods or services, but reserve the right to be in the future. All "Spitz Branded Products", "Spitz Proprietary Products" and "~~NonProprietary~~Non-Proprietary Products" designated by us for use and sale at or from the Spitz Restaurant must be purchased from Approved Suppliers. "Spitz Branded Products" are products that bear any of the Spitz Marks, including any product now existing or developed in the future that bears any of the Spitz Marks, including products that are prepared, sold and/or manufactured in strict accordance with our recipes, methods, standards and specifications, including ~~pre-packaged~~prepackaged food and beverage products, clothing, souvenirs and novelty items.

None of our officers owns an interest in any Approved Supplier.

Goods, Supplies, Inventory and Services. You must serve all of the products we mandate to be served in all Spitz Restaurants ("Authorized Spitz Products") and you may not use or serve any menu item or product we have not authorized you to use or serve. We may specify proprietary food products, ingredients, beverages, packaging and products which are

area produced or manufactured according to our trade secrets, proprietary recipes, specifications and/or formulas (collectively, the “Spitz Proprietary Products”). You must buy Spitz Proprietary Products only from our Approved Suppliers. We will not be obligated to reveal our trade secrets or the recipes, specifications and/or formulas of Spitz Proprietary Products to you or any third party. You must purchase, use, and maintain in stock a sufficient amount of Authorized Spitz Products and Spitz Proprietary Products to operate your Spitz Restaurant.

We may designate certain non-proprietary food products, condiments, beverages, raw materials, fixtures, furnishings, equipment, uniforms, supplies, paper goods, menus, packaging, forms, customer comment cards, POS Systems, computer hardware, software, modems and peripheral equipment and other products, supplies, services and equipment, other than Spitz Proprietary Products, which you may or must use or sell at the Spitz Restaurant (“Non-Proprietary Products”). You may use, offer or sell only those ~~NonProprietary~~Non-Proprietary Products that we expressly authorize. You will purchase Non-Proprietary Products from Approved Suppliers. Each supplier we approve must comply with our requirements regarding insurance, indemnification, and non-disclosure, and satisfy us that it will supply products meeting our specifications (which may include particular brand names, models, contents, quality, freshness and compliance with governmental standards), reliably deliver consistent quality products or services, and meet any other requirements we determine is in the best interest of the Spitz System. We may limit items to a particular brand or brands set by us. Currently, Lamb Weston is the only Approved Supplier of French fries.

Social Media. We currently use Enabler Media, a social media management company, that provides national and local marketing and manages the online brand for our company-owned locations and each franchised location. The media used for these promotional services is mostly hyper-local for individual locations, but regional with the Spitz brand as a whole. The social media content for your Spitz Restaurant must be either created or approved by our Creative Director. Enabler will establish and maintain all social media accounts for each Spitz Restaurant as part of the services provided for the \$850 monthly marketing fee. We may modify or discontinue this service, or replace the current vendor, at any time.

Equipment & Fixtures. You must purchase and install, at your expense, all fixtures, furnishings, equipment (including point-

of-sale system), décor, and signs as we direct. You may not install on or about your Spitz Restaurant any merchandise, furnishings, interior or exterior décor items, supplies, fixtures, equipment or utensils unless they have been approved by us in writing. You must purchase these items from an Approved Supplier.

Computer Equipment. You must purchase, lease or license all computer hardware and software we designate for the Spitz Restaurant at your expense. You must maintain and update all computer hardware and software as we require. Currently, Toast, Inc. is the only Approved Supplier of the POS System. See Item 11.

Food Truck. If you elect to operate a Food Truck, you may purchase the “gourmet food truck” manufactured by Armenco, 21612 Osborne Street, Canoga Park, CA 91304; Phone: (800) 345-0104; (<https://www.cateringtruck.com>). Gourmet food truck kitchens average 18 feet in length. Armenco upfits the chassis, usually a Ford or Freightliner van chassis, with client-specific equipment to produce our Authorized Products, and ships the Food Truck from its Los Angeles area factory to any location in the United States. Armenco is currently the only Approved Supplier for Food Trucks. You may purchase the Food Truck from any competent supplier as long as it meets the specifications in the Manuals. Your supplier must be willing to undergo our approval process described below.

Approval of Suppliers. If you wish to procure any items from a supplier other than us or an Approved Supplier, you must

obtain our approval. You must identify the proposed supplier, its name and address, and the item(s) you desire to purchase from that supplier. We may require you to deliver a sample of their product. Our specifications and standards for supplier approval are generally available upon written request. If product specifications for the item are not in the Manuals, we will furnish the general, but not manufacturing, specifications for Non-Proprietary Products to you at your request. We may condition our approval on the supplier agreeing in writing not to disclose any confidential information regarding us or our operations, to comply faithfully with our specifications for the items it sells, to sell any materials bearing our marks only

to our franchisees, and on the supplier demonstrating to our reasonable satisfaction that it is able to supply commodities meeting our specifications on a continuing basis, and that the supplier is, and will continue to be, of good standing in the business community with regard to its financial soundness and the reliability of its product and service. We also have the right to require, as a condition of approval, that our representatives are permitted to inspect the supplier's facilities and that you deliver to us and/or to an independent, certified laboratory designated by us, all information, specifications and samples that we reasonably designate for testing. You must pay us a fee not to exceed the actual cost of the inspection and testing. In addition to product testing, a facility audit may be required. You will be responsible for any additional costs and expenses, if any, associated with the inspection of the facility. You must pay us an advance deposit against expenses that we determine, usually \$1,000, before we begin any inspection.

We will use our good faith efforts to notify you in writing of our decision to approve or disapprove the proposed supplier within 60 days after we receive your request for approval, the advance deposit and all requested back-up information. You may not use a supplier unless we notify you of our approval in writing. We may revoke a supplier's approval for failure to comply with our requirements and specifications. We will disapprove or withdraw our approval of any supplier by written notice to you.

Supplier Payments. We may receive rebates from Approved Suppliers based on the aggregate volume of products of services

purchased by our franchisees from Approved Suppliers. You will not be entitled to receive any portion of these rebates. In addition, we may negotiate certain arrangements (including price terms) for the purchase of certain items, such as logoed paper products and cups, with suppliers.

During the fiscal year ended December 31, ~~2023~~2024, we received \$~~24,161.25~~54,500 in the form of French fry rebates from Lamb Weston

as a result of required purchases by franchisees. During the fiscal year ended December 31, ~~2023~~2024, our affiliate did not derive any revenue or other material consideration from required purchases or leases by franchisees. Required purchases or leases are estimated to make up 44% to 60% of a franchisee's initial investment, and make up 25% of a franchisee's annual operating expenses.

Material Benefits. We do not provide material benefits to franchisees (for example, renewal or granting additional franchises)

based upon their purchase of particular products or services, the volume of purchases from a particular supplier or use of particular suppliers.

Cooperatives. Presently there are no purchasing or distribution cooperatives for Spitz Restaurants..

Insurance. You must obtain and maintain throughout the term of your Franchise Agreement the types and amounts of insurance

required by us and you must provide us with proof of coverage and Certificates of Insurance before you open your Spitz Restaurant, and then upon demand. Workers Compensation insurance must be in compliance with all local laws and regulations. This insurance must protect both you and us against any demand or claim with respect to personal and bodily injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon or in connection with the operation of the Spitz Restaurant. Each policy must: (i) be written by insurers licensed and admitted to write coverage in the jurisdiction in which the Spitz Restaurant is located and with a rating of "A" or better as set forth in the most recent edition of Best's Key Rating Guide; (ii) name us as an additional insured; and (iii) comply with the requirements prescribed by us at the time the policies are obtained. You and your insurers must agree to waive their rights of subrogation against us, and you must provide evidence of the waiver. The insurance coverage we currently require is as follows:

- (1) Commercial General Liability coverage (\$2 million single limit per occurrence; \$3

million general aggregate

limit, for both general liability and products /completed operations liability) for personal injury and property damage, including premises, independent contractors, products and completed operations, contractual, personal and advertising liability, on an occurrence basis, with coverage on a 1986 or later ISO commercial general liability form policy;

(2) “All Risk” property coverage including a property damage limit for the full cost of replacement of the Spitz

Restaurant

(3) Business Interruption coverage providing for not less than \$50,000 per month benefits for up to nine months

for loss of income and other expenses, which provides for Royalties to be paid from the proceeds;

(4) Business Automobile Liability covering liability arising out of any auto (including owned, hired and non-

owned autos), with a minimum of \$1 million combined single limit each accident;

(5) Workers’ Compensation or legally appropriate alternative covering all employees and contractors working at

the Franchised Business for statutory limits and employers liability with minimum limits of \$500,000 bodily injury for each accident, \$500,000 bodily injury by disease for each employee and \$500,000 bodily injury disease aggregate;

(6) Umbrella Policy having a limit of at least \$1 million on an occurrence basis excess of covering excess of the

underlying insurance described in (1), (3) and (4) above which is at least as broad as each and every underlying policy, provided that you may purchase more underlying coverage and less umbrella coverage under such policies as long as you maintain the total amount of the limits specified for each coverage area;

(7) Liquor Liability (Dram Shop) having a combined single limit of \$1 million per occurrence; and

(8) Other insurance as may be required by the state or locality of the Spitz Restaurant.

All of the liability insurance policies, other than Workers’ Compensation, must name us, Parent, and our respective officers,

directors, members, shareholders, partners and employees as additional insureds on a primary basis for operations of Franchised Business. The form of additional insured endorsement will be ISO CG 2010 11 85 Form B or its equivalent. If the additional insured has other insurance applicable to a loss, it will be on an excess or contingent basis. The additional insured's insurance coverage will not be reduced by the existence of such other insurance.

ITEM 9 FRANCHISEE’S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement 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(s) In Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Article 5 of the Franchise Agreement; Sections 5.1 and 5.2 of the Area Development Agreement	Items 8, 11 and 12
b. Pre-opening purchases/leases	Article 5 of the Franchise Agreement; Section 5.2 of the Area Development Agreement; Section 1.3 of the Mobile Addendum	Items 5, 7, 8 and 15
c. Site development and other ~~preopening~~ <u>pre-opening</u> requirements	Sections 5.3 and 5.4 of the Franchise Agreement; Sections 2, 6.1-6.2 and Exhibit B of the Area Development Agreement	Items 7, 11 and 16
d. Initial and ongoing training	Sections 6.1 and 6.2 of the Franchise Agreement	Items 6, 11 and 15
e. Opening	Section 5.4 of the Franchise Agreement; Article 3 of the Mobile Addendum	Item 11
f. Fees	Articles 4 and 14 of the Franchise Agreement; Sections 3.3, 4, 9.4.7, 9.6 and Exhibit B of the Area Development Agreement; Sections 3 and 15(i) of the Asset Purchase Agreement	Items 5, 6 and 7
g. Compliance with standards and policies/Manuals	Article 7 of the Franchise Agreement; Articles 6 and 16 of the Area Development Agreement; Section 4.2 of the Mobile Addendum	Items 11 and 16
<u>h. Trademarks and proprietary information</u>	<u>Article 9 of the Franchise Agreement; Articles 7 and 8 of the Area Development Agreement</u>	<u>Items 13 and 14</u>
<u>i. Restrictions on products/services offered</u>	<u>Article 8 of the Franchise Agreement; Section 6.2 of the Area Development Agreement</u>	<u>Items 8 and 16</u>
<u>j. Warranty and customer service requirements</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

Obligation	Section(s) In Agreement	Disclosure Document Item
~~h. Trademarks and proprietary information~~	~~Article 9 of the Franchise Agreement; Articles 7 and 8 of the Area Development Agreement~~	~~Items 13 and 14~~
~~i. Restrictions on products/services offered~~	~~Article 8 of the Franchise Agreement; Section 6.2 of the Area Development Agreement~~	~~Items 8 and 16~~

j. ~~Warranty and customer service requirements~~	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Sections 2.1, 2.3, 2.5, 2.6 and 6.1 of the Area Development Agreement	Item 12
l. Ongoing product/service	Sections 7.5, 8 and 10.5 of the Franchise Agreement	Item 16
m. Maintenance, appearance and remodeling requirements	Sections 5.3, 7.17, and 7.19 – 7.20 of the Franchise Agreement; Sections 4.3 and 4.4 of the Mobile Addendum	Items 7 and 16
n. Insurance	Article 13 of the Franchise Agreement; Section 6.5 of the Area Development Agreement	Items 7 and 8
o. Advertising	Article 10 of the Franchise Agreement	Items 6, 11 and 13
p. Indemnification	Section 18.4 of the Franchise Agreement; ~~Section~~ Section 14.4 of the Area Development Agreement	Items 6 and 12
q. Owner's participation/management/staffing	Section 7.7 of the Franchise Agreement	Item 15
r. Records and reports	Article 12 of the Franchise Agreement; Article 8 of the Asset Purchase Agreement	Items 6 and 17
s. Inspections and audits	Section 12.3 of the Franchise Agreement	Items 6 and 17
t. Transfer	Article 14 of the Franchise Agreement; Articles 9 and 10 of the Area Development Agreement	Items 6 and 17
u. Renewal	Sections 3.2-3.4 of the Franchise Agreement; Section 2.6 of the Area Development Agreement	Items 6 and 17
v. Post-termination obligations	Article 17 of the Franchise Agreement; Article 12 of the Area Development Agreement; Section 4.1 and Article 6 of the Mobile Addendum	Items 6 and 17
w. Non-competition covenants	Article 15 of the Franchise Agreement; Article 13 of the Area Development Agreement	Item 17

x. Dispute resolution	Article 19 of the Franchise Agreement; Article 15 of the Area Development Agreement; Article 14 of the Asset Purchase Agreement	Item 17
Obligation	Section(s) In Agreement	Disclosure Document Item
y. Taxes & Permits	Section 5.3 of the Franchise Agreement; Sections 7(e), 9(c), 9(d) and 9(f) of the Asset Purchase Agreement; Section 4.3 of the Mobile Addendum	Items 1 and 7
z. Computer hardware and software	Section 7.4 of the Franchise Agreement; Section 6.6 of the Area Development Agreement	Items 8 and 11
aa. Other: Security Interest	Sections 4.7 and 17.9 of the Franchise Agreement	Item 7

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.

Before Opening. We have the following obligations to you before you open your Spitz Restaurant for business:

1. Spitz Restaurant Site Selection Assistance. You are solely responsible for selection of the proposed site of your Spitz Restaurant, which will be subject to our review and approval or rejection. We may, but have no obligation to, assist you in locating a proposed site, only after you sign the Franchise Agreement and pay the Initial Franchise Fee. We do not own or lease the Spitz Restaurant to you. The "Effective Date" of the Franchise Agreement occurs when you sign and deliver the Franchise Agreement and any applicable Addendum, we accept and countersign the Franchise Agreement and you have paid the fees due at signing. We will provide you with our site criteria that include the factors we consider in approving Spitz Restaurant locations, such as general location and neighborhood, traffic patterns, parking, size, physical characteristics of existing buildings and lease terms. You may not construe any assistance we may provide, or our approval, as a guarantee or other assurance that the proposed site will be successful. You may not relocate your Spitz Restaurant without our consent. We are not obligated to assist you in negotiating the commercial or legal terms of the lease. (Franchise Agreement, Sections 5.1 and 5.4).

2. Site Design Assistance. We will provide you a copy of our specifications for the décor and layout of a Spitz Restaurant

and the required fixtures, equipment, furnishings, décor, trade dress and signs that you will obtain either from approved suppliers we identify for you or from any supplier you select as long as the items conform to our specifications. We do not deliver or install these items. You are responsible for the costs of preparing architectural, engineering and

construction drawings and site and space layout and exterior signage plans, which you must submit to us for our review and approval within 45 days after you obtain possession of the Franchised Location and, in any event, before you begin construction of your Spitz Restaurant. Before commencing any renovation or construction, you must employ a licensed architect and engineer approved by us to prepare preliminary and final architectural and engineering drawings and specifications of your Spitz Restaurant in accordance with our standard architectural plans and specifications for a prototype Spitz Restaurant. You are responsible for the cost of construction and refurbishment the Spitz Restaurant. Your costs for the required refurbishment shall not exceed \$100,000 for the interior of the Spitz Restaurant or \$50,000 for the exterior of the Spitz Restaurant. These dollar amounts will be subject to annual adjustment to reflect changes in the Consumer Price Index (Franchise Agreement, Sections 5.3 and 7.20).

3. Manuals. After you sign your Franchise Agreement, we will loan you 1 copy of our Operations Manual, which may

consist of one or more manuals (“Manuals”), to use during the term of the Franchise Agreement by hard copy or via the intranet. As of December 31, ~~2023~~2024, the Operations Manual had a total of 142 pages. The Manuals contain our standard operational procedures, policies, rules and regulations with which you must comply. We may, from time to time, update or change the Manuals in our sole discretion, and we may create a portal for on-line access to the Manuals in place of hard copy access. We may impose a data security plan for persons granted on-line access to the Manuals. (Franchise Agreement, Section 6.3). You will be given the opportunity to review the Manuals before you sign your Franchise Agreement if you first sign our form of Confidentiality Agreement (Exhibit F).

4. Initial Training. We will provide initial training at a franchised Spitz Restaurant located in Salt Lake City, Utah

and/or another designated training location, for up to 2 supervisors or managers you select, who must include the Operating Partner and General Manager, or other supervisory or managerial personnel. Additional personnel can be training for the Additional Training Fee. (Franchise Agreement, Section 6.1).

5. Franchise Disclosure Document. If you have signed an Area Development Agreement, upon our approval of a site,

we will give you a copy of our then-current Disclosure Document, if required by applicable law and you have not already received the current version, together with a copy of our ~~then-current~~thencurrent Franchise Agreement for the Spitz Restaurant. (Area Development Agreement, Section 5.4).

6. Designation of Mobile Territory for Food Truck. We will designate your Protected Area in your Food Truck Franchise Agreement. (Mobile Addendum, Section 1.2).

7. Specifications for Food Truck. We will provide you with the specifications for the equipment, graphics and detailing,

trade dress and signs for your Food Truck. (Mobile Addendum, Section 1.3).

8. Virtual Training. We may provide any or all portions of the Initial Training Program and/or pre-opening on-site

opening assistance remotely over a virtual communication platform designated by us. (Franchise Agreement, Section 6.6).

Except as expressly stated above, we do not provide assistance to you with locating a site and negotiating its purchase or lease, conforming the premises to local ordinances and building codes, obtaining any required permits, constructing,

remodeling or decorating the premises, hiring and training employees, or providing for necessary equipment, signs, fixtures, opening inventory, and supplies.

Post-Opening Obligations. We have the following obligations to you during the operation of your Spitz Restaurant:

1. Consultation and Advice. Provide regular consultation and advice to you in response to inquiries from you regarding

administrative and operating issues that you bring to our attention. (Franchise Agreement, Section 6.4).

2. Additional Training. We will provide training programs for new or replacement supervisors or managers personnel. (Franchise Agreement, Section 6.2).

3. Designate Products. We will designate Spitz Proprietary Products and Non-Proprietary Products which you may or

must stock, use and promote. (Franchise Agreement, Sections 8.3).

4. Inspections. We will inspect and examine the Spitz Restaurant to confer with your supervisory or managerial

employees, inspect and check operations, food, beverages, furnishings, interior and exterior décor, supplies, fixtures and equipment, and determine whether the Spitz Restaurant is being operated in accordance with the Franchise Agreement, the Spitz System and the Manuals. (Franchise Agreement, Section 6.5).

Except as stated above and as we may offer in the Manuals, after you open your Spitz Restaurant, we have no obligation to provide you with assistance with developing products or services that you will offer your customers, hiring and training employees, improving and developing your Spitz Restaurant, establishing prices, establishing and using administrative, bookkeeping, accounting and inventory control procedures, and resolving operating problems you may encounter.

Optional Services. We may provide in our discretion certain additional services to you. We may make operating recommendations that we deem appropriate to assist your efforts to operate the Spitz Restaurant. We may provide additional training programs for managers and staff. We may provide all or any portions of the Additional Training Programs, post-opening on-site opening assistance, post-opening consultations and/or post-opening inspections remotely over a virtual communication platform designated by us. We may now or in the future establish a toll free telephone number for the purpose of accepting and confirming customer orders nationwide, customer service, and customer follow-up and satisfaction surveys. If we establish a toll-free customer number, you must comply with our procedures for implementing the nationwide service as we specify in the Manuals or otherwise in writing. Subject to applicable law, we may establish pricing guidelines for Spitz Authorized Products. (Franchise Agreement Sections 6.2, 6.4, 6.9, 7.3,

7.6)

Length of Time to Open Your Spitz Restaurant. A Spitz Restaurant usually opens for business between 3 to 6 months after

the Effective Date of the Franchise Agreement. Factors which may affect the length of time between signing of the Franchise Agreement and opening for business include the time necessary to: identify a location which we will approve; obtain any financing you need; obtain required permits and governmental agency approvals; fulfill local ordinance requirements; obtain our approval of preliminary and final plans and specifications your architect prepares, complete construction, remodeling, alteration, and improvement of the Franchised Location, including the installation of fixtures, equipment, and signs; and complete the hiring and training of personnel. Delay in construction may be caused by inclement weather, material or labor shortages, labor actions, slow deliveries, equipment shortages and similar factors.

You may open a Spitz Restaurant under the Area Development Agreement only by signing a Franchise Agreement for that location. As noted above, we estimate the length of time between signing a Franchise Agreement and the opening of your Spitz Restaurant is 3 to 6 months. A Mobile Restaurant usually opens for business 6 to 9 months after the Franchise Agreement Effective Date. You must open your Mobile Restaurant for business within 6 months after your Franchise Agreement and Mobile Addendum Effective Date, unless we agree otherwise in writing, if Amrenco cannot deliver the Food Truck within 6 months. (Mobile Addendum, Section 3). Factors that may affect the length of time between the signing of a Franchise Agreement and the opening of a Mobile Restaurant include the time necessary to obtain the Food Truck from its manufacturer; obtain the necessary financing; obtain required permits and governmental agency approvals; fulfill local ordinance requirements; arrange for a Food Truck Commissary, and the hiring and training of personnel. Delays in opening may be caused by inclement weather, material or labor shortages, labor actions, slow deliveries, equipment shortages and similar factors.

Site Selection/Lease/Purchase of Real Estate. If you do not already have a location we approve when you sign your Franchise Agreement, you must purchase or lease a site for your Spitz Restaurant promptly after you sign the Franchise Agreement. You must submit a proposed site meeting our ~~then-current~~[thencurrent](#) site standards and specifications published in the Manuals within 90 days after the Effective Date. We have 30 days after you submit all the required information to approve or reject your proposed site. We will notify you of our preliminary approval or rejection of the site. If you do not submit and obtain our approval of a site within the required time limit, we can terminate your Franchise Agreement. (Franchise Agreement, Sections 5.1, 16.2.14). Once your site is approved, you negotiate the lease or purchase agreement and submit your proposed lease or purchase agreement to us for our review. You must allow us at least 15 days for review the lease or purchase agreement. We do not own or lease the site of the Spitz Restaurant.

If you are purchasing the Franchised Location, you must submit the contract for purchase and sale to us for approval before

you sign it and provide a fully signed copy of the contract following signing within 180 days after the Effective Date of your Franchise Agreement. You must provide us with a copy of the deed to the site after closing on the purchase, but not later than the opening of your Spitz Restaurant.
(Franchise Agreement, Section 5.1)

The purpose of our lease review is to confirm that the required provisions in Section 5.2 of the Franchise Agreement have been

included in the lease and there are no provisions that would prevent you from operating the Spitz Restaurant in compliance with the Franchise Agreement. The landlord must agree to sign an Option to Obtain Lease Assignment (Exhibit D) in the form we specify. Our acceptance of your lease is based solely on our own interests and does not represent any guarantee or endorsement by us of the Franchised Location or confirmation that the lease complies with applicable law or that the terms of the lease are favorable to you. Your lease must not (i) obligate us in any manner, or (ii) contain any provision inconsistent with your Franchise Agreement. In addition, your lease must provide for the following: (i) the lease may not be amended, assigned or sublet without our prior written consent; (ii) we have the right (but not the obligation) to succeed to your rights under the lease if you fail to exercise any option to renew, and/or extend the term of the lease; (iii) if you default under the lease, the Landlord must copy us on any notice of default sent to you and notify us in writing at least 15 days prior to the termination or non-renewal of the lease; (iv) we have an option to assume the lease upon the termination or expiration of the lease for any reason by giving written notice of the election to you and the landlord; (v) you have the unrestricted right, without the landlord's consent, to assign the lease or sublet the Franchised Location to us, or any franchisee or licensee approved by us; and (vi) we have the right to enter the Franchised Location to remove all of the Spitz Marks from the Franchised Location and modify the décor of the Franchised Location so that it no longer resembles, in whole or in part, a Spitz Restaurant if you fail to do so. (Franchise Agreement, Section 5.2). You must provide us with a conformed copy of the fully executed lease you sign in the form we approved within 180 days after the Effective Date of your Franchise Agreement. (Franchise Agreement, Section 5.1). You must complete construction of the Spitz Restaurant within 270 days after the Effective Date of your Franchise Agreement. (Franchise Agreement, Section 5.3).

At the time you sign each Franchise Agreement under an Area Development Agreement, you will be required to identify the

site for your first Spitz Restaurant. You must submit to us for our review, all demographic and other information regarding the proposed site and neighboring areas that we require, in the form we require, and request us to consider and accept the site ("Site Review Request"). (Area Development Agreement, Section 5.1). If we accept the proposed site, we will notify you of our preliminary acceptance of the site. You may begin negotiation of a lease or purchase agreement for the accepted site, subject to reasonable conditions we may impose in our notice of acceptance. You must submit a copy of the lease or purchase agreement to us for final acceptance. (Area Development Agreement, Section 5.2). After our preliminary acceptance of the site and our approval of the proposed lease or purchase agreement, we will give you execution copies of the Franchise Agreement for the proposed location, together with our current Disclosure Document if required under applicable law. You must return the signed Franchise Agreement to us within 30 days after you receive the Disclosure Document and execution copies of the Franchise Agreement (but no sooner than immediately after any applicable waiting periods required by applicable law have passed). (Area Development Agreement, Section 5.4). You must also provide a conformed copy of the fully signed lease or purchase agreement promptly after signing. Following our receipt of a final lease or purchase agreement acceptable to us, we will notify you of our final acceptance of the site. You may not sign the lease (or purchase agreement) until we deliver a Franchise Agreement signed by both you and us, and our final acceptance of the lease or purchase agreement and the site. (Area Development Agreement, Section 5.4).

You may not open your Spitz Restaurant for business until you have received our written authorization, which may be subject

to our satisfactory inspection of the Spitz Restaurant at the Franchised Location. (Franchise Agreement, Section 5.4).

Technology. You must purchase, license, use and maintain an electronic point of sale ("POS") transaction system (including

a POS system network router, computer, cameras and digital video recorder, back office computer and printer and other related hardware and software) for the Spitz Restaurant as specified in the Manuals or by us in writing (the "POS System"). Your POS System must be capable of accessing the Internet for the purpose of implementing software, transmitting and receiving data, and for ordering and maintaining the POS System. The POS System must be electronically accessible to us, and you must allow us to poll the POS System on a daily or other basis at the times and in the manner established by us, with or without notice, and to retrieve transaction information including sales, sales mix, usage, and other operations data that we deem appropriate. We may require that you update, upgrade or replace the POS System, including hardware and/or software, upon written notice, provided that you will not be required to replace the POS System any more frequently than once every 3 years. The POS System must include the required technology to permit you to accept online orders of Spitz products and services at your Spitz Restaurant and to accept and process Spitz gift cards sold in other Spitz Restaurants. In addition, you must purchase, lease or license all computer hardware and software designated by us for your Spitz Restaurant at your expense. During the term of your Franchise Agreement, you must maintain and update all computer hardware and software as required by us. (Franchise Agreement, Section 7.4).

It will cost you between \$3,000 and \$5,000 to buy the POS System and software for your Spitz Restaurant. You must purchase

the POS System designated by us. Toast, Inc. located at 401 Park Drive, Suite 801, Boston, Massachusetts 02115, (617) 682-0225, is currently the only Approved Supplier for the POS System. Annual maintenance costs/subscription fees for the POS System are approximately \$1,200 - \$2,000 per year. You must change or upgrade the POS System if we instruct you to do so.

Internet. We have registered the Internet domain name <http://www.spitz-restaurant.com> and have established a site using this domain name. You acknowledge that the domain name is our sole property. You may not use in any manner, any computer medium or electronic medium (for example, any Internet home page, e-mail address, website, domain name, URL,

bulletin board, newsgroup or other Internet related medium or activity) that contains the Spitz Marks, or any other words, symbols or terms confusingly similar to the Spitz Marks without our express prior written consent. We may include on our Internet web site interior pages that identify all Spitz Restaurants, including your Spitz Restaurant. (Franchise Agreement Sections 10.7 and 10.8).

We have the sole right to market on the Internet and use the Spitz Marks on the Internet, including all use of websites, domain

names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media. You may not separately register any domain name or any portion of a domain name containing the Spitz Marks or participate or market on any website or other form of electronic media (including social technology, social media and social networking platforms) using the Spitz Marks unless you first obtain written approval from us. Your general conduct on the Internet or other forms of electronic media, including your use of the Spitz Marks or any advertising, is subject to the terms and conditions of the Franchise Agreement and any other rules, requirements or policies that we may impose in the Manuals. (Franchise Agreement, Sections 2.3 and 10.7).

Intranet. We may, at our option, establish an Intranet portal through which our franchisees may communicate with each other, and through which we may communicate with you and may disseminate and provide access to the Manuals, updates and other confidential information to you. If we establish an Intranet, you must establish and maintain an electronic connection with the Intranet that allows us to send messages to and receive messages from you. We will have sole discretion and control over all aspects of the Intranet, including the content and functionality of the Intranet. You will have the privilege, but not the right, to use the Intranet, subject to your compliance with our policies and procedures, including data security. (Franchise Agreement Section 7.18).

Spitz Marketing Fund. We do not currently require you to pay a Marketing Fund Fee to us, but we reserve the right to do so

in the future. We intend to establish and activate a Marketing Fund, and to require our franchisees to pay a Marketing Fund Fee of 1% of their Gross Revenue at some point in the future. We may change the Marketing Fund Fee once annually for all franchisees, provided that the Marketing Fund Fee will not exceed 2% of your Gross Revenue. When implemented, the Marketing Fund will be administered by us and will be used to meet the costs of conducting marketing and promotional activities. The Marketing Fund may be used to pay the costs of preparing and producing video, audio and written marketing materials employing marketing agencies, sponsorship of sporting, charitable or similar events, administering regional and multi-regional marketing programs including purchasing direct mail and other media marketing, and employing marketing agencies to assist with marketing efforts, supporting public relations, market research and other marketing and promotional activities, campaigns, test marketing, marketing surveys, public relations activities, website development/operation for portal, Internet, Intranet and URL services and for 800 or similar numbers. (Franchise Agreement, Section 10.1).

When the Marketing Fund is implemented, company-owned and affiliate owned Spitz Restaurants, including any owned by

the Operating Company, may, but are not required to, contribute to the Marketing Fund. If they do, they will not be required to contribute the same percentage as you and may stop contributing at any time without notice to you. We will select the Marketing Fund's administrator. If implemented, the Marketing Fund will be intended to maximize public recognition and acceptance of the Spitz Marks for the benefit of the Spitz System. The administrator will not be obligated, in administering the Marketing Fund, to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that you benefit directly or pro rata from the marketing or promotion conducted under the Marketing Fund. (Franchise Agreement, Section 10.1.1).

Your contributions to the Marketing Fund will be held in an account separate from our other funds. Your contributions to the Marketing Fund will not be used to defray any expenses of ours or the administrator's, except for the reasonable costs and overhead, if any, as each may incur, such as the costs of personnel for creating and implementing advertising, promotional and marketing programs. Any unused monies in the Marketing Fund at the end of any year will be

used in the next fiscal year, and to pay any taxes on the Marketing Fund Fees. We will not use any money from the Marketing Fund for advertising that is principally a solicitation for the sale of franchises. (Franchise Agreement, Section 10.1.2). Once established, no more than once a year, we will prepare an annual accounting of the Marketing Fund and upon request distribute the accounting to Spitz Franchisees. The annual accounting will state the total amount of money collected and spent by the Marketing Fund during the previous year and will list, by general category, the manner in which we spent the money. The Marketing Fund will not be separately audited. (Franchise Agreement, Section 10.1.3).

As the Marketing Fund has not yet been established, we have no revenue or expenditures to report as of the date of this Disclosure Document.

Local Advertising. As of the date of the Franchise Disclosure Document, we bill a minimum of \$850 monthly, and up to an

additional ~~\$600~~1600 monthly for pass through fees billed to us by independent companies for social media management and content creation as well as advertising fees for social media. The average cost of the social media advertising fees per month varies on each store's financial performance as well as overall performance. Other than these monthly management fee paid directly to our Approved Supplier and advertising fees paid directly to Facebook for social media and brand management services, we do not currently require you to spend money on local advertising and promotion of your Spitz Restaurant, but we reserve the right to do so in the future. The local advertising requirement will not exceed 1% of your Gross Revenue per month. All advertising must meet the specifications published in our Manuals. You must submit to us before use, samples of all local advertising materials, and descriptions of all local advertising programs, not prepared or previously approved by us, for our approval. You may not use any advertising material or program or use the Spitz logo or Spitz Marks in any public manner without our prior written approval. (Franchise Agreement, Section 10.2).

Cooperative Advertising Programs. We may, in the future, establish programs for co-operative marketing ("Cooperative Advertising Programs") to coordinate advertising, marketing efforts and programs, to serve as a conduit for the collection and expenditure of the contributed funds and to maximize the efficient use of local and/or regional marketing media. If we create a Cooperative Advertising Program for a defined coverage area (a "Advertising Coverage Area") in which your Spitz Restaurant is located, you (and, if we or an affiliate own a Spitz Restaurant in the Advertising Coverage Area, then we and/or our affiliate), must become a subscriber and member of the Cooperative Advertising Program and must participate in the Cooperative Advertising Program in the manner we prescribe. The size and content of an Advertising Coverage Area will be binding upon you and all other similarly situated Spitz franchisees. Each participating Spitz franchisee will be entitled to one vote for each Spitz Restaurant located within the Advertising Coverage Area as we may determine. (Franchise Agreement, Section 10.3). You and all other members of the Advertising Coverage Area whose Franchise Agreements require their participation in the Cooperative Advertising Program, will contribute to the Cooperative Advertising Program the amounts that are determined by us and 50% or more of the participating Spitz Restaurants in the Cooperative Advertising Program (not to exceed 2% of the Gross Revenue of each participating Spitz Restaurant located in the Advertising Coverage Area). (Franchise Agreement, Section 10.3.1). Any amount you must contribute to the Cooperative Advertising Program will be credited against the amount which you must spend on local advertising under your Franchise Agreement. (Franchise Agreement, Section 10.2).

We will administer the Cooperative Advertising Program and determine the policies of the Cooperative Advertising Program

and the use of the available funds for media time, production of media materials, radio, television, newspapers or local marketing materials such as flyers or posters, or for any other type of advertising or marketing use. We reserve the right to establish general standards concerning the operation of the Cooperative Advertising Program, advertising agencies retained by the Cooperative Advertising Program, and marketing conducted by the Cooperative Advertising Program. Any disputes (other than pricing) arising among or between you, other Spitz franchisees, and/or the Cooperative Advertising Program will be resolved by us and our decision will be final and binding on all parties. The Cooperatives' funds will not be audited, and there will be no financial statements available for review. We have the power to require Cooperatives to be formed, changed, dissolved or merged. (Franchise Agreement, Section 10.3.2).

Grand Opening Campaign. Within 90 days of the opening of your “brick and mortar” Spitz Restaurant, you must spend at

least \$5,000 to conduct grand opening advertising and promotion. Within 90 days of the opening of your Mobile Restaurant or ~~NonTraditional~~Non-Traditional Venue Restaurant, you must spend no less than \$2,500 to conduct grand opening advertising and promotion. Within 90 days of your opening date, you must provide us with copies of all invoices, statements, canceled checks or other forms of payment that you have issued which evidence your expenditure and payment for the grand opening advertising campaign. (Franchise Agreement, Section 10.4).

Promotional Campaigns. We may conduct promotional campaigns on a national or regional basis to promote products or marketing themes. You must participate in all promotional campaigns which we may establish for the region in which your Spitz Restaurant is located. (Franchise Agreement, Section 10.5).

Advertising Council. Currently, we have not established an Advertising Council composed of franchisees to advise us on

advertising policies, but we reserve the right to form one in the future.

Initial Training Program. We will provide an Initial Training Program in the Spitz System and methods of operation (the “Initial Training Program”) at our designated “Spitz University” training locations in Salt Lake City, Utah, Los Angeles, California, or another training location we designate, for up to 2 supervisory or managerial personnel you select who must include the Operating Partner and General Manager. If you send more than 2 supervisory or managerial personnel to the Initial Training Program, you must pay the Additional Training Fee set forth in Item 6. You must attend and complete the Initial Training Program to our satisfaction. If the Spitz Restaurant is the first Spitz Restaurant to be operated by you, we will provide training, instructors, a training manual, and other materials at no charge to you. The Initial Training Program must be completed before your Spitz Restaurant opens for business. You must pay all travel, living, compensation, insurance, benefits and other expenses incurred by you and your attendees who attend the Initial Training Program. Some of the Spitz University training will be provided through on-line courses and video presentations. We will not provide the Initial Training Program if you or your affiliate (or owner of either) currently owns or operates a Spitz Restaurant or if the Franchise Agreement is executed as a Successor Franchise Agreement. (Franchise Agreement, Section 6.1). If you are purchasing an Operating Restaurant under an Asset Purchase Agreement, the Initial Training Program must be completed before you are eligible to sign a Franchise Agreement and close on the purchase.

We will also provide pre-opening training at your Spitz Restaurant for at least two weeks before your anticipated opening date (“Pre-Opening Training”). Some of the On-the-Job Training hours and content will be delivered during Pre-Opening Training at your Spitz Restaurant. The cost of our training staff is included in your Initial Franchise Fee. We do not charge you for their travel costs (airfare, lodging, meals, incidentals) but you must have your Spitz Restaurant staff hired and in place when Pre-Opening Training begins. You will be responsible for compensation and benefits costs of your staff incurred during Pre-Opening Training.

TRAINING PROGRAM

Subject	Hours of Classroom Training/Video Training	Hours of Onthe-Job Training in Initial Training Program or at ~~PreOpening~~ <u>Pre-Opening</u> Training	Location
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Introduction to “Spitz”	4 hours	2 hours	Salt Lake City, Utah, Los Angeles, California, Virtual Communication Platform, Your Spitz Restaurant
Pre-Opening Marketing	2 hours	2 hours	Salt Lake City, Utah, Los Angeles, California, Virtual Communication Platform, Your Spitz Restaurant
Permits and Coding Compliance	2 hours	2 hours	Salt Lake City, Utah, Los Angeles, California, Virtual Communication Platform, Your Spitz Restaurant
Subject	Hours of Classroom Training/Video Training	Hours of Onthe-Job Training in Initial Training Program or at PreOpening Training	Location
Products, “Recipes” and Ingredients Review	2 hours	12 hours	Salt Lake City, Utah, Los Angeles, California, Virtual Communication Platform, Your Spitz Restaurant
Position Training, Customer Service and Quality Control	4 hours	22 hours	Salt Lake City, Utah, Los Angeles, California, Virtual Communication Platform, Your Spitz Restaurant
Regulatory Compliance	2 hours	2 hours	Salt Lake City, Utah, Los Angeles, California, Virtual Communication Platform, Your Spitz Restaurant

POS Training	2 hours	10 hours	Salt Lake City, Utah, Los Angeles, California, Virtual Communication Platform, Your Spitz Restaurant
Administration	2 hours	4 hours	Salt Lake City, Utah, Los Angeles, California, Virtual Communication Platform, Your Spitz Restaurant
<u>Subject</u>	<u>Hours of Classroom Training/Video Training</u>	<u>Hours of Onthe-Job Training in Initial Training Program or at Pre-Opening Training</u>	<u>Location</u>
Personnel Management	2 hours	8 hours	Salt Lake City, Utah, Los Angeles, California, Virtual Communication Platform, Your Spitz Restaurant
Financial Management	2 hours	4 hours	Salt Lake City, Utah, Los Angeles, California, Virtual Communication Platform, Your Spitz Restaurant
Marketing, Advertising & Promotion	4 hours	2 hours	Salt Lake City, Utah, Los Angeles, California, Virtual Communication Platform, Your Spitz Restaurant
~~Totals~~ <u>Total</u>	28 hours	70 hours	

The Initial Training Program consists of 2 to 3 weeks of pre-opening training at our designated training location in Salt Lake City, Utah, Los Angeles, California or a designated training location in your region. Training will be conducted as often as necessary to ensure that franchisees complete training before their Spitz Restaurants open.

The primary instructional material for the Initial Training Program will be the Manuals and Video. The Initial Training Program will be instructed and supervised by Bryce Rademan, Robert Wicklund and Jordan Bernhardt, who each have at least ~~13~~14 years' experience with us and in the subjects covered by the Initial Training Program. Mr. Rademan and Mr. Wicklund each have ~~18~~19 years,' and Mr. Bernhardt has at least ~~13~~14 years' experience in the restaurant industry.

Your Operating Partner and General Manager or other supervisory or managerial personnel must faithfully attend all phases of

the Initial Training Program and complete it to our satisfaction, as certified by us in writing. The failure to successfully complete any aspect of the Initial Training Program by an attendee, as we determine in our sole discretion, constitutes grounds for termination of your Franchise Agreement. (Franchise Agreement, Section 7.2). We may allow an attendee who does not satisfactorily complete the Initial Training Program to retake the Initial Training Program in our sole discretion.

You must pay costs and expenses of compensation, benefits, insurance, travel, lodging, meals and other incidental expenses

incurred by your attendees at any of our training programs.

Additional Training Programs. In our discretion, we may provide you or your Operating Partner and each General Manager,

or other supervisory or managerial personnel with additional training programs ("Additional Training Programs"). You must pay us our then-current daily fee each of our representatives that provides the Additional Training Programs to defray our direct costs of providing the Additional Training Programs. In addition, you must pay all transportation costs, food, lodging and similar costs incurred in connection with your attendance at the Additional Training Programs. (Franchise Agreement, Section 6.2).

Virtual Training and Assistance. We may provide all or any portions of the Initial Training Program, Additional Training Programs, post- opening on-site opening assistance and/or post-opening consultations remotely over a virtual communication platform designated by us. (Franchise Agreement, Sections 6.6 and 7.3).

Annual Franchisee Conference. We may hold an Annual Franchisee Conference for all Spitz franchisees each year. The Operating Partner and each General Manager must attend the Annual Franchisee Conference. You must pay us a Franchisee Conference Fee to reimburse us for a portion of the direct costs to provide the Annual Franchisee Conference. You must pay the Franchisee Conference Fee upon demand at least 30 days before the start date of the Annual Franchisee Conference, whether or not you attend the Annual Franchisee Conference. (Franchise Agreement, Section 7.23).

ITEM 12 TERRITORY

Franchise Agreement. You will be permitted to operate your Spitz Restaurant at a specific location which we accept (the Franchised Location), as described in the Franchise Agreement (Exhibit A). You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You will be granted a protected territory ("Protected Area") within a 1-mile radius from your Spitz Restaurant's Franchised Location as described in the Franchise Agreement. Your Protected Area will be determined by us and designated before you sign your Franchise Agreement. Factors that we consider in determining your Protected Area include the demographics, population size, age and income levels, neighboring and adjacent retail tenants, accessibility, road visibility, traffic patterns and proximity of other Spitz Restaurants or competitors serving the same market area. Provided you are not in default under your Franchise Agreement, we will not own, operate, sell or issue a franchise to another franchisee in your Protected Area. There are no other radius restrictions or minimum population requirements that limit where we can franchise or operate another Spitz Restaurant. We may locate a Non-Traditional Venue Restaurant within your Protected Area without your consent or compensation to you.

You may not relocate the Spitz Restaurant to any other location without our prior written consent. If we approve any relocation

of your Spitz Restaurant, you must de-identify the former location. If you fail to de-identify your former Spitz Restaurant, you must reimburse and indemnify and hold us harmless from all costs and expenses, including attorneys' fees, arising out of your failure to ~~deidentify~~de-identify.

Mobile and Non-Traditional Venue Restaurants. If you own and operate a Mobile Restaurant under a Franchise Agreement and Mobile Addendum, we grant you the right to operate only within in a Mobile Territory specified in the Mobile Addendum. The Mobile Territory may be one or more cities, counties, states, or some other defined area. The Mobile Territory will be specified in your Mobile Addendum. During the term of the Franchise Agreement and Mobile Addendum, we will not operate or grant a license or franchise to any other person to operate a Mobile Restaurant in your Mobile Territory. We will consider the demographics, population, traffic patterns, potential trade area and other relevant information when we establish your Mobile Territory. You may not operate your Mobile Restaurant within another Spitz Restaurant's Protected Area or Mobile Territory. You may not operate your Mobile Restaurant within 2 miles of any Spitz Restaurant that is owned by another Spitz franchisee, or within the parking lots, garage areas, or streets adjacent to the Host Facility of a Non-Traditional Venue Restaurant (a "Protected Zone"). We may reduce or enlarge a Protected Zone at any time. If you, at any time, operate your Mobile Restaurant within another Spitz franchisee's Protected Area, Mobile Territory or a Protected Zone, you will be considered to be in material default under your Franchise Agreement. If you operate a Non-Traditional Venue Restaurant, your Protected Area will be negotiated when you enter into your Franchise Agreement and Non-Traditional Venue Addendum. Generally, your Protected Area will be limited to the Host Facility or a certain area of the Host Facility and will not extend beyond the interior of the Host Facility. Larger Host Facilities may have multiple Non-Traditional Venues that may have different franchisees.

Area Development Agreement. Under the Area Development Agreement, we grant you the right to develop and operate a

specified number of Spitz Restaurants at venues in a specified Development Area, subject to our approval. We will determine or approve the location of each Spitz Restaurant and the Protected Area under the Franchise Agreement at the time each Franchise Agreement is signed, and our then-current standards for approving sites and determining Protected Areas will apply. The Development Area may be one or more cities, counties, states, or some other defined area. During the term of the Area Development Agreement, we will not operate or grant a license or franchise to any other person to operate a Spitz Restaurant in your Development Area. You will not have an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We may operate or franchise Non-Traditional Venue Restaurants to operate within Host Facilities located in your Development Area.

If you fail to meet any of your obligations under the Area Development Agreement, including the development obligations, or

commit a material breach of any Franchise Agreement signed by you under the Area Development Agreement, or a material breach of any other agreement between you and us, we may terminate your right to develop, open and operate new Spitz Restaurants in the Development Area. The termination of your right to develop Spitz Restaurants in your Development Area will not terminate any the Franchise Agreement then in effect between you and us, absent a breach of the Franchise Agreement itself. After the expiration of the term of your Area Development Agreement, we may own, operate, franchise or license others to operate additional restaurants anywhere, without restriction, including in your Development Area, subject only to the Protected Area and Protected Zone granted to you in each individual Franchise Agreement.

If you wish to develop Spitz Restaurants in the Development Area in addition to those you commit to develop under the Area Development Agreement, you must notify us in writing at least 180 days before the expiration of your Area Development Agreement. If we believe that the renewal development obligation proposed by you is acceptable, we will

deliver our then-current Area Development Agreement to you. If the proposed additional development obligation is not acceptable to us, we will negotiate with you in good faith for 60 days after we receive your notice to try to agree upon a mutually acceptable development schedule. If you do not exercise your option to sign a new Area Development Agreement, we may own, operate, franchise or license others to operate additional Spitz Restaurants in your Development Area subject only to the territorial rights granted to each Franchisee under the individual Franchise Agreements signed under your Area Development Agreement.

Reserved Rights and Restrictions. We expressly reserve the exclusive, unrestricted right, in our sole and absolute discretion,

directly and indirectly to: (i) develop, own and operate, and to grant licenses and franchises to third parties to develop, own and operate, Spitz Restaurants at any location outside of the Protected Area or Development Area regardless of its proximity to the Spitz Restaurant; (ii) develop, own and operate, and to grant licenses and franchises to third parties to develop, own and operate, any other business other than a Competitive Business, under marks and systems different from the Spitz Marks and the Spitz System at any location within or outside of the Protected Area or Development Area, regardless of its proximity to the Spitz Restaurant; (iii) sell or distribute, at retail or wholesale, directly or indirectly, and license others to sell or distribute, Spitz Branded Products and Spitz Proprietary Products from any location within or outside of the Protected Area or Development Area regardless of proximity to the Spitz Restaurant, through the Internet, mail order catalogs, direct mail advertising and through other distribution methods and channels; (iv) market on the Internet and use the Spitz Marks on the Internet, including all use of Websites, domain names, URLs, directory addresses, email addresses, metatags, linking, advertising, co-branding and other arrangements, and in all other forms of electronic media; (v) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Spitz Restaurants and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating; (vi) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any business providing products and services similar to those provided at Spitz Restaurants, or by another business, even if such business owns, operates, franchises and/or licenses Competitive Businesses; (vii) own or operate and to franchise or license others to own or operate Spitz Restaurants at any Non-Traditional Venue at any Host Facility within and outside of your Protected Area or Development Area regardless of their proximity to any Spitz Restaurant; and (viii) engage in all other activities that either the Franchise Agreement or the Development Agreement does not expressly prohibit. We are not required to pay you any compensation if we exercise any of the rights specified above. A “Competitive Business” means any restaurant business which offers and sells Mediterranean style food products as a primary menu item and any restaurant business which looks like, copies, imitates, or operates with similar trade dress or décor to the Spitz Restaurant.

The Franchise Agreement and Manuals do not impose restrictions on us, our affiliates or any of our franchisees as to the areas

from which they may solicit or accept business and we, our affiliates and all of our franchisees are free to advertise or solicit business from any area desired for their respective Spitz Restaurants, subject to the general controls on advertising contained in the Franchise Agreement. However, for off-premises delivery and catering, you may deliver to and cater at addresses within your Protected Area. We reserve the right to establish delivery and catering zones outside your Protected Area by written notice to you in which we reserve the right to manage delivery and catering such that (i) you may be authorized to deliver and cater to certain areas, addresses or customers; (ii) you may be prohibited from delivery or catering to or for certain areas, customers or addresses, (iii) we may establish a rotation among Spitz Restaurant serving the general area or an assignment system based on our assessment of the delivery and catering performance of Spitz Restaurants in a market to assure the best customer experience, or (iv) we may establish in the Operations Manual service standards for distance, packaging, temperature control and other technical aspects that affect the quality of orders at the point of delivery or serving that you must meet to be authorized to deliver and cater outside your Protected Area.

Under the Franchise Agreement, continuation of your Protected Area and Protected Zone or your Mobile Territory rights does

not depend upon the volume of Gross Revenues generated or on your penetration of the market potential. You do not have the right to acquire additional franchises, options, rights of first refusal or similar rights to acquire additional franchises, although you may apply for the right to operate additional Spitz Restaurants under separate Franchise Agreements.

You are not permitted to use and display the Spitz Marks or use the System at any location other than the Franchised Location

and any catering location if we authorized you to offer off-premises catering, nor do you have the right to use other channels of distribution to make sales outside your Franchised Location or your Food Truck, such as the Internet, catalog sales, telemarketing or other direct marketing. You do not have any right to exclude, control, or impose conditions on the location or development of any Spitz Restaurant, other restaurant, store or any other method of distribution under the Spitz trademark or any other trademark.

General. We have not established other franchises or company-owned outlets or another distribution channel selling or leasing

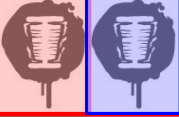
similar products or services that would be a Competitive Business under a different trademark but we may do so in the future as described above in this Item 12.

ITEM 13 TRADEMARKS

As a Franchisee, you are licensed to use and display the trade name Spitz, and the marks using it, during the term of your Franchise

Agreement and only for the operation of the Spitz Restaurant and the sale of products described on the Spitz standard menu. You may not license or sublicense any trademarks, service marks, trade names, logotypes or commercial symbols owned by us or our affiliate.

The Operating Company is the owner of all rights, titles and interests in the Spitz Marks and has registered the following marks on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

Mark	Registration Number	Registration Date
	3,372,986	January 22, 2008 Renewed: April 3, 2017
	5,099,962	December 13, 2016
	5,099,961	December 13, 2016
	5,099,963	December 13, 2016
	5,113,285	January 3, 2017

The Operating Company has issued a perpetual license to us to use and sublicense the Spitz Marks with our sale and

administration of Spitz Restaurants. The license does not limit our right to use or license the use of any of the trademarks in any manner material to the franchise. No other agreements are currently in effect which limit our use of the trademarks in any manner material to the franchise.

We claim common law rights to the trade and service marks we license to you. We or the Operating Company has filed all

required affidavits.

There are no agreements currently in effect or contemplated which would significantly limit our right to use or license the use of the Spitz Marks in any manner. There are no currently effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, or any opposition or cancellation proceeding, or any pending litigation involving the trade name Spitz or the licensed marks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the principal trademarks that are material to the franchise, nor are there any prior superior rights or infringing uses actually known to us that could materially affect your use of the licensed trade name, trademarks, or service marks. We have not, however, conducted an exhaustive search of users of names which may be the same or similar to the Spitz Marks. We are not aware of anyone other than the Operating Company who is using “Spitz” as a trademark or service mark. There may be similar uses to the Spitz Marks of which we are unaware, which could arise from prior users.

You must use the trade name Spitz without any suffix or prefix attached to it to identify the Spitz Restaurant. You are prohibited

from using our trade name, trademarks, or service marks as part of any corporate name or using the Spitz trade name with any prefix, suffix, or other modifying words, terms, designs, or symbols. You are obligated to file a fictitious business name statement and do all other things necessary to prevent the use of the Spitz trade name, trademarks, or service marks by you from diminishing or destroying the legal protection to which they are entitled.

You must notify us of any infringement of, challenge to, or unauthorized use of the licensed name or the Spitz Marks which

comes to your attention, including any claim, suit or demand against you. We may take actions we deem appropriate to protect our name or the Spitz Marks but we are not obligated by the Franchise Agreement to do so.

We have the sole right to control any litigation involving our trade name or the Spitz Marks and to compromise or settle any

claim, in our discretion, at our sole cost and expense, using lawyers of our own choosing, and you must cooperate fully in defending any claim, and you may participate at your own expense in the defense or settlement. You may not make any demand against any alleged infringer, prosecute any claim or settle or compromise any claim by a third party without our prior written consent. You agree in the Franchise Agreement not to contest, directly or indirectly, our ownership, right, title, or interest in its names or the Spitz Marks, or contest our sole right to register, use, or license others to use those names and the Spitz Marks. We may add to, delete, or modify any or all of the Spitz Marks. You must modify or discontinue the use of the Spitz Marks, at your expense, if we modify or discontinue it. We will not compensate you if we modify or discontinue the Spitz Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights in or to any patents. There are no pending patent or copyright applications that are material to the

franchise. We have no registered copyrights, but we claim copyright protection for the Manuals and all advertising material that may be distributed by us. We will loan you one copy of the Manuals for confidential use in the Spitz Restaurant. You may not disclose, publish, sell, show, or reproduce the Manuals and you must return the Manuals to us intact upon termination or expiration of the Franchise Agreement or Area Development Agreement.

We regard our recipes, our particular method of producing our menu items and food products and operating an upscale fast

casual Mediterranean restaurant, and all the information contained in the Manuals, as proprietary information owned by us. You agree, as part of the Franchise Agreement, not to contest our exclusive ownership of the copyrights, trade secrets, recipes, processes, methods, procedures, formulae, techniques, and other proprietary information to which we claim exclusive rights. You are not given any rights in other trade secrets or proprietary or confidential information developed by us in the future. You must implement any reasonable procedures we may adopt to protect our trade secrets including restrictions on disclosures to your employees and requiring employees who will have access to our trade secrets to sign employment agreements containing non-disclosure and non-competition provisions. There are no prior superior rights or infringing uses actually known to us that could materially affect your use of the copyrights, trade secrets, processes, methods, procedures, or other proprietary information described above. There are no agreements currently in effect that limit our rights to use or license the above-mentioned copyrights in any manner.

All ideas, concepts, techniques or materials created by you while you are a Spitz franchisee, whether or not protectable

intellectual property, must be promptly disclosed to us and will become our exclusive property and a part of the Spitz franchise system as a work made for hire for us without compensation to you.

The goodwill associated with all phone and fax numbers, email addresses, domain names, social media and other Internet

addresses used in operation of the Spitz Restaurant is an asset that belongs to us. Upon cancellation, termination or expiration of the Franchise Agreement, you will be deemed to have assigned to us or our designee all right, title and interest in and to these and/or services associated with the same. You must sign the instruments we request to confirm the assignments and transfers to us.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE

ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must designate an Operating Partner acceptable to us who will be responsible for the supervision and operational decisions

of the Spitz Restaurant. Your Operating Partner must devote his or her full time to the Spitz Restaurant and must own at least 10% interest in your equity and voting rights, unless you are a publicly held entity or a wholly-owned subsidiary of a publicly-held entity when you sign the Franchise Agreement. Your Spitz Restaurant must, at all times, be directly supervised by your Operating Partner or a General Manager or other supervisory or managerial personnel who have successfully completed our Initial Training Program. You must provide comprehensive initial training programs, additional training programs and remedial training programs for your other employees. You, your Operating Partner, each General Manager and all other supervisory and managerial personnel must successfully complete the applicable ServSafe Food Safety Certification Program for food handlers, managers or alcoholic beverage servers. We may require each of your owners and other supervisory or managerial personnel who have access to any confidential information we disclose to you to sign a Confidentiality and Non-Disclosure Agreement in substantially the form of Exhibit F.

All present and future owners of the equity or your voting rights, including spouses (and family members who live in the same

household, with the exception of minor children) must execute a written guarantee in a form we prescribe, personally, irrevocably and unconditionally guaranteeing, jointly and severally, with all other guarantors, the full payment and performance of your obligations to us and to our affiliate. Upon each transfer or assignment of your interest in the Franchise Agreement, or other change in your ownership interests, and at any other time we request, these holders must re-execute a written guarantee in a form we prescribe.

All employees you hire or employ at your Spitz Restaurant will be your employees and your employees alone, and will not, for

any purpose, be deemed to be our employees or subject to our direct or indirect control, most particularly with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. You will file your own tax, regulatory and payroll reports, and be responsible for paying all taxes, contributions, insurance premiums and other costs of employee benefits and workers compensation insurance for your employees and operations. Under the Franchise Agreement, we train and qualify your supervisory or managerial personnel to perform certain functions at your Spitz Restaurant related to the Spitz System only. You and you alone will be solely responsible for all hiring, supervision, and employment decisions and functions relating to the Spitz Restaurant, including those related to hiring, firing, scheduling, training, compensation, benefits, compliance with wage and hour and other legal requirements, personnel policies, benefits, recordkeeping, and discipline of employees, regardless of whether you have received advice from us on these subjects or not. Any guidance we may give you regarding employment policies should be considered merely examples. You will be responsible for establishing and implementing your own employment practices and policies. We suggest that you obtain the advice of local legal counsel experienced in employment law.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Except as described below, you must offer and sell all, and only, those goods and services that we approve. We may add, delete,

and change menu items that you may or must offer, in our unrestricted discretion, and this may require you to purchase additional equipment, ingredients, packaging and inventory. There are no limits on our right to make these changes. You must operate your Spitz Restaurant at the accepted Franchised Location and may not relocate your Spitz Restaurant without our prior written consent. The Spitz Restaurant must, at all times, be directly supervised by the Operating Partner or a General Manager who has successfully completed our training program. The General Manager does not need to have an ownership interest in an entity franchisee. We may require your Operating Partner, General Manager and others who will have access to our trade secrets and other confidential information to sign a Confidentiality and Non-Disclosure Agreement in substantially the form attached as Exhibit G.

You may not operate any co-branding system at the Franchised Location or on the Mobile Restaurant without our prior written consent, which may be withheld unless we recognize the co-branding chain as an approved co-brand for operation within Spitz Restaurants. "Co-branding" includes the operation of an independent business, product line or operating system owned or licensed by another franchisor that is featured or incorporated within the Franchised Location or is adjacent to the Franchised Location and is operated in a manner likely to cause the public to perceive that it is related to your Spitz Restaurant.

You must operate your Spitz Restaurant in compliance with the terms of your Franchise Agreement and the Manuals. You

alone will exercise day-to-day control over all operations, activities and elements of the Spitz Restaurant, including over your employees. Under no circumstance will we do so or be deemed to do so. The various requirements, restrictions,

prohibitions, specifications and procedures of the Spitz System with which you must comply under the Franchise Agreement and the Manuals do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Spitz Restaurant, but only constitute standards to which you must adhere when exercising your control over the day-to-day operations of your Spitz Restaurant consistent with our policies.

We may, on occasion, require you to test market products and/or services at your Spitz Restaurant. You must cooperate with

us in conducting these test marketing programs and must comply with all rules and regulations established by us.

No vending, gaming machines, payphones, automatic teller machines, Internet kiosks or other mechanical or electrical devices

are permitted in your Spitz Restaurant without our prior written consent.

Unless we authorize you to offer catering services from your Spitz Restaurant, you are not permitted to use or display the Spitz Marks or use the Spitz System at any location other than the Franchised Location, nor do you have the right to use other channels of distribution, including the Internet, to make sales outside of your Franchised Location. You cannot sell Authorized Spitz Products on the Internet except for take-out from the Spitz Restaurant or local delivery from the Spitz Restaurant.

Gift Cards, Loyalty, CRM, Social Media Software, Online and Mobile Ordering Programs. You may not create or issue

any gift certificates or gift cards and may only sell gift certificates or gift cards that have been issued by us that are accepted at all Spitz Restaurants. You must participate in all gift certificate and/or gift card administration programs as we may designate from time to time. You must honor all coupons, gift certificates, gift cards and other programs or promotions we direct. You must fully participate in all guest loyalty or frequent customer programs now or in the future adopted or approved by us. You must not issue coupons or discounts of any type for use at your Spitz Restaurant except as approved by us in writing. In addition, you must purchase, enroll in or subscribe to, as applicable, all CRM, social media analytics and online and mobile ordering software or programs that we designate. We may change the designated suppliers of these or similar services in our discretion. You must change, purchase or subscribe to the additional programs or software, as applicable, after we give you notice to do so.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement, Area Development Agreement and Asset Purchase Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

FRANCHISE AGREEMENT

Provision	Section in Franchise Agreement (Exhibit A)	Summary
a. Length of the term of the franchise	Sections 1 and 3.1	10 years

b. Renewal or extension of the term	Sections 1 and 3.2	Two 5 year options to enter into a Successor Franchise Agreement on our then-current form
c. Requirements for Franchisee to renew or extend	Section 3.3	You must have complied with your obligations during the term of your Franchise Agreement; at our request, renovate or modernize your Spitz Restaurant to comply with our then-current standards for a new Spitz Restaurant; sign our then-current form of Franchise Agreement that may contain terms and conditions materially different from those in your original Franchise Agreement; satisfy our then-current training requirements; pay a Successor Fee and sign a general release (subject to applicable state law). The royalty and other fee payments under your Successor Franchise Agreement will be at the rates and formulae then applicable to new franchisees.
d. Termination by Franchisee	Section 16.9	You may terminate the Franchise Agreement due to a material default by us which is not cured by us within 60 days after we receive written notice from you of the alleged default. If the default cannot reasonably be cured in that ~~60-day~~ <u>60day</u> period, we will not be in default under the Franchise Agreement if we commence to cure the default within 60 days and diligently continue to prosecute the same to completion.
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with cause	Sections 16.1—16.3 and 16.5	~~We can terminate the Franchise Agreement if you materially default under your Franchise Agreement, any other individual Franchise Agreement, any Area Development Agreement, or any other agreement between you and us.~~
g. “Cause” defined—curable defaults	Section 16.3	~~You have 5 days to cure non-payment of fees and 10 days to cure non-compliance with laws and defaults not listed in Section 16.2~~

Provision	Section in Franchise Agreement (Exhibit A)	Summary
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<u>e. Termination by Franchisor without cause</u>	<u>Not Applicable</u>	<u>Not Applicable</u>
<u>f. Termination by Franchisor with cause</u>	<u>Sections 16.1 – 16.3 and 16.5</u>	<u>We can terminate the Franchise Agreement if you materially default under your Franchise Agreement, any other individual Franchise Agreement, any Area Development Agreement, or any other agreement between you and us.</u>
<u>g. “Cause” defined – curable defaults</u>	<u>Section 16.3</u>	<u>You have 5 days to cure non-payment of fees and 10 days to cure non-compliance with laws and defaults not listed in Section 16.2</u>
<u>h. “Cause” defined non-curable defaults</u>	<u>Sections 16.1 and 16.2</u>	<u>Non curable defaults include: bankruptcy, foreclosure, and insolvency; abandonment; unapproved transfers; repeated defaults, even if cured; misrepresentations in acquiring your license; health or safety violations; trademark misuse; conviction of a felony; failure, for a period of 10 days after notification of noncompliance, to comply with any state or local law or regulation applicable to the operation of the Spitz Restaurant; knowingly maintaining false books or records or submitting false reports or knowingly underreporting Gross Revenue; materially misusing the Spitz Marks; making an unauthorized use of the trade secrets or confidential information; failing to purchase appropriate inventory; purchasing products from nonapproved suppliers; a breach of your obligations under the Franchise Agreement or other Agreement between you and us that is not capable of being cured by you; failure to obtain promised funding within 10 days of signing the Franchise Agreement; engaging in fraudulent, dishonest, unethical, immoral or similar conduct in connection with your operation of the Spitz Restaurant; and engaging in any lewd or immoral conduct whether or not in connection with your operation of the Spitz Restaurant.</u>
<u>i. Franchisee’s obligations on termination/nonrenewal</u>	<u>Sections 17.1 – 17.4, 17.6-17.8</u>	<u>You must cease use of our trademarks, de-identify the Spitz Restaurant, pay all amounts due to us, and return the Manuals. We may, at our option, assume all telephone numbers for the Spitz Restaurant. You must, at our option, cancel or assign to us your rights to any Internet websites or webpages or e-mail addresses or assumed, fictitious or corporate names which contain our Marks. See also “r” below.</u>

Provision	Section in Franchise Agreement (Exhibit A)	Summary
~~h. “Cause” defined non-curable defaults~~	~~Sections 16.1 and 16.2~~	~~Non curable defaults include: bankruptcy, foreclosure, and insolvency; abandonment; unapproved transfers; repeated defaults, even if cured; misrepresentations in acquiring your license; health or safety violations; trademark misuse; conviction of a felony; failure, for a period of 10 days after notification of noncompliance, to comply with any state or local law or regulation applicable to the operation of the Spitz Restaurant; knowingly maintaining false books or records or submitting false reports or knowingly underreporting Gross Revenue; materially misusing the Spitz Marks; making an unauthorized use of the trade secrets or confidential information; failing to purchase appropriate inventory; purchasing products from non-approved suppliers; a breach of your obligations under the Franchise Agreement or other Agreement between you and us that is not capable of being cured by you; failure to obtain promised funding within 10 days of signing the Franchise Agreement; engaging in fraudulent, dishonest, unethical, immoral or similar conduct in connection with your operation of the Spitz Restaurant; and engaging in any lewd or immoral conduct whether or not in connection with your operation of the Spitz Restaurant.~~
~~i. Franchisee’s obligations on termination/nonrenewal~~	~~Sections 17.1–17.4, 17.6–17.8~~	~~You must cease use of our trademarks, de-identify the Spitz Restaurant, pay all amounts due to us, and return the Manuals. We may, at our option, assume all telephone numbers for the Spitz Restaurant. You must, at our option, cancel or assign to us your rights to any Internet websites or webpages or e-mail addresses or assumed, fictitious or corporate names which contain our Marks. See also “r” below.~~
j. Assignment of contract by Franchisor	Section 14.1	No restriction on our right to assign.
k. “Transfer” by Franchisee – definition	Section 14.2	Includes transfer of the agreement or change in ownership of the business entity which owns it.
l. Franchisor’s approval of transfer by Franchisee	Section 14.2	Transfers require our prior written consent, which will not be unreasonably withheld.

m. Conditions for Franchisor's approval or transfer	Sections 14.2 – 14.4	The proposed transferee must qualify, successfully complete our initial training program, sign our then-current Franchise Agreement (provided, that the term of the new Franchise Agreement will be the remaining term of the existing Franchise Agreement) and you must be in good standing, sign a general release (subject to applicable state law) and pay the transfer fee. See also "r" below. If the Franchise Agreement has been signed under an Area Development Agreement, except as described below, you must concurrently assign all other existing Franchise Agreements to the same assignee.
n. Franchisor's right of first refusal to acquire Franchisee's business	Section 14.3	We can match any offer for your business.
Provision	Section in Franchise Agreement (Exhibit A)	Summary
o. Franchisor's option to purchase Franchisee's business	Section 17.5	When your Franchise Agreement expires or is terminated, we have the option to purchase the assets of the Spitz Restaurant and all of your assets related to the Spitz Restaurant.
p. Death or disability of Franchisee	Section 14.5	Your spouse, heirs or personal representative has 180 days to purchase your interest or complete an assignment of your interest to a qualified, approved third party, subject to the transfer provisions.
q. Non-competition covenants during the term of the franchise	Section 15.2	You are prohibited from: (i) diverting any present or prospective Spitz customer to any competitor or performing any other act injurious or prejudicial to the goodwill associated with the Spitz Marks and the Spitz System; or (ii) owning or having any interest in a Competitive Business.
<u>Provision</u>	<u>Section in Franchise Agreement (Exhibit A)</u>	<u>Summary</u>

r. Non-competition covenants after the franchise is terminated or expires	Section 15.3	For 2 years following the expiration or termination of your Franchise Agreement, you cannot own or have any interest in a Competitive Business located at the Franchised Location or within a 20 mile radius of any Spitz Restaurant or the Franchised Location. If you violate the post-term covenant not to compete, you must pay us, throughout the 2 year period following the termination, transfer, or expiration of your Franchise Agreement, 5.5% of the Gross Revenue of any Competitive Business at or from the Franchised Location or any site within a 20 mile radius of any Spitz Restaurant or the Franchised Location.
s. Modification of the agreement	Sections 6.3 and 21.5	The Manuals are subject to change. You must comply with any changes set forth in the Manuals. The Franchise Agreement cannot be modified or changed except by written instrument signed by all of the parties.
t. Integration/merger clause	Section 21.5	Only the terms of the Franchise Agreement and other related documents are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	None	
v. Choice of forum	Section 19.1	All proceedings will be held in state or federal courts situated in Salt Lake County, Utah, subject to applicable state law.
w. Choice of law	Section 19.1	Delaware, subject to the exception provided in Section 19.2 of the Franchise Agreement and applicable state law.

AREA DEVELOPMENT AGREEMENT

Provision	Section in Development Agreement (Exhibit B)	Summary
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a. Length of the term of the Area Development	Sections 1 and 3	5 years
b. Renewal or extension of the term	Section 2.7	5 years
c. Requirements for Area Developer to renew or extend	Section 2.7	You must sign our then-current Area Development Agreement, which will contain your additional development obligations during the renewal term; you must sign a general release (subject to applicable state law); you may be asked to sign a Franchise Agreement that contains terms and conditions materially different from those in your previous agreements; you must have fulfilled all of your obligations under the Area Development Agreement; you must demonstrate your financial ability to implement and complete your renewal development obligations; you must pay the renewal fee.
d. Termination by Area Developer	Not Applicable	Not Applicable
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with “cause”	Section 11.5	We can terminate the Area Development Agreement if you default under your Area Development Agreement, an individual Franchise Agreement, or any other agreement between you or your affiliate and us. Termination of a Franchise Agreement constitutes cause for termination of a related Area Development Agreement.
g. “Cause” defined – curable defaults	Section 11.3	You have 30 days to cure defaults under your Area Development Agreement, and in the case of a breach or default in the performance of your obligations under any Franchise Agreement or other agreement between you and us, the notice and cure provisions of the Franchise Agreement or other agreement will control.
h. “Cause” defined non-curable defaults	Sections 11.1 and 11.2	Non-curable defaults include: bankruptcy, insolvency; receivership; unapproved transfers; failure to meet your development obligations; any breach of the covenants not to ~~complete set forth in Section 13; repeated defaults, even if cured; unapproved transfers; termination of any of your Franchise Agreements; conviction of a felony; disclosure of confidential information; a breach of your obligations under the Area Development Agreement or other agreement between you and us that is not capable of being cured by you; failure to obtain promised funding within 10 days of signing the Area Development~~

		~~Agreement; engaging in fraudulent, dishonest, unethical, immoral or similar conduct in connection with your development of Spitz Restaurants; and engaging in any lewd or~~
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Provision	Section in Development Agreement (Exhibit B)	Summary
		<u>compete set forth in Section 13; repeated defaults, even if cured; unapproved transfers; termination of any of your Franchise Agreements; conviction of a felony; disclosure of confidential information; a breach of your obligations under the Area Development Agreement or other agreement between you and us that is not capable of being cured by you; failure to obtain promised funding within 10 days of signing the Area Development Agreement; engaging in fraudulent, dishonest, unethical, immoral or similar conduct in connection with your development of Spitz Restaurants; and engaging in any lewd or</u> immoral conduct whether or not in connection with your development of Spitz Restaurants.
i. Area Developer's obligation on termination/nonrenewal	Section 12.1	You will have no further right to develop or operate additional Spitz Restaurants which are not, at the time of termination, the subject of a ten validly existing Franchise Agreement between you and us. You may continue to own and operate all Spitz Restaurants under then validly existing Franchise Agreements
j. Assignment of contract by Franchisor	Section 9.1	No restrictions on our right to assign.
k. "Transfer" by Area Developer – defined	Section 9.2	Includes transfer of the agreement or changes in ownership of the business entity which owns it. No shares of an Area Developer which is a business entity may be offered for sale through the public offering of securities. Shares may be offered by private offering with our prior written consent.
l. Franchisor's approval of transfer by Area Developer	Section 9.2	Transfer require our prior written consent, which will not be unreasonably withheld.

m. Conditions for Franchisor's approval or transfer	Sections 9.2.1 and 9.4	Except as described below, you may not transfer any Franchise Agreement signed under the Area Development Agreement except with our written consent and a simultaneous assignment of the Area Development Agreement and all of the Franchise Agreements signed under the Area Development Agreement to the same assignee. The proposed buyer must sign our then-current form of Franchise Agreement for each of your Spitz Restaurants then developed or under development. The proposed transferee must qualify as a franchisee and sign our then-current Area Development Agreement and you must be in good standing, sign a general release (subject to applicable state law) and pay the transfer fee. See also "r" below.
~~n. Franchisor's right of first refusal to acquire Area Developer's business~~	~~Section 9.3~~	~~We can match any offer for your business.~~
~~o. Franchisor's option to purchase Area Developer's business~~	~~Section 9.1~~	~~We may sell our assets, the Spitz Marks or the Spitz System, may sell securities in a public offering or in a private placement, may merge, acquire other corporations, or be acquired by another corporation, and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring (each a "Capital Event") all without your consent or approval by you. Upon the occurrence of a Capital Event, we have the right to compel you to sell to us the assets of all your Spitz Restaurants, whether or not they are open or under construction.~~

Provision	Section in Development Agreement (Exhibit B)	Summary
		<u>transferee must qualify as a franchisee and sign our thencurrent Area Development Agreement and you must be in good standing, sign a general release (subject to applicable state law) and pay the transfer fee. See also "r" below.</u>
<u>n. Franchisor's right of first refusal to acquire Area Developer's business</u>	<u>Section 9.3</u>	<u>We can match any offer for your business.</u>

o. Franchisor's option to purchase Area Developer's business	Section 9.1	We may sell our assets, the Spitz Marks or the Spitz System, may sell securities in a public offering or in a private placement, may merge, acquire other corporations, or be acquired by another corporation, and may undertake a refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring (each a "Capital Event") all without your consent or approval by you. Upon the occurrence of a Capital Event, we have the right to compel you to sell to us the assets of all your Spitz Restaurants, whether or not they are open or under construction.
p. Death or disability of Area Developer	Section 9.5	Your spouse, heirs or personal representative has 180 days to purchase your interest or complete an assignment of your interest to a qualified, approved third party, subject to the transfer provisions.
q. Non-competition covenants during the term of the franchise	Section 13.2	You are prohibited from: (i) diverting any present or prospective Spitz customer to any competitor or performing any other act injurious or prejudicial to the goodwill associated with the Spitz Marks and the Spitz System; or (ii) owning or having any interest in a Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 13.3	For 2 years following the expiration or termination of your Franchise Agreement, you cannot own or have any interest in a Competitive Business at a Franchised Location, except under another effective Franchise Agreement with us, or any location within a 20 mile radius of any Spitz Restaurant or a Franchised Location.
s. Modification of the Area Development Agreement	Section 18.5	The Area Development Agreement can be modified or amended only by written agreement of all the parties.
Provision	Section in Development Agreement (Exhibit B)	Summary
t. Integration/merger clause	Section 18.5	Only the terms of the Area Development Agreement and other related documents are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Area Development Agreement may not be enforceable.

u. Dispute resolution by arbitration or mediation	None	
v. Choice of forum	Section 15.1	All proceedings will be held in state or federal courts situated in Salt Lake County, Utah, subject to applicable state law.
w. Choice of law	Section 15.1	Delaware, subject to the exception provided in Section 15.2 of the Area Development Agreement and applicable state law.

MOBILE
RESTAURANT ADDENDUM

Provision	Section in Mobile Restaurant Addendum (Exhibit E)	Summary	Summary
a. Length of the term of the franchise	Article 2	10 years	
b. Renewal or extension of the term	Article 2, Section 3.2 of the Franchise Agreement	Two 5 year options	
c. Requirements for Franchisee to renew or extend	Section 3.3 of Franchise Agreement	You must have complied with your obligations during the term of your Franchise Agreement; at our request, renovate or modernize your Spitz Restaurant to comply with our then-current standards for a new Spitz Restaurant; sign our then-current form of Franchise Agreement that may contain terms and conditions materially different from those in your original Franchise Agreement; satisfy our then-current training requirements; pay a renewal fee and sign a general release (subject to applicable state law). The royalty	

Provision	Section in Mobile Restaurant Addendum (Exhibit E)	Summary
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c. Requirements for Franchisee to renew or extend	Section 3.3 of Franchise Agreement	~~You must have complied with your obligations during the term of your Franchise Agreement; at our request, renovate or modernize your Spitz Restaurant to comply with our then-current standards for a new Spitz Restaurant; sign our then-current form of Franchise Agreement that may contain terms and conditions materially different from those in your original Franchise Agreement; satisfy our then-current training requirements; pay a renewal fee and sign a general release (subject to applicable state law). The royalty~~ payments under your renewal Franchise Agreement will be at the rates then applicable to new franchisees.
d. Termination by Franchisee	Section 16.9 of Franchise Agreement	You may terminate the Franchise Agreement due to a material default by us which is not cured by us within 60 days after we receive written notice from you of the alleged default. If the default cannot reasonably be cured in that 60 day period, we will not be in default under the Franchise Agreement if we commence to cure the default within 60 days and diligently continue to prosecute the same to completion.
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with cause	Article 5, Sections 16.1 – 16.3 and 16.5 of Franchise Agreement	We can terminate the Franchise Agreement if you materially default under your Franchise Agreement, any other individual Franchise Agreement, any Area Development Agreement, or any other agreement between you and us.
g. “Cause” defined – curable defaults	Section 16.3 of Franchise Agreement	You have 5 days to cure non-payment of fees and 10 days to cure non-compliance with laws and defaults not listed in Section 16.2
h. “Cause” defined non-curable defaults	Sections 16.1 and 16.2 of Franchise Agreement	Non curable defaults include: bankruptcy, foreclosure, and insolvency; abandonment; unapproved transfers; repeated defaults, even if cured; misrepresentations in acquiring your license; health or safety violations; trademark misuse; conviction of a felony; failure, for a period of 10 days after notification of noncompliance, to comply with any state or local law or regulation applicable to the operation of the Spitz Restaurant; knowingly maintaining false books or records or submitting false reports or knowingly underreporting Gross Revenue; materially misusing the Spitz Marks; making an unauthorized use of the trade secrets or confidential information; failing to purchase appropriate inventory; purchasing products from ~~non-~~ <u>nonapproved</u> suppliers; and a breach of your obligations under the Franchise Agreement or other

		Agreement between you and us that is not capable of being cured by you.
i. Franchisee's obligations on ~~termination/nonrenewal~~	Sections 17.1 – 17.4, 17.6-17.8 of Franchise Agreement	You must cease use of our trademarks, de-identify the Spitz Restaurant, pay all amounts due to us, and return the ~~Manuals. We may, at our option, assume all telephone numbers for the Spitz Restaurant. You must, at our option, cancel or assign to us your rights to any Internet websites or webpages or e-mail addresses or~~

<u>Provision</u>	<u>Section in Mobile Restaurant Addendum (Exhibit E)</u>	<u>Summary</u>
<u>termination/nonrenewal</u>	<u>of Franchise Agreement</u>	<u>Manuals. We may, at our option, assume all telephone numbers for the Spitz Restaurant. You must, at our option, cancel or assign to us your rights to any Internet websites or webpages or e-mail addresses or assumed, fictitious or corporate names which contain our Marks. See also “r” below.</u>
<u>j. Assignment of contract by Franchisor</u>	<u>Section 14.1 of Franchise Agreement</u>	<u>No restriction on our right to assign.</u>
<u>k. “Transfer” by Franchisee – definition</u>	<u>Section 14.2 of Franchise Agreement</u>	<u>Includes transfer of the agreement or change in equity ownership of the business entity which owns it.</u>

<u>l. Franchisor's approval of transfer by Franchisee</u>	<u>Section 14.2 Franchise Agreement</u>	<u>Transfers require our prior written consent, which will not be unreasonably withheld.</u>
<u>m. Conditions for Franchisor's approval or transfer</u>	<u>Sections 14.2 – 14.4 of Franchise Agreement</u>	<u>The proposed transferee must qualify, successfully complete our initial training program, sign our then-current Franchise Agreement (provided, that the term of the new Franchise Agreement will be the remaining term of the existing Franchise Agreement) and you must be in good standing, sign a general release (subject to applicable state law) and pay the transfer fee. See also "r" below. If the Franchise Agreement has been signed under an Area Development Agreement, except as described below, you must concurrently assign all other existing Franchise Agreements to the same assignee.</u>
<u>n. Franchisor's right of first refusal to acquire Franchisee's business</u>	<u>Article 6, Section 14.3 of Franchise Agreement</u>	<u>We can match any offer for your business.</u>
<u>o. Franchisor's option to purchase Franchisee's business</u>	<u>Section 17.5 of Franchise Agreement</u>	<u>When your Franchise Agreement expires or is terminated, we have the option to purchase the assets of the Spitz Restaurant and all of your assets related to the Spitz Restaurant.</u>
<u>p. Death or disability of Franchisee</u>	<u>Section 14.5 of Franchise Agreement</u>	<u>Your spouse, heirs or personal representative has 180 days to purchase your interest or complete an assignment of your</u>

Provision	Section in Mobile Restaurant Addendum (Exhibit E)	Summary
		~~assumed, fictitious or corporate names which contain our Marks. See also "r" below.~~
~~j. Assignment of contract by Franchisor~~	~~Section 14.1 of Franchise Agreement~~	~~No restriction on our right to assign.~~

k. ~~“Transfer” by Franchisee—definition~~	Section 14.2 of Franchise Agreement	~~Includes transfer of the agreement or change in equity ownership of the business entity which owns it.~~
l. ~~Franchisor’s approval of transfer by Franchisee~~	Section 14.2 Franchise Agreement	~~Transfers require our prior written consent, which will not be unreasonably withheld.~~
m. Conditions for Franchisor’s approval or transfer	Sections 14.2 – 14.4 of Franchise Agreement	The proposed transferee must qualify, successfully complete our initial training program, sign our then-current Franchise Agreement (provided, that the term of the new Franchise Agreement will be the remaining term of the existing Franchise Agreement) and you must be in good standing, sign a general release (subject to applicable state law) and pay the transfer fee. See also “r” below. If the Franchise Agreement has been signed under an Area Development Agreement, except as described below, you must concurrently assign all other existing Franchise Agreements to the same assignee.
n. ~~Franchisor’s right of first refusal to acquire Franchisee’s business~~	Article 6, Section 14.3 of Franchise Agreement	~~We can match any offer for your business.~~
o. ~~Franchisor’s option to purchase Franchisee’s business~~	Section 17.5 of Franchise Agreement	~~When your Franchise Agreement expires or is terminated, we have the option to purchase the assets of the Spitz Restaurant and all of your assets related to the Spitz Restaurant.~~
p. ~~Death or disability of Franchisee~~	Section 14.5 of Franchise Agreement	~~Your spouse, heirs or personal representative has 180 days to purchase your interest or complete an assignment of your interest to a qualified, approved third party, subject to the transfer provisions.~~
q. Non-competition covenants during the term of the franchise	Section 15.2 of Franchise Agreement	You are prohibited from: (i) diverting any present or prospective Spitz customer to any competitor, or performing any other act injurious or prejudicial to the goodwill associated with the Spitz Marks and the Spitz System; or (ii) owning or having any interest in a Competitive Business.

r. Non-competition covenants after the franchise is terminated or expires	Section 15.3 of Franchise Agreement	For 2 years following the expiration or termination of your Franchise Agreement, you cannot own or have any interest in a Competitive Business located at the Franchised Location or within a 20 mile radius of any Spitz Restaurant or the Franchised Location. If you violate the post-term covenant not to compete, you must pay us, throughout the 2 year period following the termination, transfer, or expiration of your Franchise Agreement, 5.5% of the <u>gross revenue of any Competitive Business at or from the Franchised Location or any site within a 20 mile radius of any Spitz Restaurant or the Franchised Location.</u>
Provision	Section in Mobile Restaurant Addendum (Exhibit E)	Summary
		~~gross revenue of any Competitive Business at or from the Franchised Location or any site within a 20 mile radius of any Spitz Restaurant or the Franchised Location.~~
s. Modification of the agreement	Sections 6.3 and 21.5 of Franchise Agreement	The Manuals are subject to change. You must comply with any changes set forth in the Manuals. The Franchise Agreement cannot be modified or changed except by written instrument signed by all of the parties.
t. Integration/merger clause	Section 21.5 of Franchise Agreement	Only the terms of the Franchise Agreement and other related documents are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	None	
v. Choice of forum	Section 19.1 of Franchise Agreement	All proceedings will be held in state or federal courts situated in Salt Lake County, Utah, subject to applicable state law.

<u>Provision</u>	<u>Section in Mobile Restaurant Addendum (Exhibit E)</u>	<u>Summary</u>
w. Choice of law	Section 19.1 of Franchise Agreement	Delaware, subject to the exception provided in Section 19.2 of the Franchise Agreement and applicable state law.

ASSET PURCHASE AGREEMENT

Provision	Section in Purchase Agreement (Exhibit C)	Summary
a. Length of the term of the franchise	Not Applicable	Not Applicable
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for Franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by Franchisee	Not Applicable	Not Applicable
e. Termination by Franchisor without cause	Not Applicable	Not Applicable
f. Termination by Franchisor with cause	Not Applicable	Not Applicable
g. "Cause" defined – curable defaults	Not Applicable	Not Applicable
h. "Cause" defined non-curable defaults	Not Applicable	Not Applicable
Provision	Section in Purchase Agreement (Exhibit C)	Summary
i. Franchisee's obligations on termination/nonrenewal	Not Applicable	Not Applicable
j. Assignment of contract by Franchisor	Not Applicable	Not Applicable
k. "Transfer" by Franchisee – definition	Not Applicable	Not Applicable

l. Franchisor's approval of transfer by Franchisee	Not Applicable	Not Applicable
m. Conditions for Franchisor's approval of transfer	Not Applicable	Not Applicable
<u>Provision</u>	<u>Section in Purchase Agreement (Exhibit C)</u>	<u>Summary</u>
n. Franchisor's right of first refusal to acquire Franchisee's business	Not Applicable	Not Applicable
o. Franchisor's option to purchase Franchisee's business	Not Applicable	Not Applicable
p. Death or disability of Franchisee	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	Section 15(d)	Must be in writing signed by both parties.
t. Integration/merger clause	Section 15(d)	Only the terms of the Purchase Agreement and its other related documents are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Purchase Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Article 14	Salt Lake County, Utah, subject to state law.
w. Choice of law	Article 14	Delaware, subject to state law.

ITEM 18
PUBLIC FIGURES

No compensation or other benefit is given or promised to a public figure for the use of a public figure in the name or symbol

of the Spitz Restaurant or the endorsement or recommendation of the Spitz Restaurant by a public figure in advertisements. You do not have the right to use the name of any public figure in promotional efforts or advertising without prior written approval from us. No public figures are involved in the actual management or control of Radwick Franchising, LLC.

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 of a particular location or under particular circumstances.

Written substantiation for the financial performance representations made in this Item 19 will be made available to you upon

reasonable request.

Gross Revenue, Operating Expenses and Net Profit At ~~814~~ Franchised Spitz Restaurants
During ~~The~~the Period January 1, ~~2023~~2024 Through December 31, ~~2023~~2024
(As Of December 31, ~~2023~~2024, There Were A Total Of ~~1520~~ Franchised Spitz Restaurants)
(SEE NOTES 1 –9)

TABLE 1

	Average (Note 7)	Percent of Gross Revenues
Gross Revenues (Note ~~32~~)	~~\$1,869,721.22~~ <u>1,841,280.83</u>	100.00%
Operating Expenses (Note ~~3~~ ~~4~~)	<u>\$1,636,485.18</u>	<u>88.8%</u>
Food Cost	~~\$487,062.24~~ <u>473,398.87</u>	~~26.35~~ <u>25.71</u> %
Supplies and Materials	~~\$35,064.47~~ <u>30,301.81</u>	~~1.87~~ <u>1.65</u> %
Labor Cost	~~\$473,137.36~~ <u>466,371.27</u>	~~22.32~~ <u>25.33</u> %
Gross Rent	~~\$104,639.87~~ <u>108,128.38</u>	~~5.60~~ <u>5.87</u> %
Other Costs	~~\$378,274.82~~ <u>457,014.40</u>	~~20.41~~ <u>24.82</u> %
Royalties	~~\$102,834.67~~ <u>101,270.45</u>	~~5.50~~ <u>5.5</u> %

Net Profit (Note ~~5~~ <u>4</u>)	~~\$288,707.80~~ <u>204,795.65</u>	~~14.89~~ <u>11.12</u> %
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Of the ~~eight~~fourteen Spitz Restaurant franchises reporting complete ~~2023~~2024 financial performance information, ~~five~~seven or ~~63~~50% reported Gross Revenues at or above the average shown in Table 1. The Median Gross ~~Sales~~Revenues of the 14 Franchise Restaurants for ~~2023~~2024 was ~~\$2,015,056.33~~1,744,848.11. The range of Gross Revenue was from ~~\$1,219,615.24 to \$2,265,233.06~~1,260,760.20 to \$2,657,396.11. ~~Three~~Six Franchised Restaurants are omitted from the data set because ~~each did not report complete financial data~~they were not open and operating for all of ~~2023~~2024.

Gross Revenue, Operating Expenses, Net Profit and Imputed Royalties At 5 Affiliate-Owned Spitz Restaurants
During ~~The~~the Period January 1, ~~2023~~2024 Through December 31, ~~2023~~2024
(As Of December 31, 2022, There Were A Total Of 5 Affiliate-Owned Spitz Restaurants)
(See Notes 1 –9)

TABLE 2

	Average	Percentage of Gross Revenue
Gross Revenue (Note ~~3~~ <u>2</u>)	~~\$1,844,592.20~~ <u>1,971,296.23</u>	100.00%
Operating Expenses (~~Note 4~~ <u>Note 3</u>)	<u>\$1,844,471.21</u>	<u>93.57%</u>
Food Cost	~~\$432,195.52~~ <u>402,705.73</u>	~~26.19~~ <u>20.43</u> %
Supplies and Materials	~~\$33,284.93~~ <u>34,274.77</u>	~~1.87~~ <u>1.74</u> %
Labor Cost	~~\$441,235.02~~ <u>544,008.36</u>	~~23.70~~ <u>27.60</u> %
Gross Rent	~~\$104,646.93~~ <u>107,200.02</u>	~~5.73~~ <u>5.44</u> %
Other Costs	~~\$524,671.88~~ <u>647,861.04</u>	~~28.74~~ <u>32.86</u> %
Imputed Royalties (Note ~~6~~ <u>5</u>)	~~\$96,159.19~~ <u>108,421.29</u>	5.50%
Net Profit (~~Note~~ <u>Notes 4, 6</u>)	~~\$247,798.48~~ <u>126,825.02</u>	~~13.04~~ <u>6.43</u> %

Of the five Spitz Restaurant owned by Affiliates reporting ~~2023~~2024 financial performance information, ~~three~~2 or ~~60~~40% reported Gross Revenues at or above the average shown in Table 2. The Median Gross ~~Sales~~Revenues of the Affiliate-Owned Spitz Restaurants for ~~2023~~2024 was ~~\$1,831,815.64~~1,883,337.09. The range of Gross Revenue in ~~2023~~2024 was from ~~\$1,469,810.67 to \$2,229,565.64~~1,545,567.66 to \$2,724,896.83 for these five Spitz Restaurants.

NOTE 1:

Table 1 includes actual historical unaudited information we have received from franchisees for ~~814~~ Spitz Restaurants that were owned and operated by our franchisees in ~~2023~~2024. All of these franchised Spitz Restaurants are operations similar to the franchise offered in this Disclosure Document. New outlets with different sized seating, bar and kitchen areas may differ materially in performance from these outlets. We compiled Table 1 from reports submitted to us by certain Spitz franchisees on their Gross Revenue (as defined in Note 3), Operating Expenses (as defined in Note 4) and Net Profit (as defined in Note 5).

On December 31, ~~2023~~2024, there were a total of ~~1520~~ franchised Spitz Restaurants owned and operated by our franchisees only ~~814~~ of which were in operation for a full calendar year on December 31, ~~2023~~2024 and reported financial information for the entire year. The ~~814~~ franchised Spitz Restaurants included in Table 1 were selected because the information was available to us and believed to be complete, accurate and reliable. All information is unaudited.

Table 2 includes actual historical unaudited information we have accumulated for 5 Spitz Restaurants that were owned and operated by our affiliate in ~~2023~~2024. All of these affiliate-owned Spitz Restaurants are operations similar to the franchise offered in this Disclosure Document. Table 2 information was taken from reports submitted to us by our affiliate on Gross Revenue (as defined in Note 3), Operating Expenses (as defined in Note 4), Net Profit (as defined in Note 5) and Imputed Royalties (as defined in Note 6) for the affiliate-owned Spitz Restaurants.

On December 31, ~~2023~~2024, there were a total of 5 affiliate-owned Spitz Restaurants. All 5 affiliate-owned Spitz Restaurants are included in Table 2.

NOTE 2:

For purposes of Tables 1 and 2, “Gross Revenues” means the aggregate of the total of all revenues derived from sales of any nature or kind whatsoever from each Spitz Restaurant included in these Tables, whether received in cash, services, property, barter, or other means of exchange, including orders taken in or from the Spitz Restaurants although filled elsewhere. Gross Revenue includes the full value of meals provided to employees as incident to their employment (less the value of any discounts against Gross Revenue given during the month in which the meals were provided) and all proceeds from the sale of coupons, gift certificates or vouchers. Gross Revenue excludes the amount of bona fide refunds paid to customers and the amount of sales or use taxes actually paid to any governmental authority and the retail price of any coupons, gift certificates and vouchers when they are redeemed.

NOTE 3:

For purposes of Tables 1 and 2, “Operating Expenses” means our franchisees’ (Table 1) and our affiliate’s (Table 2) expenses for food, supplies and material, labor, rent and other costs (such as non- alcoholic beverages, liquor, beer, wine, cleaning supplies, laundry, office supplies, kitchen supplies, restaurant supplies, repairs and maintenance, advertising, pest control, bank charges, dues and subscriptions, postage and delivery, legal and accounting, licenses and permits, utilities, trash and third party delivery fees).

NOTE 4:

For purposes of Tables 1 through 4, “Net Profit” means Gross Revenue less Operating Expenses.

NOTE 5:

Based upon the Gross Revenue of the affiliate-owned Spitz Restaurants, we have included in ~~Table 2~~[Table 2](#) Imputed Royalty fees that a franchisee would incur at 5.5% of Gross Revenue, which the affiliate-owned Spitz Restaurants did not incur. If the Restaurants were franchised, then Imputed Royalties would be deducted as an expense to produce Net Profit.

NOTE 6:

For purposes of Tables 1 and 2, “Average” means the aggregate in each category divided by the total number of Spitz Restaurants included in Table 1 (8) and Table 2 (5).

NOTE 7:

For purposes of Tables 1 and 2, “Median” means the midpoint dollar and percentage value in each category across all 8 franchised Spitz Restaurants and all 5 affiliate-owned Spitz Restaurants included in Tables 1 and 2, respectively. The Median for a category with an odd number of data points will be the center number in that set.

Other than the preceding financial performance representation, Radwick Franchising, LLC does 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 by contacting our President, Bryce Rademan, 12300 S. 62 E., Draper, Utah 84020, (323) 839-0389, brycerademan@spitzrestaurant.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

Some Spitz Restaurants have earned these amounts. Your individual results may differ. There is no

assurance that you will earn as much.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1 SYSTEM-WIDE RESTAURANT SUMMARY

FOR FISCAL YEARS ~~2021~~[2022](#) TO ~~2023~~[2024](#)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	~~2021~~ 2022	~~8~~ 7	~~8~~ 10	~~0~~ +3
	~~2022~~	8	~~11~~	~~+3~~
	2023	~~11~~ 10	15	~~+4~~ +5
	2024	15	20	+5
Company Owned	~~2021~~ 2022	5	5	0
	~~2022~~	~~5~~	~~5~~	~~0~~

	2023	5	5	0
	<u>2024</u>	<u>5</u>	<u>5</u>	<u>0</u>
Total Outlets	~~2021~~ <u>2022</u>	~~13~~ <u>12</u>	~~13~~ <u>15</u>	~~0~~ <u>+3</u>
	~~2022~~	~~13~~	~~16~~	~~+3~~
	2023	~~16~~ <u>15</u>	20	~~+4~~ <u>5</u>
	<u>2024</u>	<u>20</u>	<u>25</u>	<u>+5</u>

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
FOR FISCAL YEARS ~~2021~~2022 TO ~~2023~~2024

State	Year	Number of Transfers
Total Outlets	~~2021~~ <u>2022</u>	0
	~~2022~~	~~0~~
	2023	0
	<u>2024</u>	<u>0</u>

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR FISCAL YEARS ~~2021~~2022 TO ~~2023~~2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Ceased Operations – Other Reasons	Outlets at End of the Year
~~Arizona~~	~~2021~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
<u>Arizona</u>	2022	0	0	0	0	0	0
	2023	0	2	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>3</u>
California	~~2021~~ <u>2022</u>	~~10~~	0	0	0	0	~~10~~
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	~~2022~~ <u>2024</u>	~~10~~	~~0~~ <u>1</u>	0	0	0	1
	~~2023~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
~~Colorado~~	~~2021~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
<u>Colorado</u>	2022	0	1	0	0	0	1
	2023	1	1	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
Minnesota	~~2021~~ <u>2022</u>	~~10~~	0	0	0	0	1
	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	~~2022~~ <u>2024</u>	~~0~~ <u>2</u>	0	0	0	0	~~1~~ <u>2</u>

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Ceased Operations – Other Reasons	Outlets at End of the Year
	~~2023~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
Montana	~~2021~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
<u>Montana</u>	2022	0	0	0	0	0	0
	2023	0	1	0	0	0	1
Oregon	~~2021~~ <u>2024</u>	~~0~~ <u>1</u>	0	0	0	0	~~0~~ <u>1</u>
	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2023~~	~~0~~					
Texas	~~2021~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
<u>Texas</u>	2022	0	2	0	0	0	2
	2023	2	0	0	0	0	2
	<u>2024</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
Utah	~~2021~~	~~6*~~	~~0~~	~~0~~	~~0~~	~~0~~	~~6*~~
<u>Utah</u>	2022	6*	0	0	0	0	6*
	2023	6*	0	0	0	0	6*
	<u>2024</u>	<u>6</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7</u>
Total Outlets <u>Virginia</u>	~~2021~~ <u>2022</u>	~~80~~ <u>80</u>	0	0	0	0	~~80~~ <u>80</u>
	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>Total Outlets</u>	2022	~~87~~ <u>87</u>	3	0	0	0	~~1110~~ <u>110</u>
	2023	~~1110~~ <u>110</u>	~~45~~ <u>5</u>	0	0	0	15
	<u>2024</u>	<u>15</u>	<u>6</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>20</u>

*Three of the Utah restaurants are owned and operated by an Area Developer.

TABLE NO. 4
STATUS OF COMPANY OWNED OUTLETS FOR FISCAL YEARS ~~2021~~2022 TO ~~2023~~2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to <u>Franchisee</u> ~~Franchisee~~	Outlets at End of the Year
~~California~~	~~2021~~	~~4~~	~~0~~	~~0~~	~~0~~	~~0~~	~~4~~
<u>California</u>	2022	4	0	0	0	0	4
	2023	4	0	0	0	0	4
~~Oregon~~	~~2021~~ <u>2024</u>	~~1~~ <u>4</u>	0	0	0	0	~~1~~ <u>4</u>
<u>Oregon</u>	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
~~Total Outlets~~	~~2021~~ <u>2024</u>	~~5~~ <u>1</u>	0	0	0	0	~~5~~ <u>1</u>
<u>Total Outlets</u>	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
	<u>2024</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>

TABLE NO. 5
PROJECTED OPENINGS AS OF DECEMBER 31, ~~2023~~2024

State	Franchise Agreements Signed But Outlets Not Opened	New Franchised Outlets In The Next Fiscal Year	Projected New Company Owned Outlets In The Next Fiscal Year
<u>Alabama</u>	<u>1</u>	<u>1</u>	<u>0</u>
California	1	~~1~~ <u>0</u>	0
Colorado	~~1~~ <u>0</u>	1	0
Georgia	1	~~0~~ <u>1</u>	0
Maryland	1	~~1~~ <u>0</u>	0
~~Minnesota~~	~~0~~	~~1~~	~~0~~
Montana	~~2~~ <u>1</u>	~~2~~ <u>1</u>	0
Oregon	~~1~~ <u>0</u>	1	0
Texas	1	1	0
Utah	1	1	0
Virginia	~~0~~ <u>1</u>	~~1~~ <u>0</u>	0
Totals	~~8~~ <u>9</u>	~~10~~ <u>7</u>	0

The contact information for our current franchisees is listed on Exhibit M, including franchisees with signed franchise and development agreements for outlets that were not open ~~at~~ December 31, ~~2023-2024~~. ~~No franchisees~~ One franchisee had an outlet terminated, canceled, not renewed, or ceased operations for other reasons during the fiscal year ending December 31, ~~2023, or~~ 2024, and no franchisees have not communicated with us within 10 weeks of the issuance date of this disclosure document.

On January 1, 2025, our Operating Company Affiliate sold a California Spitz Restaurant to its manager, who continued operation of the Spitz Restaurant under a Franchise Agreement with us.

There are no independent franchisee organizations that have asked to be included in this Disclosure Document.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

ITEM 21 FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit K are our audited financial statements as of December 31, 2024, ~~2023~~, and 2022, ~~and as of December 31, 2021 and 2020 and for the years ending December 31, 2021, 2020 and 2019.~~

Our fiscal year ends on December 31 of each year.

ITEM 22 CONTRACTS

Exhibit A is our current Franchise Agreement.

Exhibit B is our current Area Development Agreement.

Exhibit C is our current Asset Purchase Agreement.

Exhibit D is our current Option to Obtain Lease Assignment.

Exhibit E is our Mobile Restaurant Addendum and Non-Traditional Venue Addendum Exhibit F is our current Confidentiality Agreement for Prospective Franchisees.

Exhibit G is our current Non-Disclosure and Confidentiality Agreement for Employees of Franchisee.

Exhibit H is our current General Release.

Exhibit I is our current forms of Franchise Compliance Certificates.

Exhibit J is our current Guarantee.

Exhibit N is a copy of the State Specific Addenda.

ITEM 23 RECEIPTS

Two (2) copies of an acknowledgment of your receipt of this Disclosure Document appear as Exhibit O. Please return one copy to us and retain the other for your records.

RADWICK FRANCHISING, LLC

RADWICK FRANCHISING, LLC
FRANCHISE ~~AGREEMENT~~DISCLOSURE DOCUMENT

EXHIBIT E
~~ADDENDUM FOR~~MOBILE RESTAURANT ~~PURCHASE~~

~~THIS~~ ADDENDUM ~~FOR~~

THIS MOBILE RESTAURANT ~~PURCHASE~~ADDENDUM (this “Addendum”) is made and entered into ~~as of~~ on _____, 20____ (the “Effective Date”) and is intended to be a part of, and by this reference is incorporated into, that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”), by and between RADWICK FRANCHISING, LLC, a Delaware limited liability company (~~“Franchisor”~~), ~~on the one hand,~~ “Franchisor”, and _____ (~~collectively “Franchisee”~~), ~~on the other hand, with reference to the following facts:~~ _____, a _____ (“Franchisee”).

~~A. Franchisee has purchased the assets of a Spitz Restaurant (the “Restaurant”) from an affiliate of Franchisor.~~

~~B. Franchisor and Franchisee have entered into a Franchise Agreement (the “Franchise Agreement”), which they wish to modify by means of this Addendum, with respect to the operation of the Restaurant.~~

~~C. Due to fact that Franchisee is purchasing an existing and operating Spitz Restaurant, certain provisions of the Franchise Agreement are not applicable to Franchisee, and Franchisee and Franchisor wish to modify the Franchise Agreement accordingly.~~

A. Franchisor and Franchisor’s affiliate developed the “Spitz System” for the establishment and operation of Spitz Restaurants, which are upscale quick-service restaurants offering Mediterranean-style sandwiches, wraps, salads, liquor, beer & wine and catering services (“Spitz Restaurants”) and use the trade name and service mark “Spitz” and other related trademarks, service marks, logos and commercial symbols (the “Spitz Marks”).

B. Neither the Franchisor nor its affiliate have previously granted licenses for the development, ownership or operation of self-propelled food trucks and towed trailers (collectively, “Food Trucks”) and make no representation or warranty of any kind, expressed or implied, with respect to the suitability or likelihood of success of a Spitz food truck (a “Mobile Restaurant”). Franchisee desires to obtain a license and franchise to develop, own and operate one (1) Mobile Restaurant under the Spitz Marks and the Spitz System and the standards established by Franchisor at any time in its sole discretion, and Franchisor is willing to grant Franchisee a license and franchise under the terms and conditions set forth in this Addendum and the Franchise Agreement.

C. All provisions of the Franchise Agreement shall apply to a Mobile Restaurant, unless otherwise stated in this Addendum or unless the context of use indicates otherwise. All references to a “Spitz Restaurant” in the Franchise Agreement include a Mobile Restaurant unless the context of its use indicates otherwise. This Addendum shall replace and supplement the corresponding provisions in the Franchise Agreement that may not apply to a Mobile Restaurant unless the context of its use indicates otherwise. Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control.~~D. All capitalized Capitalized terms used but not otherwise defined in this Addendum shall have the same meaning as ascribed to those terms in the Franchise Agreement.~~

~~NOW, THEREFORE, IT IS AGREED:~~

~~1. The following Sections of the Franchise Agreement shall be deleted in their entirety and have no force or effect: Sections 5.1, 5.3 and 5.4.~~

~~RADWICK FRANCHISING, LLC~~

~~2. This Addendum shall be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed. IN WITNESS WHEREOF, the parties hereto have executed this Addendum on the date first shown above.~~

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH THE PARTIES MUTUALLY ACKNOWLEDGE, THE PARTIES MUTUALLY AGREE:

1. GRANT

1.1 Recitals Incorporated in this Addendum. The Recitals set forth in Paragraphs A through C of this Addendum are true and correct and are incorporated into this Addendum as part of this Addendum and the Franchise Agreement to which it relates.

1.2 Grant. Franchisor hereby grants to Franchisee the right, and Franchisee undertakes the obligation, to use the Spitz Marks and the Spitz System solely in connection with the operation of one (1) Mobile Restaurant in, and only in, the following geographic area: _____ (the "Mobile Territory").

1.3 Mobile Territory. During the Initial Term, if Franchisee is not in Default under the Franchise Agreement or this Addendum or any other agreement between Franchisor, its Affiliates and Franchisee, neither Franchisor nor its Affiliates shall own, operate, sell or issue a franchise for any other Mobile Restaurant to be operated within the Mobile Territory. Except as expressly provided in this Section 1.2, the license granted to Franchisee under this Addendum is nonexclusive. Franchisee shall not operate the Mobile Restaurant within another Spitz franchisee's Protected Area or Mobile Territory. Franchisee shall not operate the Mobile Restaurant within two (2) miles of any Spitz Restaurant owned by another Spitz franchisee (a "Protected Zone"). Franchisor shall have the right to reduce or enlarge a Protected Zone at any time on written notice to Franchisee. If Franchisee, at any time, operates the Mobile Restaurant within another Spitz franchisee's Protected Area or Mobile Territory or a Protected Zone, Franchisee shall be in Default under the Franchise Agreement.

1.4 Mobile Restaurant. Franchisee shall purchase the designated type of Food Truck and the equipment, graphics and detailing, trade dress and signs designated by Franchisor only from an Approved Supplier. Franchisee shall secure its own source of financing (a "Lender") for the acquisition and build-out of the Mobile Restaurant who must be approved by Franchisor prior to Franchisee's execution of purchase and financing documents or pay cash for the acquisition of the Mobile Restaurant, all in the manner required by Franchisor. A Default under the financing documents for the Mobile Restaurant that is not cured within the time frame specified by the financing documents, or as modified by Lender in writing, shall constitute a Default under the Franchise Agreement.

2. INITIAL AND EXTENDED TERM

The Initial Term shall commence on the Effective Date and shall expire (i) on the expiration or termination of the Franchise Agreement; or (ii) upon the sale, lease, donation, conveyance, repossession by lender or another creditor, or total casualty loss of the Food Truck; or (iii) on the tenth anniversary of the Effective Date (the "Addendum Expiration Date") whichever occurs first, unless sooner terminated as provided in this Addendum or the Franchise Agreement. Franchisee shall have no right or option to extend or renew the Term except as provided in Section 2.1 of the Franchise Agreement. If Franchisee does not elect to extend the Term, this Addendum and the rights granted to operate the Mobile Restaurant under the Franchise Agreement shall terminate on the Addendum Expiration Date.

3. OPEN FOR BUSINESS

Franchisee shall Open the Mobile Restaurant for business within one hundred eighty (180) days after the Effective Date, subject only to Force Majeure, unless Franchisor agrees otherwise in writing. Franchisor shall have the right,

RADWICK FRANCHISING, LLC

but not the obligation, to conduct a final inspection of the Mobile Restaurant to test compliance with the Spitz System and the Manual. Franchisor's inspection is limited to that purpose and should not be relied on up for testing compliance with Applicable Law, vehicle safety considerations or mechanical soundness and functionality. To protect the reputation and goodwill of Franchisor, to maintain uniform standards of the merchandise, services, and operations offered and sold under the Spitz Marks, and to promote the goodwill of all Spitz Restaurants, the Spitz Marks and the Spitz System, Franchisee shall not Open the Mobile Restaurant without the express written authorization of Franchisor, which authorization may be conditioned upon Franchisee's strict compliance with Franchisor's standards and specifications for the Mobile Restaurant and other requirements set forth in the Manuals and applicable to the operations of the Mobile Restaurant.

4. OBLIGATIONS OF FRANCHISEE

4.1 Use of Mobile Restaurant. Franchisee shall utilize the Food Truck solely for the operation of the Mobile Restaurant during the Term; shall keep the Mobile Restaurant in normal operation for the minimum hours and days as Franchisor may specify in the Manuals or otherwise in writing and shall refrain from using or permitting the use of the Mobile Restaurant for any other purpose or activity. Franchisee shall notify Franchisor of any violation of Sections 1.3 with three (3) business days after such violation.

4.2 Standards and Specifications. Following the Effective Date, Franchisor shall provide Franchisee with Franchisor's specifications for the Mobile Restaurant, the décor and layout of a Mobile Restaurant and the required equipment, graphics and detailing, trade dress and signs. Franchisee shall at its sole cost and expense promptly cause the Mobile Restaurant to be manufactured, equipped and improved in accordance with these standards and specifications, unless Franchisor shall, in writing, agree to any modifications thereof. Franchisee shall obtain and certify in writing to Franchisor that all applicable licenses and permits are obtained. Franchisee shall provide Franchisor with regular updates regarding the status of the manufacturing and equipping of the Mobile Restaurant.

4.3 Maintenance of Mobile Restaurant. Franchisee shall at all times maintain the interior and exterior of the Mobile Restaurant in the highest degree of cleanliness, orderliness and sanitation and shall also comply with the requirements of the Manuals regarding the upkeep of the Mobile Restaurant. Franchisee shall repair, re-equip and/or replace the Mobile Restaurant at Franchisee's own expense at such times as reasonably directed by Franchisor. Franchisee shall immediately comply with all Applicable Laws and orders and regulations of Governmental Authorities related to the operation of the Mobile Restaurant. Franchisee shall promptly replace worn-out or obsolete equipment at Franchisee's expense. Franchisee shall not make any alterations to the Mobile Restaurant, any equipment (including the exterior and interior of the Mobile Restaurant and related equipment), or other items, or to the appearance of the Mobile Restaurant, or the services and products offered from the Mobile Restaurant, without Franchisor's prior written approval. Franchisee shall not affix any signs or posters to the Mobile Restaurant without Franchisor's prior written consent.

4.4 Food Truck Commissary. Franchisee shall house the Mobile Restaurant at a sanctioned home base where the Mobile Restaurant shall be cleaned, stocked, serviced and stored when not in service (a "Food Truck Commissary"). The Food Truck Commissary shall provide Franchisee with a facility to purchase supplies, a designated parking space, truck cleaning facilities and power and water services. To protect the reputation and goodwill of Franchisor, to maintain uniform standards of the merchandise, services, and operations offered and sold under the Spitz Marks, and to promote the goodwill of all Spitz Restaurants, the Spitz Marks and the Spitz System, Franchisee shall not select or contract with a Food Truck Commissary without Franchisor's prior written approval of the Food Truck Commissary.

4.5 Grand Opening Campaign. Franchisee shall spend no less than \$2,500 in connection with the grand opening of the Mobile Restaurant within ninety (90) days of the Opening Date. Franchisee shall provide Franchisor with copies of all invoices, statements, canceled checks or other forms of payment which have been issued by Franchisee during

RADWICK FRANCHISING, LLC

such ninety (90) day period which evidence the expenditure and payment by Franchisee of the amounts required by this Section 4.5 for the grand opening advertising campaign for the Mobile Restaurant.

5. _____ DEFAULT AND TERMINATION

In addition to the rights granted to Franchisor in Article 16 of the Franchise Agreement, Franchisee shall be deemed to be in Default and Franchisor may, at its option, terminate the Franchise Agreement and all rights granted thereunder, without affording Franchisee any opportunity to cure the Default, effective immediately upon receipt of Notice of Default by Franchisor if (i) Franchisee uses the Mobile Restaurant for any purpose not authorized by the Franchise Agreement; or (ii) Franchisee, at any time, operates the Mobile Restaurant within another Spitz franchisee's Protected Area or Mobile Territory or a Protected Zone, whether intentionally or in error, after Franchisor has informed Franchisee in writing or in the Manuals about the geography of such Protected Area, Mobile Territory or Protected Zone.

6. _____ OBLIGATIONS UPON TERMINATION AND EXPIRATION

Upon the expiration of the Franchise Agreement or the termination of the Franchise Agreement for any Default of Franchisee, Franchisor shall have the right and option, but not the obligation, to be exercised by written notice to Franchisee within thirty (30) days after the Expiration Date or termination date, to purchase the Mobile Restaurant, subject to the rights of the Lender. The purchase price for the Mobile Restaurant (the "Purchase Price") shall be the "Fair Market Value" of the Mobile Restaurant as determined under this Section 6. "Fair Market Value" means the price that a willing buyer would pay to a willing seller when neither is acting under compulsion and when both have reasonable knowledge of the relevant facts on the date the option is first exercisable (the "Exercise Date"). Franchisor and Franchisee shall use their best efforts to mutually agree upon the Fair Market Value. If they are unable to so agree within thirty (30) days after the Exercise Date, Franchisor and Franchisee shall appoint, within forty (40) days of the Exercise Date, one (1) appraiser who shall determine the Purchase Price in writing and submit its report to Franchisor and Franchisee. Franchisor and Franchisee shall each pay one half (1/2) of the costs relating to the determination of the Purchase Price. The Purchase Price as so determined shall be payable as Franchisor and Franchisee mutually agree. If they are unable to so agree within ten (10) days after final determination of the Purchase Price, fifty percent (50%) of the Purchase Price shall be payable in cash and the remaining fifty percent (50%) of the Purchase Price shall be paid in forty-eight (48) equal monthly payments and shall bear simple interest in arrears at a rate of the greater of the prime rate of interest, as published by the Western Edition of the Wall Street Journal, plus three percent (3%), OR ten percent (10%) per annum, but in no event in excess of the maximum rate permitted by Applicable Law. Payment of the portion of the Purchase Price not paid in cash shall be secured by a security interest in the Food Truck.

7. _____ COUNTERPARTS AND ELECTRONIC TRANSMISSION; ELECTRONIC SIGNATURES.

This Addendum may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Addendum with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Addendum for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Addendum. In addition, this Addendum may be signed electronically by the Parties and electronic signatures appearing on this Addendum shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Addendum.

IN WITNESS WHEREOF, the Parties have executed this Addendum as of the Effective Date.

FRANCHISOR:

RADWICK FRANCHISING, LLC

FRANCHISEE:

~~FRANCHISEE:~~

a

By:

Name:

Title:

Title:

~~RADWICK FRANCHISING, LLC~~

~~2961956-000004 04/17/2023~~ RADWICK FRANCHISING, LLC

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B

AREA DEVELOPMENT AGREEMENT

RADWICK FRANCHISING, LLC

66

AREA DEVELOPMENT AGREEMENT

RADWICK FRANCHISING, LLC

~~4865-7643-5382v1~~[4902-3619-3328v1](#)
2961956-~~000007-06/10/2024~~[000011 04/01/2025](#)

AREA DEVELOPMENT AGREEMENT
TABLE OF CONTENTS

1. DEFINITIONS	1
2. GRANT OF RIGHTS	6
3. INITIAL TERM	8
4. PAYMENTS BY AREA DEVELOPER	9
5. SITE REVIEW AND APPROVAL AND EXECUTION OF DOCUMENTS BY THE PARTIES	9
6. OBLIGATIONS OF AREA DEVELOPER.....	10
7. SPITZ MARKS	12
8. CONFIDENTIAL INFORMATION	13
9. TRANSFER OF INTEREST	14
10. TRANSFER BY AREA DEVELOPER IN BANKRUPTCY	18
11. DEFAULT AND TERMINATION	18
12. OBLIGATIONS UPON TERMINATION OR EXPIRATION.....	20
13. COVENANTS.....	21
14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION	22
15. DISPUTE RESOLUTION	24
16. ANTI-TERRORISM LAWS.....	25
17. NOTICES	25
18. ACKNOWLEDGMENTS.....	25

EXHIBITS

EXHIBIT A	ENTITY INFORMATION DISCLOSURE
EXHIBIT B	DEVELOPMENT INFORMATION
EXHIBIT C	GUARANTEE OF AREA DEVELOPMENT AGREEMENT

RADWICK FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT

EXHIBIT A
ENTITY INFORMATION DISCLOSURE

RADWICK FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C
ASSET PURCHASE AGREEMENT

[67](#)
RADWICK ENTERPRISES LLC
PURCHASE AGREEMENT

RADWICK ENTERPRISES LLC
PURCHASE AGREEMENT
TABLE OF CONTENTS

1.	INCORPORATION OF RECITALS	1
2.	PURCHASE AND SALE	1
3.	PURCHASE PRICE FOR ASSETS	1
4.	LIABILITIES OF THE SPITZ RESTAURANT	2
5.	FRANCHISE AGREEMENT AND ASSIGNMENT OF LEASE	2
6.	THE ESCROW AND THE CLOSING DATE	2
7.	REPRESENTATIONS AND WARRANTIES OF SELLER	3
8.	REPRESENTATIONS AND WARRANTIES OF BUYER	4
9.	OTHER AGREEMENTS	4
10.	CONDITIONS PRECEDENT TO BUYER’S PERFORMANCE	5
11.	CONDITIONS PRECEDENT TO SELLER’S PERFORMANCE	5
12.	INDEMNIFICATION	6
13.	SURVIVAL OF REPRESENTATIONS AND WARRANTIES	6
14.	GOVERNING LAW AND VENUE	7
15.	GENERAL	7

EXHIBITS

EXHIBIT A	RESTAURANT LOCATION, LEASE AND LANDLORD, RENT AND ESTIMATED EXPENSES
EXHIBIT B	ASSETS

EXHIBIT G
BILL OF SALE

BILL OF SALE

Pursuant to and in accordance with a Purchase Agreement dated _____, 20 ____ (the "Purchase Agreement"), by and between RADWICK ENTERPRISES, LLC, a California limited liability company ("Seller"), on the one hand, and _____ ("Buyer"), on the other hand, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller hereby sells, conveys, transfers, assigns and delivers to Buyer the assets (the "Assets") of the Spitz Restaurant located at _____, as set forth in Section 2 of the Purchase Agreement.

EXCEPT FOR THE WARRANTIES SET FORTH IN SECTION 2 OF THE PURCHASE AGREEMENT, SELLER MAKES NO REPRESENTATION OR WARRANTY WHATSOEVER WITH RESPECT TO THE ASSETS AND INVENTORY, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; OR (c) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE. BY ACCEPTING THIS BILL OF SALE, BUYER ACKNOWLEDGES THAT IT HAS NOT RELIED ON ANY REPRESENTATION OR WARRANTY MADE BY SELLER, OR ANY OTHER PERSON ON SELLER'S BEHALF, EXCEPT AS SPECIFICALLY PROVIDED IN THE AGREEMENT.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of _____, 20__.

SELLER:

RADWICK ENTERPRISES, LLC,
A California limited liability company

By: _____

Name: _____

Title: _____

RADWICK FRANCHISING, LLC
OPTION TO OBTAIN LEASE ASSIGNMENT

RADWICK FRANCHISING, LLC
OPTION TO OBTAIN LEASE ASSIGNMENT

TABLE OF CONTENTS

1.	INCORPORATION OF RECITALS	1
2.	OPTION	1
3.	ONLY EFFECTIVE UPON EXERCISE OF OPTION	1
4.	CONSENT TO ASSIGNMENT	2
5.	EXERCISE OF OPTION BY FRANCHISOR	2
6.	TERM OF AGREEMENT	3
7.	TERMINATION OF LEASE AND FRANCHISE AGREEMENT	3
8.	RESTRICTIONS ON TRANSFER	3
9.	POWER OF ATTORNEY	4
10.	GENERAL PROVISIONS	4

RADWICK FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E
MOBILE RESTAURANT ADDENDUM
NONTRADITIONAL VENUE ADDENDUM

RADWICK FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E
MOBILE RESTAURANT ADDENDUM

THIS MOBILE RESTAURANT ADDENDUM (this “Addendum”) is made and entered into on _____, 20__ (the “Effective Date”) and is intended to be a part of, and by this reference is incorporated into, that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”), by and between RADWICK FRANCHISING, LLC, a Delaware limited liability company (“Franchisor”), and _____, a _____ (“Franchisee”).

A. Franchisor and Franchisor’s affiliate developed the “Spitz System” for the establishment and operation of Spitz Restaurants, which are upscale quick-service restaurants offering Mediterranean-style sandwiches, wraps, salads, liquor, beer & wine and catering services (“Spitz Restaurants”) and use the trade name and service mark “Spitz” and other related trademarks, service marks, logos and commercial symbols (the “Spitz Marks”).

B. Neither the Franchisor nor its affiliate have previously granted licenses for the development, ownership or operation of self-propelled food trucks and towed trailers (collectively, “Food Trucks”) and make no representation or warranty of any kind, expressed or implied, with respect to the suitability or likelihood of success of a Spitz food truck (a “Mobile Restaurant”). Franchisee desires to obtain a license and franchise to develop, own and operate one (1) Mobile Restaurant under the Spitz Marks and the Spitz System and the standards established by Franchisor at any time in its sole discretion, and Franchisor is willing to grant Franchisee a license and franchise under the terms and conditions set forth in this Addendum and the Franchise Agreement.

C. All provisions of the Franchise Agreement shall apply to a Mobile Restaurant, unless otherwise stated in this Addendum or unless the context of use indicates otherwise. All references to a “Spitz Restaurant” in the Franchise Agreement include a Mobile Restaurant unless the context of its use indicates otherwise. This Addendum shall replace and supplement the corresponding provisions in the Franchise Agreement that may not apply to a Mobile Restaurant unless the context of its use indicates otherwise. Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Capitalized terms used but not defined in this Addendum shall have the meaning ascribed to those terms in the Franchise Agreement.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH THE PARTIES MUTUALLY ACKNOWLEDGE, THE PARTIES MUTUALLY AGREE:

1. GRANT

1.1 Recitals Incorporated in this Addendum. The Recitals set forth in Paragraphs A through C of this Addendum are true and correct and are incorporated into this Addendum as part of this Addendum and the Franchise Agreement to which it relates.

1.2 Grant. Franchisor hereby grants to Franchisee the right, and Franchisee undertakes the obligation, to use the Spitz Marks and the Spitz System solely in connection with the operation of one (1) Mobile Restaurant in, and only in, the following geographic area: _____ (the “Mobile Territory”).

1.3 Mobile Territory. During the Initial Term, if Franchisee is not in Default under the Franchise Agreement or this Addendum or any other agreement between Franchisor, its Affiliates and Franchisee, neither Franchisor nor its Affiliates shall own, operate, sell or issue a franchise for any other Mobile Restaurant to be operated within the Mobile Territory. Except as expressly provided in this Section 1.2, the license granted to Franchisee under this Addendum is nonexclusive. Franchisee shall not operate the Mobile Restaurant within another Spitz franchisee’s Protected Area or

9. New Menu Items. Notwithstanding the Prime Agreement, you will not be obligated to prepare and serve any new menu item that we mandate under the Franchised System after the Effective Date if such item is prohibited under the Lease.

10. Protected Area. The Protected Area will be: The interior of the Host Facility.

In witness whereof, the parties have executed and delivered this Agreement, intending to be legally bound, as of the Effective Date.

Radwick Franchising, LLC

By: _____

By: _____

Its: _____

Its: _____

Effective Date: _____

Date: _____

RADWICK FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT F
CONFIDENTIALITY AGREEMENT FOR PROSPECTIVE FRANCHISEES

RADWICK FRANCHISING, LLC

CONFIDENTIALITY AGREEMENT

RADWICK FRANCHISING, LLC

NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

FOR EMPLOYEES AND INDEPENDENT CONTRACTORS OF FRANCHISEE RADWICK
FRANCHISING, LLC

NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

THIS NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT (this “Agreement”) is made this ____ day of _____, 20__ (the “Effective Date”), by and between _____ (“Franchisee”), on the one hand, and _____ (“Recipient”), on the other hand, with reference to the following facts:

A. Radwick Franchising, LLC, a Delaware limited liability company (“Franchisor”), has developed the “Spitz System” for the establishment and operation of Spitz Restaurants which are upscale quick-service restaurants offering Mediterranean-style sandwiches, wraps, salads, and gelato, liquor, beer & wine and catering service (“Spitz Restaurants”), and use the trade name and service mark “Spitz” and other related trademarks, service marks, logos and commercial symbols (the “Spitz Marks”).

B. The Spitz System includes, without limitation, the operations and training manuals and any other written directives related to the Spitz System (the “Manuals”), the operating methods and business practices related to Spitz Restaurants, the relationship between Franchisor and its franchisees, interior and exterior Spitz Restaurant design, other items of trade dress, specifications for equipment, fixtures and uniforms, defined product offerings, recipes and preparation methods, Franchisor specified pricing and promotions, restrictions on ownership, standard operating and administrative procedures, management and technical training programs, marketing and public relations programs, and Franchisor’s website (collectively, the “Spitz Confidential Information”), all of which may be modified by Franchisor from time to time and may be disclosed to Recipient by Franchisee.

C. Franchisor has and continues to protect the confidentiality of the Spitz Confidential Information by, among other things, (i) not revealing the confidential contents of the Spitz Confidential Information to unauthorized parties; (ii) requiring Spitz franchisees to acknowledge and agree in writing that the Spitz Confidential Information is confidential; (iii) requiring Spitz franchisees to agree in writing to maintain the confidentiality of the Spitz Confidential Information; (iv) monitoring electronic access to the Spitz Confidential Information by the use of passwords and other restrictions so that electronic access to the Spitz Confidential Information is limited to authorized parties; and (v) requiring its franchisees to return all Spitz Confidential Information to Franchisor upon the expiration and termination of their Franchise Agreements.

D. Franchisor and Franchisee have entered into a Franchise Agreement under which Franchisor has granted Franchisee the right to own and operate a Spitz Restaurant (the “Spitz Restaurant”) and to use the Spitz System, the Spitz Marks, the Manuals, and the Spitz Confidential Information in the operation of the Spitz Restaurant.

E. Franchisee is obligated under its Franchise Agreement with Franchisor to obtain a written agreement from all supervisory and managerial personnel employed by Franchisee and each independent contractor engaged by Franchisee who may have access to the Spitz Confidential Information and who may be the recipient of the disclosure of the Spitz Confidential Information to maintain the confidentiality of the Spitz Confidential Information, to obtain the written agreement from all supervisory and managerial personnel employed by Franchisee and each independent contractor to not use the Spitz Confidential Information other than in the course of his or her employment or engagement by Franchisee and to not disclose any of the Spitz Confidential Information to any unauthorized parties during the period of time that he or she is providing services for Franchisee and forever after his or her employment or engagement by Franchisee ends.

NOW, THEREFORE, IT IS AGREED:

Email:

Any party may change its address for the purpose of receiving notices, demands and other communications by a written notice given in the manner set forth above to the other party.

3.9 Counterparts and Transmission; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument. Copies of this Agreement with signatures that have been transmitted by email or by facsimile shall constitute and be deemed original copies of this Agreement for all purposes, provided that the copies are fully executed, dated and identical in form to the original hard copy version of this Agreement. In addition, this Agreement may be signed electronically by the Parties and electronic signatures appearing on this Agreement shall be deemed to be the same as handwritten signatures for the purposes of the validity, enforceability and admissibility of this Agreement.

(Signature page follows)

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date.

FRANCHISEE:

RECIPIENT:

A _____

a _____

By: _____

By: _____

Name: _____

Name: _____

Title: Title:

RADWICK FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT H
GENERAL RELEASE

RADWICK FRANCHISING, LLC
GENERAL RELEASE AGREEMENT

THIS GENERAL RELEASE AGREEMENT (this “Release Agreement”) is made and entered into as of ____ (the “Effective Date”), by and among RADWICK FRANCHISING, LLC, a Delaware limited liability company (“Franchisor”), on the one hand, and a _____ (“Franchisee”), and _____ (“Owner”), on the other hand, who are collectively referred to in this Release Agreement as the “Releasing Parties”, with reference to the following facts:

- A. Franchisor and Franchisee are parties to that certain Franchise Agreement and related ancillary agreements dated _____ (collectively, the “Franchise Agreement”) pursuant to which Franchisor granted Franchisee a license (the “License”) to use the service mark and trade names “Spitz” and other related trademarks, service marks, logos and commercial symbols (the “Spitz Marks”) and the “Spitz System” (the “System”) in connection with the operation of a Spitz Restaurant (the “Restaurant”) located at ____ (the “Franchised Location”).
- B. Franchisee desires to enter into a _____.
- C. This Release Agreement has been requested at a juncture in the relationship of the parties where Franchisor is considering either a change or an expansion of the relationship between the parties and/or their affiliates. Franchisor is unwilling to make the anticipated change or expansion in the relationship of the parties unless it is certain that it is proceeding with a “clean slate” and that there are no outstanding grievances or Claims against it. Releasing Parties, therefore, give this Release Agreement as consideration for receiving the agreement of Franchisor to an anticipated change or expansion of the relationship between the parties. Releasing Parties acknowledges that this Release Agreement is intended to wipe the slate clean.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH THE PARTIES MUTUALLY ACKNOWLEDGE, THE PARTIES MUTUALLY AGREE:

1. **DEFINITIONS.** As used in this Release Agreement, the following capitalized terms have the meanings ascribed to them.
 - 1.1 “Claims” means all actual and alleged claims, demands, Losses, charges, agreements (whether written or oral), covenants, responsibilities, warranties, obligations, contracts (whether oral or written), debts, violations, suits, counterclaims, cross claims, third party claims, accounts, liabilities, costs, expenses (including attorneys’ fees and court costs), rights to terminate and rescind, rights of action and causes of action of any kind or nature, whatsoever, whether known or unknown, matured or unmatured, accrued or unaccrued, suspected or unsuspected, contingent or non-contingent, liquidated or unliquidated, choate or inchoate, and whether or not asserted, threatened, alleged, or litigated, at law, equity, or otherwise.
 - 1.2 “Constituents” means past, present and future affiliates, subsidiaries, divisions, partners, members, trustees, receivers, executors, representatives, administrators, owners, shareholders, distributors, parents, predecessors, officers, directors, agents, managers, principals, employees, insurers, successors, assigns, representatives and attorneys and the past, present and future officers, directors, agents, managers, principals, members, employees, insurers, successors, assigns, representatives and attorneys of each of the foregoing.
 - 1.3 “Excluded Matters” means Franchisor’s continuing contractual obligations which arise or continue under and pursuant to the Franchise Agreement on and after the date of this Release Agreement.
 - 1.4 “Franchisor Released Parties” means Franchisor and each of its Constituents.

1.5 “Losses” means all damages, debts, liabilities, accounts, suits, awards, judgments, payments, diminutions in value and other losses, costs and expenses, however suffered or characterized, all interest thereon, all costs and expenses of investigating any Claim, reference proceeding, lawsuit or arbitration and any appeal therefrom,

all actual attorneys’ fees incurred in connection therewith, whether or not such Claim, reference proceeding, lawsuit or arbitration is ultimately defeated and, all amounts paid incident to any compromise or settlement of any such Claim, reference proceeding, lawsuit or arbitration.

2. GENERAL RELEASE AGREEMENT. Releasing Parties, for themselves and their Constituents, hereby release and forever discharge Franchisor Released Parties from any and all Claims, whether known or unknown, based upon anything that has occurred or existed, or failed to occur or exist, from the beginning of time to the Effective Date, including, without limitation any and all Claims which relate to the Franchise Agreement, the Restaurant, the System, the License, the Spitz Marks, and the Franchised Location, or to any other agreement entered into prior to the Effective Date between Franchisor Released Parties, on the one hand, and Releasing Parties, on the other hand, except for the Excluded Matters and obligations under this Release Agreement. This waiver, release and discharge is effective immediately in its fullest and most comprehensive sense.

3. WAIVER OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE.

3.1 Section 1542 of the California Civil Code. Releasing Parties, for themselves and their Constituents, acknowledge that they are familiar with Section 1542 of the California Civil Code, which reads 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.

3.2 Waiver. With respect to those Claims being released pursuant to Section 2, Releasing Parties, for themselves and their Constituents, acknowledge that they are releasing unknown Claims and waive all rights they have or may have under Section 1542 of the California Civil Code or any other statute or common law principle of similar effect. For purposes of this Section 3, Releasing Parties shall be considered to be creditors of the Franchisor Released Parties, and each of them.

4. UNKNOWN CLAIMS. Releasing Parties acknowledge and agree that among the wide and comprehensive range of Claims being waived, released, and discharged by this Release Agreement, they are waiving, releasing, and discharging unknown and unsuspected Claims which, if known or suspected by Releasing Parties to exist in their favor at the time of executing this Release Agreement, may have materially affected Releasing Parties’ decision to enter into this Release Agreement. It is understood by Releasing Parties that, after the Effective Date, the facts under which this Release Agreement is entered into may turn out to be other than or different from the facts Releasing Parties knew or believed to be true on the Effective Date. Releasing Parties, therefore, expressly assume the risk of the facts turning out to be so different and agree that this Release Agreement shall be in all respects final and effective and not subject to termination or rescission by any such difference in facts.

5. REPRESENTATIONS AND WARRANTIES. Releasing Parties hereby represent and warrant that, in entering into this Release Agreement, Releasing Parties: (i) are doing so freely and voluntarily, either upon the advice of counsel and business advisors of Releasing Parties’ own choosing, or without such advice because Releasing Parties, free from coercion, duress or fraud, declined to obtain such advice; (ii) have read and fully understand the terms and scope of this Release Agreement; (iii) understand that this Release

Agreement is final and conclusive, and intends to be final and conclusive, as to the matters set forth in this Release Agreement; and (iv) have not assigned, transferred, or conveyed to any third party all or any part of their interest, or any contingent interest, in any of the Claims released by this Release Agreement now or in the future, and are aware of no third party who contends or claims otherwise, and shall not purport to assign, transfer, or convey any interest in any such Claim after the Effective Date.

6. COVENANTS NOT TO SUE. Releasing Parties hereby irrevocably covenant that they will not, directly or indirectly: (i) commence, initiate, or cause to be commenced or initiated any proceeding, claim, or demand of any kind against Franchisor Released Parties based upon any Claims released under this Release Agreement; or (ii) assist

RADWICK FRANCHISING, LLC
CLOSING ACKNOWLEDGEMENT

For use in Minnesota and Virginia only

DO NOT SIGN THIS DOCUMENT IF YOU ARE A RESIDENT OF CALIFORNIA OR THE
BUSINESS IS TO BE OPERATED IN CALIFORNIA

DO NOT SIGN THIS DOCUMENT IF YOU ARE A RESIDENT OF MARYLAND OR THE
BUSINESS IS TO BE OPERATED IN MARYLAND

As you know, Radwick Franchising, LLC “we” or “Franchisor”) and you (“you” or “Franchise Applicant”) are preparing to enter into a Franchise Agreement for the establishment and operation of a “Spitz Restaurant” franchised business. The purpose of this Certificate is to determine whether any statements or promises were made to you we have not authorized or that may be untrue, inaccurate, or misleading.

If you are intending to purchase an existing Spitz Restaurant from an existing Franchisee, you may have received information from the transferring Franchisee, who are not employees or representatives of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee.

Please review each of the following questions and statements carefully and provide honest and complete responses to each.

Are you seeking to enter into the Franchise Agreement along with a purchase or transfer of an existing Spitz Restaurant from an existing Franchisee?

Yes ___ No ___

I had my first face-to-face meeting with a Franchisor representative on _____ [date].

Acknowledgments and Representations*.

Did you receive a copy of our Franchise Disclosure Document (“FDD”) (and all exhibits and attachments) at least 14 calendar days (or at the first personal meeting in Iowa or New York, or least 10 business days if you are in Connecticut, Michigan or New York), before you signed the Franchise Agreement and any Area Development Agreement? Check one: ☐ Yes ☐ No. If no, please tell us if and when you received the FDD and when you signed the Franchise Agreement. Please explain why you signed the Franchise Agreement or Area Development Agreement before the 14 days expired:

Did you receive a copy of the Franchise Agreement or Area Development Agreement at least 7 days before you signed the Agreement? Check one: ☐ Yes ☐ No. If no, tell us when you received the Franchise Agreement and when you signed it. Please explain why you signed the Franchise Agreement or Area Development Agreement when you did:

*Such representations are not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law, if either or both such laws apply to this transaction.

Was any oral, written or visual claim, statement, presentation or representation made to you on which you relied in making your decision to sign the Franchise Agreement or Area Development Agreement that contradicted the disclosures in the FDD? Check one: ☐ Yes ☐ No. If yes, please explain in detail the oral, written or visual statement, presentation, claim or representation:

Except for any financial performance representation included as Item 19 in our FDD, did any employee or other person speaking on our behalf make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Spitz Restaurant franchise, or the likelihood of success at your Spitz Restaurant on which you relied in making your decision to sign the Franchise Agreement? Check one: ☐ Yes ☐ No. If yes, please explain in detail who made and what you understand is the oral, written or visual claim, statement, promise or representation:

Except for any financial performance representation included as Item 19 in our FDD did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD on which you relied in making your decision to sign the Franchise Agreement or Area Development Agreement? Check one: ☐ Yes ☐ No. If yes, please identify who made the statement or promise and what you understand are the details of the statement or promise.

Do you understand that the franchise granted in the Franchise Agreement (a) allows you to operate a Spitz Restaurant only at the Franchised Location, (b) prevents us from operating or franchising another Spitz Restaurant only in the Protected Area described in the Franchise Agreement, (c) allows us to operate or franchise a Spitz Restaurant anywhere outside the Protected Area, and (d) allows us to open and operate or authorize any other party to open and operate a Nontraditional Concept Retailer in your Protected Area? Check one: ☐ Yes ☐ No. If no, please comment:

Do you understand that the Franchise Agreement or Area Development Agreement contains the entire agreement between you and us concerning the franchise for the Spitz Restaurant or the development rights we grant to you, meaning that any prior oral or written agreements not set out in the Franchise Agreement,

RADWICK FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT J
GUARANTEE

INDIVIDUAL GUARANTEE OF PROMISSORY NOTE INITIAL
FRANCHISE FEE

In consideration of any financial accommodations previously, now or hereafter made or granted by RADWICK FRANCHISING, LLC, a Delaware limited liability company ("Lender") to or for the account of _____, a _____

corporation/limited liability company ("Borrower"), under that certain Promissory Note (the "Note") dated _____, 20__ payable by Borrower to Lender, said Note having been delivered in connection with that certain Franchise Agreement between Borrower as Franchisee and Lender as Franchisor dated __, 20__ (the "Franchise Agreement"), and in order to induce Lender to accept the Note from Borrower, _____

_____, _____, (collectively, "Guarantors"), hereby grant this guarantee (this "Guarantee"), and fully guarantee: (i) the prompt payment to Lender of all sums which may in any manner whatsoever be presently due and owing and of all sums which shall in the future become in any manner whatsoever due and owing to Lender from Borrower under the Note whether by acceleration or otherwise; and (ii) the due performance by Borrower of all its obligations under the Note.

Guarantors also agree: (a) that the liability of Guarantors is DIRECT, IRREVOCABLE, ABSOLUTE AND UNCONDITIONAL and may be enforced without (i) requiring Lender first to resort to any other right, remedy or security or (ii) regard to the validity, regularity or enforceability of any obligation or purported obligation of Borrower under the Note or otherwise; (b) that this Guarantee shall not be impaired by any modification or extension of the Note or any other agreement between Borrower and Lender, nor by any modification or release of any of the obligations hereby guaranteed or of any security therefor, nor by any agreement or arrangement whatsoever with Borrower or anyone else; (c) that Guarantors shall be liable to Lender for all attorneys' fees and costs incurred by Lender by reason of this Guarantee or in connection with or arising out of or in enforcing any rights granted Lender hereunder or in any respect relating to the Note; (d) that Guarantors shall not have any right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for the debts and obligations of Borrower to Lender, unless and until all of Borrower's obligations in respect of the Note have been paid in full; (e) that if Borrower or Guarantors shall at any time become insolvent or make a general assignment or if a petition in bankruptcy or any insolvency or reorganization proceedings shall be filed or commenced by or against Borrower or Guarantors, any and all obligations of Guarantors shall, at Lender's option, become immediately due and payable without notice; (f) that this Guarantee is, as to Guarantors, a continuing Guarantee which shall remain effective until all obligations of Borrower to Lender shall be paid in full; (g) that nothing shall discharge or satisfy the liability of Guarantors except the full payment and performance of all Borrower's debts and obligations to Lender in respect of the Note; (h) that any and all present and future debts and obligations of Borrower to Guarantors are hereby waived and postponed in favor of and subordinated to the full payment and performance of all present and future debts and obligations of Borrower to Lender.

Guarantors warrant and represent to and covenants with Lender that: this Guarantee contains Guarantors' entire agreement with respect to Guarantors' guarantee of Borrower's obligations; all prior agreements, commitments, understandings, representations, warranties and negotiations in connection herewith, if any, are hereby merged into this Guarantee; and no oral representations shall in any manner whatsoever modify or explain any of the terms and conditions of this Guarantee. This Guarantee may not be changed or terminated in any manner whatsoever except in writing signed by Guarantors and Lender.

Guarantors' liabilities and all rights, powers and remedies of Franchisor under this Guarantee and under any other agreement now or at any time hereafter in force between Franchisor and Guarantors shall be cumulative and not alternative and the rights, powers and remedies shall be additional to all rights, powers and remedies given to Franchisor by Applicable Law.

Guarantors covenant with Lender that Guarantors have the full legal right, power and authority to execute this Guarantee; and that none of Guarantors' obligations hereunder will result in any breach of any provision of any agreement or instrument to which Guarantors are a party or by which Guarantors are bound.

GUARANTORS WAIVE: (a) notice of acceptance hereof; (b) THE RIGHT TO A JURY TRIAL IN ANY ACTION HEREUNDER; (c) presentment, demand and protest of any instrument and notice thereof; (d) notice of default; (e) all other notices or formalities to which Guarantors is or might be entitled whether by law or otherwise; and (f) all rights of set-off.

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2961956-~~000001-04/10/2024~~000011-04/01/2025

Guarantors' obligations under this Guarantee shall include all amounts paid by or on behalf of Borrower which may be recovered by any person or entity as a preference, fraudulent transfer or conveyance or similar transfer and all of Lender's costs and expenses of the defense of any action for such recovery.

This Guarantee, all acts and transactions hereunder and the rights and obligations of the parties hereto, shall be governed, construed and interpreted according to the laws of the State of Delaware. Guarantors hereby agree that venue for purposes of any actions brought in connection with or arising directly or indirectly out of this Guarantee shall be in Lender's sole discretion and election, and conclusively presumed to be in the state courts of Utah in Salt Lake City and the United States District Court for the District of Utah. Guarantors hereby subject themselves and consent to the personal jurisdiction of and venue in such Courts, as the exclusive personal jurisdiction in any action or proceeding brought by Guarantors or Payee arising out of this Guarantee, and any documents or agreements executed in connection therewith.

This Guarantee shall be binding upon the successors and assigns of Guarantors and shall inure to the benefit of Lender's successors and assigns. This Guarantee shall apply in favor of and be jointly and severally enforceable by Lender and each of its affiliates, successors and assigns.

Executed by or on behalf of Guarantors on the date set forth below.

GUARANTORS:

_____	<u>Date:</u>	_____
_____	Date:	_____

Date: _____ 2

2

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RADWICK FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT K
FINANCIAL STATEMENTS

RADWICK FRANCHISING, LLC
FINANCIAL REPORT
DECEMBER 31, 2024 AND 2023

RADWICK FRANCHISING, LLC
CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1 – 2
FINANCIAL STATEMENTS	
Balance Sheets	3
Statements of Income	4
Statements of Members’ Deficit	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 11

INDEPENDENT AUDITOR'S REPORT

Board of Members of
Radwick Franchising, LLC

Opinion

We have audited the financial statements of Radwick Franchising, LLC (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, the related statements of income, members' deficit, and cash flows for the years then ended, and the related notes to the financial statements (collectively, the "financial statements").

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

The image shows a handwritten signature in black ink that reads "Singer Lewak LLP". The signature is written in a cursive, flowing style. It is positioned on a light blue rectangular background.

April 15, 2025

RADWICK FRANCHISING, LLC

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BALANCE SHEETS December 31, 2024 and 2023

Accounts payable and accrued expenses	\$ 440,512	\$ 314,103
Due to related party	4,461	4,461
Gift cards outstanding	7,247	-
Distributions payable	230,979	347,181
	<u>82,396</u>	<u>59,167</u>
	765,595	724,912
	<u>551,127</u>	<u>387,984</u>
	1,316,722	1,112,896
Current liabilities		
Accounts payable and accrued expenses	<u>(972,024)</u>	<u>(835,407)</u>
Due to related party	4,461	
Gift cards outstanding	<u>\$ 344,698</u>	<u>\$ 277,489</u>
Distributions payable	230,979	
Deferred revenue, current portion		
Total current liabilities		
Deferred revenue, noncurrent portion		
Total liabilities		
Members' deficit		
Total liabilities and members' deficit		

See notes to financial statements.

RADWICK FRANCHISING, LLC

TE F
Years ended) n

STATEMENTS OF INCOME

' Enc December 31, 2024 and 2023

	2024	2023
Royalty revenue	\$ 1,495,649	\$ 1,103,208
Marketing revenue	221,850	124,100
Franchise fee revenue	72,337	52,047
	<u>184,888</u>	<u>171,464</u>
	1,974,724	1,450,819
	<u>1,807,657</u>	<u>1,437,391</u>
Income from operations	167,067	13,428
	<u>4,554</u>	<u>12,608</u>
	\$ 162,513	\$ 820

Revenue

Royalty revenue	1,495,649
Marketing revenue	221,850
Franchise fee revenue	72,337
Services revenue	

Total revenue

General and administrative expenses

Income from operations	167,067
Provision for income taxes	

Net income

See notes to financial statements.

RADWICK FRANCHISING, LLC

Year ended December 31, 2024 and 2023

STATEMENTS OF MEMBERS' DEFICIT For the years ended December 31, 2024 and 2023

	Class A Members	Class B Members	Total
	\$ (507,955)	\$ (11,150)	\$ (519,105)
Distributions	(275,896)	(41,226)	(317,122)
	713	107	820
	(783,138)	(52,269)	(835,407)
Distributions	(260,243)	(38,887)	(299,130)
	141,386	21,127	162,513
	\$ (901,995)	\$ (70,029)	\$ (972,024)

Members' deficit, December 31, 2022

Distributions (275,896)

Net income

Members' deficit, December 31, 2023

Distributions (260,243)

Net income

Members' deficit, December 31, 2024

See notes to financial statements.

RADWICK FRANCHISING, LLC

T N A
Years ended

STATEMENTS OF CASH FLOW For the Years Ended December 31, 2024 and 2023

	2024	2023
	\$ 162,513	\$ 820
Cash flows from operating activities		
Net income	162,513	
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
Royalties receivable	(28,192)	
Accounts payable and accrued expenses	126,409	
Gift cards outstanding	7,247	
Deferred revenue		
Net cash provided by operating activities	454,349	
Cash flows from financing activities		
Distributions paid to members		
Net increase in cash and cash equivalents		
Cash and cash equivalents, beginning of year		
Cash and cash equivalents, end of year		
Supplemental disclosures of cash flow information		
Income taxes paid	\$ (428,352)	\$ (112,665)
	126,409	138,909
	39,017	69,585
	186,372	78,857
	247,701	178,116
	454,349	201,642
	\$ 286,718	\$ 247,701

See notes to financial statements.

RADWICK FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

NOTE - I

NOTE 1 – BUSINESS ACTIVITIES

Radwick Franchising, LLC (the “Company”), a limited liability company, was formed on October 1, 2013, in the state of California. The Company’s principal purpose is franchising an existing casual dining restaurant chain known as “Spitz.” Each member of the Company has limited liability equal to the amount of capital invested and retained in the Company.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Use of Estimates

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

Cash and Cash Equivalents

The Company considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

Royalties Receivable

Royalties receivable are carried at original invoice value, less an estimate made for credit losses resulting from the inability of its franchisees to make required payments based on a review of all outstanding amounts on a monthly basis. Management considers the age of royalties receivable balances and general economic issues when determining the collectability of specific accounts. Uncollectible accounts are written off when a customer files bankruptcy, or after all attempts at collections have been pursued. Recoveries of trade receivables previously written off are recorded when received. The Company generally does not have collateral for its receivables. Although the Company expects to fully collect amounts due, actual collections may differ from estimated amounts. At December 31, 2024 and 2023, there was no reserve for credit losses.

Fair Value of Financial Instruments

The Company’s financial instruments, including cash and cash equivalents, accounts payable, and due to related party, are carried at cost, which approximates their fair value because of the short-term nature of these financial instruments.

NOTE - I C

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Revenue

Deferred revenue represents unearned revenue generated from the sale of new franchises and the approval of new franchise locations. Franchise fee and development fee revenues are recognized when performance obligations are satisfied. Management determined that performance obligations related to franchise fees are satisfied over time and revenue is recognized over the term of the franchise agreement.

Revenue Recognition

Revenues are recorded when: (i) a contract with a client has been identified, (ii) the performance obligation(s) in the contract have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the contract, and (v) the Company has satisfied the applicable performance obligation.

The Company's revenue consists of fees from franchised restaurants operated by conventional franchisees. Revenue from conventional franchised restaurants include initial franchise fees, royalties based on percent of sales, marketing fees based on percent of sales, and development fees for locations the franchisee opens in addition to the initial location.

The initial franchise fees collected are determined on a franchisee-by-franchisee basis. The Company had twenty Franchisees open and operating as of December 31, 2024 and fourteen franchisees open and operating as of December 31, 2023.

Royalties are collected on a weekly basis and are based on the greater of 5.5% of the franchisees' gross sales or \$125.

Marketing fees are based on up to 2% of gross revenue, are payable to the Company and held in a marketing fund. The marketing fund is used for marketing expenses related to maximizing public recognition of the Spitz brand and marketing fund.

Advertising

The Company expenses advertising costs as incurred. Advertising expenses were approximately \$336,000 and \$256,000 for the years ended December 31, 2024 and 2023, respectively.

Income Taxes

The Company has elected to be taxed as a partnership for Federal income tax purposes. Therefore, Federal income taxes are not payable by the Company. The Company's net income is allocated to the members in accordance with the regulations of the Company, and members are subject to Federal income taxes individually. A fee is paid to the state of California based on gross receipts and a minimum tax of \$800.

NOTE - I C

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

GAAP requires management to evaluate tax positions taken by the company and recognize a tax liability (or asset) if the Company has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2024 and 2023, there were no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Company is subject to routine audits by taxing and other jurisdictions. However, there are currently no audits in progress for any prior tax periods.

The Company files income tax returns in the U.S. federal jurisdiction and certain states. With few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations for year before 2021.

Reclassifications

Certain prior-year amounts have been reclassified to conform to the current year's presentation. These reclassifications have no effect on the previously reported net income or Members' deficit.

NOTE 3 – CONCENTRATIONS

Concentration of Credit Risk

Cash

The Company maintains cash balances in certain financial institutions which, at times, may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any loss from these obligations.

Franchisee

For the year ended December 31, 2024, there were no franchisees that represented greater than 10% of total revenues. As of December 31, 2024, three franchisees represented approximately 49% of royalties receivable.

For the year ended December 31, 2023, three franchisees represented approximately 32% of total revenues. As of December 31, 2023, three franchisees represented approximately 35% of royalties receivable.

NOTE 4 – MEMBERS' DEFICIT

Distribution of Available Cash

Ownership percentage of each person or entity admitted as a Class-A member is equal to the total capital contributions made by the Class-A member over the total capital contributions made by all Class-A members to the Company. The managing members may make changes in membership percentages, aggregate capital contributions, and admission of additional or substitute members, without the consent of any other person or entity.

Distributions to the holders of Class-B membership interests are subordinate to Class-A distributions and are proportionate to each such member's respective holdings of Class-B membership interest, until such time as Class-B members' respective capital account balances have been reduced to zero.

Profits Interest Unit Agreement and Right of Repurchase

The Company awards Incentive Units to certain members pursuant to the Company's 2017 Incentive Unit Award Agreement (the "Agreement"). The units are vested at the effective date of the Agreement and the Company has a right of repurchase should a qualifying service termination occur. The Right of Repurchase lapses on 15% of the awarded units on the first- and second-year anniversary the units were awarded, at the third-year anniversary the Right of Repurchase lapses on 20% of the awarded units, and the remaining 25% of the awarded Right of Repurchase lapses on the fourth and fifth-year anniversary of the awarded units. On July 15, 2017, the Company awarded 50,000 Class-B Incentive Units to a certain member at a price of \$1.00 per unit.

On September 1, 2018, the Company awarded 5% of the Company's aggregate membership interests amounting to 52,631 Class-B Incentive Units to a member at a price of \$0.95 per unit. The Company also awarded 25,000 Class-B Incentive Units to a member on January 1, 2021 at a price of \$0.95 per unit.

The Class-B Units are intended to be profits interests for tax purposes, as described in the Agreement. Accordingly, the grant of the Class-B Units is not intended to result in taxable income. The Company's total Class-B Incentive Units outstanding was 127,631 for the years ended December 31, 2024 and 2023. Total Class-B Incentive Units available for repurchase was \$0 and \$8,500 for the years ended December 31, 2024 and 2023, respectively.

NOTE 5 – RELATED PARTY TRANSACTIONS

The Company has a payable due to Radwick Enterprises LLC, a related party under common control. These payables are non-interest bearing, unsecured and have no specific terms of repayment.

Radwick Enterprises, LLC owned five and four restaurants operated under the concept as of December 31, 2024 and 2023, respectively.

Management fees are paid monthly to four members of the Company and are distributed based on 30% of gross income from franchise operations. Management fees for these members totaled \$448,695 and \$416,325 for the years ended December 31, 2024 and 2023, respectively. The Company had unpaid management fees of \$346,469 and \$248,009 as of December 31, 2024 and 2023, respectively.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Litigation

The Company from time to time may be a defendant in legal actions generally incidental to its business. Although it is difficult to predict the ultimate outcome of any potential or threatened litigation, management believes that any ultimate liability will not materially affect the financial position and results of operations of the Company.

NOTE 7 – SUBSEQUENT EVENTS

Management evaluated all activity through April 15, 2025, the date the financial statements were available to be issued.

RADWICK FRANCHISING, LLC

FINANCIAL REPORT

DECEMBER 31, 2023 AND 2022

RADWICK FRANCHISING, LLC

CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT

1 – 2

FINANCIAL STATEMENTS

Balance Sheets

3

Statements of Income

4

Statements of Members' Deficit

5

Statements of Cash Flows

6

Notes to Financial Statements

7 – 12

INDEPENDENT AUDITOR'S REPORT

Board of Members of
Radwick Franchising, LLC

Opinion

We have audited the financial statements of Radwick Franchising, LLC, (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, the related statements of income, members' deficit, and cash flows for the years then ended, and the related notes to the financial statements (collectively, the "financial statements").

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

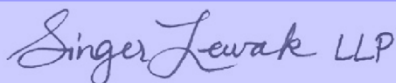
Auditors' Responsibilities for the Audit of the Financial Statements

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

The image shows a stylized, handwritten-style signature in black ink that reads "Singer Lewak LLP". The signature is written in a cursive, flowing script.

March 25, 2024

RADWICK FRANCHISING, LLC
BALANCE SHEETS
December 31, 2023 AND 2022

ASSETS

	<u>2023</u>	<u>2022</u>
Current assets		
Cash and cash equivalents	\$ 247,701	\$ 178,116
Royalties receivable, net	<u>29,788</u>	<u>12,843</u>
Total assets	<u>\$ 277,489</u>	<u>\$ 190,959</u>

Current liabilities		
Accounts payable and accrued expenses	314,103	
Due to related party	4,461	
Distributions payable	347,181	
Deferred revenue, current portion		
Total current liabilities		
Deferred revenue, noncurrent portion		
Total liabilities		
Members' deficit		
Total liabilities and members' deficit		
Accounts payable and accrued expenses	\$ 314,103	\$ 175,193
Due to related party	4,461	4,461
Distributions payable	347,181	162,116
	<u>59,167</u>	<u>43,000</u>
	724,912	384,770
	<u>387,984</u>	<u>325,294</u>
	1,112,896	710,064
	<u>(835,407)</u>	<u>(519,105)</u>
	<u>\$ 277,489</u>	<u>\$ 190,959</u>

LIABILITIES AND MEMBERS' DEFICIT

See notes to financial statements.

RADWICK FRANCHISING, LLC

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Revenue		
Royalty revenue	\$ 1,103,208	\$ 753,483
Marketing revenue	124,100	70,200
Franchise fee revenue	52,047	34,095
Services revenue	171,464	17,403
Total revenue	1,450,819	875,181
General and administrative expenses	1,437,391	844,944
Income from operations	13,428	30,238
Provision for state taxes	12,608	26,346
Net income	\$ 820	\$ 3,892

STATEMENTS OF MEMBERS' DEFICIT FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Class A Members	Class B Members	Total
Members' deficit, December 31, 2021	\$ (304,031)	\$ 89,676	\$ (214,355)
Distributions	(207,309)	(101,332)	(308,641)
Net income	3,386	506	3,892
Members' deficit, December 31, 2022	\$ (507,955)	\$ (11,150)	\$ (519,105)
Distributions	(275,896)	(41,226)	(317,122)
Net income	713	107	820
Members' deficit, December 31, 2023	\$ (783,138)	\$ (52,269)	\$ (835,407)

See notes to financial statements.

RADWICK FRANCHISING, LLC

T N A

FOR THE YEARS ENDED

STATEMENTS OF CASH FLOW

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
Cash flows from operating activities		
Net income	\$ 820	\$ 3,892
Adjustments to reconcile net income to net cash flows provided by operating activities:		
Changes in operating assets and liabilities:		
Royalties receivable	(16,945)	5,055
Accounts payable and accrued expenses	323,974	35,252
Deferred revenue	78,857	190,252
Cash provided by operating activities	386,707	234,451
Cash Flows from financing activities		
Distributions paid to members	(317,122)	(308,641)
Cash used in financing activities	(317,122)	(308,641)
Net increase (decrease) in cash and cash equivalents	69,585	(74,190)
Cash and cash equivalents, beginning of year	178,116	252,306
Cash and cash equivalents, end of year	\$ 247,701	\$ 178,116
Supplemental disclosures of cash flow information		
State taxes	\$ 12,608	\$ 26,346

See notes to financial statements.

RADWICK FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Radwick Franchising, LLC, a limited-liability company, was formed on October 1, 2013, in the state of California. The Company's principal purpose is franchising an existing casual dining restaurant chain known as "Spitz." Each member of the Company has limited liability equal to the amount of capital invested and retained in the Company.

Basis of Presentation

The Company has prepared the financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP").

The financial statements have been approved by management and are available for issuance on March 25, 2024, and subsequent events have been evaluated through this date.

Use of Estimates

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

Cash and Cash Equivalents

For the purpose of the statements of cash flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Company maintains cash balances in certain financial institutions which, at times, may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any loss from these obligations.

Royalties Receivable

Royalties receivable are reported at invoice value. The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its franchisees to make required payments. Management considers the age of royalties receivable balances and general economic issues when determining the collectability of specific accounts. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts. Balances that remain outstanding after reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and credit to royalties receivable. The Company has not established an allowance for doubtful accounts as it is management's opinion that uncollectible accounts, if any, at December 31, 2023 and 2022 were not material to the financial statements.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Revenues are recorded when: (i) a contract with a client has been identified, (ii) the performance obligation(s) in the contract have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the contract, and (v) the Company has satisfied the applicable performance obligation.

The Company's revenue consists of fees from franchised restaurants operated by conventional franchisees. Revenue from conventional franchised restaurants include initial franchise fees, royalties based on percent of sales, marketing fees based on percent of sales, and development fees for locations the franchisee opens in addition to the initial location.

Royalties are collected on a weekly basis and are based on the greater of 5.5% of the franchisees' gross sales or \$125. Royalty revenue was approximately \$1,103,000 and \$753,000 for the years ended December 31, 2023 and 2022, respectively.

Franchise fee revenue was approximately \$52,000 and \$34,000 for the years ended December 31, 2023 and 2022, respectively. The initial franchise fees collected are determined on a franchisee-by-franchisee basis. The Company had fourteen Franchisees opened and operating as of December 31, 2023 and nine franchisees opened and operating as of December 31, 2022.

Marketing fees are based on up to 2% of gross revenue, is payable to the Company and held in a marketing fund. The marketing fund is used for marketing expenses related to maximizing public recognition of the Spitz brand and marketing fund. Marketing revenue was approximately \$124,000 and \$70,000 for the years ended December 31, 2023 and 2022, respectively.

Advertising

The Company expenses advertising costs as incurred. Advertising expenses were approximately \$256,000 and \$191,000 for the years ended December 31, 2023 and 2022, respectively.

Income Taxes

The Company has elected to be taxed as a partnership for Federal income tax purposes. Therefore, Federal income taxes are not payable by the Company. The Company's net income is allocated to the members in accordance with the regulations of the Company, and members are subject to Federal income taxes individually. A fee is paid to the state of California based on gross receipts and a minimum tax of \$800. The California fees and taxes on December 31, 2023 and 2022, were approximately \$13,000 and \$26,000, respectively.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the company and recognize a tax liability (or asset) if the Company has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2023 and 2022, there were no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Company is subject to routine audits by taxing and other jurisdictions. However, there are currently no audits in progress for any prior tax periods.

The Company files income tax returns in the U.S. federal jurisdiction and certain states. With few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations for year before 2020.

Fair Value of Financial Instruments

The Company's financial instruments, including cash and cash equivalents, accounts payable, and due to related party, are carried at cost, which approximates their fair value because of the short-term nature of these financial instruments.

Recently Adopted Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which creates a new credit impairment standard for financial assets measured at amortized cost and available-for-sale debt securities. The ASU requires financial assets measured at amortized cost (including loans, trade receivables and held-to-maturity debt securities) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The ASU requires that credit losses on available-for-sale debt securities be presented as an allowance rather than as a direct write-down. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statement of income as the amounts expected to be collected change. The Company adopted ASU 2016-13 on January 1, 2023. The adoption of this standard did not have a significant impact on the Company's financial statements.

Reclassifications

Certain prior-year amounts have been reclassified to conform to the current year's presentation with no impact on the balance sheet or income statement.

NOTE -

NOTE B – DEFERRED REVENUE

Deferred revenue represents unearned revenue generated from the sale of new franchises and the approval of new franchise locations. Franchise fee and development fee revenues are recognized when performance obligations are satisfied. Management determined that performance obligations related to franchise fees are satisfied over time and revenue is recognized over the term of the franchise agreement. Deferred revenue was \$447,000 and \$368,000 at December 31, 2023 and 2022, respectively.

NOTE C – RELATED PARTY TRANSACTIONS

The Company has a payable to Radwick Enterprises LLC, a related party under common control. These payables are non-interest bearing, unsecured and have no specific terms of repayment. The amount of the payable was approximately \$4,000 as of December 31, 2023 and 2022, respectively.

Radwick Enterprises, LLC owned four restaurants operated under the concept as of December 31, 2023 and 2022.

Management fees are paid monthly to four members of the Company and are distributed based on 20% of gross income from franchise operations. Management fees paid to these members totaled approximately \$248,000 and \$175,000 for the years ended December 31, 2023 and 2022, respectively. The Company had unpaid management fees of approximately \$248,000 and \$121,000 as of December 31, 2023 and 2022, respectively.

NOTE D – MEMBERS' DEFICIT

Distribution of Available Cash

Ownership percentage of each person or entity admitted as a Class-A member is equal to the total capital contributions made by the Class-A member over the total capital contributions made by all Class-A members to the Company. The managing members may make changes in membership percentages, aggregate capital contributions, and admission of additional or substitute members, without the consent of any other person or entity.

Distributions to the holders of Class-B membership interests are subordinate to Class-A distributions and are proportionate to each such member's respective holdings of Class-B membership interest, until such time as Class-B members' respective capital account balances have been reduced to zero.

NOTE -

NOTE D – MEMBERS’ DEFICIT (CONTINUED)

Profits Interest Unit Agreement and Right of Repurchase

The Company awards Incentive Units to certain members pursuant to the Company’s 2017 Incentive Unit Award Agreement (the “Agreement”). The units are vested at the effective date of the Agreement and the Company has a right of repurchase should a qualifying service termination occur. The Right of Repurchase lapses on 15% of the awarded units on the first- and second-year anniversary the units were awarded, at the third-year anniversary the Right of Repurchase lapses on 20% of the awarded units, and the remaining 25% of the awarded Right of Repurchase lapses on the fourth and fifth-year anniversary of the awarded units. On July 15, 2017, the Company awarded 50,000 Class-B Incentive Units to a certain member at a price of \$1.00 per unit.

On September 1, 2018, the Company awarded 52,631 Class-B Incentive Units to a member at a price of \$0.95 per unit. The Company also awarded 25,000 Class-B Incentive Units to a member on January 1, 2021 at a price of \$0.95 per unit.

The Class-B Units are intended to be profits interests for tax purposes, as described in the Agreement. Accordingly, the grant of the Class-B Units is not intended to result in taxable income. The Company’s total Class-B Incentive Units outstanding was 127,631 for the years ended December 31, 2023 and 2022, respectively. Total Class-B Incentive Units available for repurchase was 8,500 and 29,908 for the years ended December 31, 2023 and 2022, respectively.

NOTE E – CONCENTRATIONS

Significant Customer

As of and for the year ended December 31, 2023 and 2022, three customers represented 32% and 41% of total revenues and 35% and 14% of royalties receivable, respectively.

NOTE F – COMMITMENTS AND CONTINGENCIES

Litigation

The Company from time to time may be a defendant in legal actions generally incidental to its business. Although it is difficult to predict the ultimate outcome of any potential or threatened litigation, management believes that any ultimate liability will not materially affect the financial position and results of operations of the Company.

RADWICK FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

I
NOTE -

NOTE G – SUBSEQUENT EVENTS

The Company evaluated subsequent events through March 25, 2024, when these financial statements were available to be issued. The Company is not aware of any significant events that occurred subsequent to the balance sheet date, but prior to the filing of this report, that would have a material impact on the financial statements requiring additional recognition of disclosure other than the two new stores located in Plano, Texas and Leesburg, Virginia.

INDEPENDENT AUDITOR'S REPORT

Board of Members of
Radwick Franchising, LLC

Opinion

We have audited the accompanying financial statements of Radwick Franchising, LLC, (the "Company"), which comprise the balance sheet as of December 31, 2022, and the related statements of income, members' deficit, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT

Board of Members of
Radwick Franchising, LLC

Opinion

We have audited the accompanying financial statements of Radwick Franchising, LLC, (the "Company"), which comprise the balance sheet as of December 31, 2022, and the related statements of income, members' deficit, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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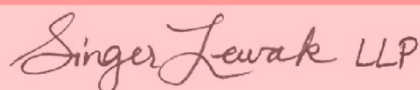
Auditors' Responsibilities for the Audit of the Financial Statements

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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.

The image shows a handwritten signature in black ink that reads "Singer Lewak LLP". The signature is written in a cursive, flowing style. It is positioned above a solid black rectangular box.

April 21, 2023

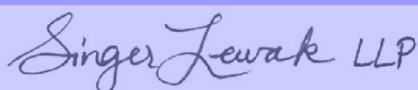
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- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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.

The image shows a handwritten signature in black ink that reads "Singer Lewak LLP". The signature is written in a cursive, flowing style. It is positioned on a light blue rectangular background.

April 21, 2023

RADWICK FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

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RADWICK FRANCHISING, LLC FINANCIAL STATEMENTS

as of

DECEMBER 31, 2021 AND 2020

and for the years ending

DECEMBER 31, 2021, 2020 AND 2019

RADWICK FRANCHISING, LLC
TABLE OF CONTENTS

Independent auditors' report	1-2
Financial statements:	
— Balance sheets	3
— Statements of income	4
— Statements of members' equity (deficit)	5
— Statements of cash flows	6
— Notes to financial statements	7-13



INDEPENDENT AUDITOR'S REPORT

To the Members of Radwick
Franchising, LLC

Opinion

We have audited the accompanying financial statements of Radwick Franchising, LLC (a California company), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, members' equity, and cash flows for the 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 Radwick Franchising, LLC as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Radwick 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.

Prior Period Financial Statements

The financial statements of Radwick Franchising, LLC for the year ended December 31, 2019, were audited by other auditors whose report dated April 6, 2020, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

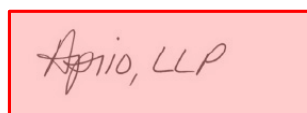
Auditors' Responsibilities for the Audit of the Financial Statements

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 Radwick 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 Radwick 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.

A rectangular box containing a handwritten signature in black ink that reads "Aprio, LLP".

Birmingham, Alabama February
23, 2022

RADWICK FRANCHISING, LLC

BALANCE SHEETS
DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
<u>Current assets</u>		
Cash and cash equivalents	\$ 252,306	\$ 104,464
Royalties receivable	17,899	7,086
Total assets	<u>\$ 270,205</u>	<u>\$ 111,550</u>
<u>LIABILITIES AND MEMBERS' EQUITY (DEFICIT)</u>		
<u>Current liabilities</u>		
Accounts payable and accrued expenses	\$ 139,941	\$ 48,225
Due to related party	4,461	5,892
Distributions payable	162,116	152,385
Deferred revenue, current portion	25,500	9,083
	332,018	
Total current liabilities		215,585
<u>Long-term liabilities</u>	152,542	
Deferred revenue, net of current portion		12,750
	152,542	
Total long-term liabilities		12,750
Total liabilities	484,560	228,335
	(214,355)	
<u>Members' equity (deficit)</u>		(116,785)
	<u>\$ 270,205</u>	
Total liabilities and members' equity (deficit)		<u>\$ 111,550</u>

STATEMENTS OF INCOME

RADWICK FRANCHISING, LLC

	2021	2020	2019
<u>Revenue</u>	\$ 616,085	\$ 430,715	\$ 442,952
Royalty revenue	103,275	54,433	61,758
Marketing revenue	16,292	10,000	8,917
Franchise fee revenue	\$ 735,652	\$ 495,148	\$ 513,627
Total revenue	543,191	350,738	347,458
General and administrative expenses	192,461	144,410	166,169
Income from operations	-	-	5,248
Other income	-	-	5,248
Total other income	-	-	5,248
Income before provision for state taxes	192,461	144,410	171,417
Provision for state taxes	1,700	5,250	4,326
Net income	\$ 190,761	\$ 139,160	\$ 167,091

STATEMENTS OF MEMBERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

Class A	Class B	
Members	Members	Total

RADWICK FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

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RADWICK
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FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

Members' equity (deficit), December 31, 2018	\$ (72,402)	\$ 95,034	\$ 22,632
Adoption of ASC 606, January 1, 2019	(23,175)	(2,575)	(25,750)
Distributions	(195,222)	(21,694)	(216,916)
Net income	150,382	16,709	167,091
Members' equity (deficit), December 31, 2019	140,417	87,474	(52,943)
Distributions	(182,702)	(20,300)	(203,002)
Net income	125,244	13,916	139,160
Members' equity (deficit), December 31, 2020	(197,875)	81,090	(116,785)
Issuance of Class-B units	-	23,750	23,750
Distributions	(273,071)	(39,010)	(312,081)
Net income	166,915	23,846	190,761
Members' equity (deficit), December 31, 2021	<u>\$ (304,031)</u>	<u>\$ 89,676</u>	<u>\$ (214,355)</u>
STATEMENTS OF CASH FLOWS			
	2021	2020	2019

Cash flows from operating activities

Net income

Adjustments to reconcile net income to net cash provided by operating activities:

Change in operating assets and liabilities:

Royalties receivable

Franchise fee receivable

Advances receivable, franchisee

Accounts payable and accrued expenses

Deferred revenue

Total adjustments

		190,761	139,160	\$
	\$		\$	167,091
	RADWICK FR	(10,813)	3,066	
		-	10,000	364
		-	10,717	2,805
				(9,828)
		90,285	9,475	
		156,209	(5,000)	8,526
Cash provided by operating activities		235,681	28,258	(8,917)
				(7,050)
Cash flows from financing activities		426,442	167,418	
Issuance of Class B units				160,041
Distributions paid to members				
Cash used by financing activities—Net				
increase in cash and cash equivalents		23,750	-	
Cash and cash equivalents, beginning of the year		(302,350)	(131,996)	
Cash and cash equivalents, end of year		(278,600)	(131,996)	(175,367)
				(175,367)
SUPPLEMENTAL DISCLOSURES OF CASH		147,842	35,422	
FLOW INFORMATION		104,464	69,042	(15,326)
Cash paid during the years for:—		\$ 252,306	\$ 104,464	84,368
Interest	\$			\$ 69,042
State taxes	\$	1,700		
			\$ -	
			\$ -5,250	\$ -5
				\$ -4,326

See auditors' report and accompanying notes

RADWICK FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

Note A

Summary of Significant Accounting Policies Nature

of Operations:

Radwick Franchising, LLC, a limited-liability company, was formed on October 1, 2013 in the state of California. The Company's principle purpose is franchising an existing casual dining restaurant chain, known as "Spitz." Each member of the Company has limited liability equal to the amount of capital invested and retained in the Company.

Basis of Presentation:

The Company has prepared the financial statements in conformity with generally accepted accounting principles in the United States of America ("GAAP").

The financial statements have been approved by management and are available for issuance on February 23, 2022 and subsequent events have been evaluated through this date.

Use of Estimates:

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

Cash and Cash Equivalents:

For the purpose of the statements of cash flows, the Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk:

The Company maintains cash balances in certain financial institutions which, at times, may exceed federally insured limits. The Company is subject to credit risk to the extent any financial institution with which it conducts business is unable to fulfill contractual obligations on its behalf. Management monitors the financial condition of such financial institutions and does not anticipate any loss from these obligations.

Royalties Receivable:

Royalties receivable are reported at invoice value. The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its franchisees to make required payments. Management considers the age of royalties receivable balances and general economic issues when determining the collectability of specific accounts. Based on management's assessment, the Company provides for estimated uncollectible amounts through a charge to earnings and a credit to the allowance for doubtful accounts. Balances that remain outstanding after reasonable collection efforts are written off through a charge to the allowance for doubtful accounts and credit to royalties receivable. The Company has not established an allowance for doubtful accounts as it is management's

RADWICK FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

Note A

Summary of Significant Accounting Policies (Continued)

~~opinion that uncollectible accounts, if any, at December 31, 2021 and 2020 were not material to the financial statements.~~

Revenue Recognition:

~~Revenues are recorded when: (i) a contract with a client has been identified, (ii) the performance obligation(s) in the contract have been identified, (iii) the transaction price has been determined, (iv) the transaction price has been allocated to each performance obligation in the contract, and (v) the Company has satisfied the applicable performance obligation.~~

~~The Company's revenue consists of fees from franchised restaurants operated by conventional franchisees. Revenue from conventional franchised restaurants include initial franchise fees, royalties based on percent of sales, marketing fees based on percent of sales, and development fees for locations the franchisee opens in addition to the initial location.~~

~~The Company adopted ASC 606 as of January 1, 2019, using the modified retrospective method. This method allows the standard to be applied retrospectively through a cumulative catch up adjustment recognized upon adoption. As such, comparative information in the Company's financial statement has not been restated and continues to be reported under the account standard in effect for those periods.~~

~~Prior to the adoption of ASC 606, the Company recognized revenue in accordance with ASC 952-605. The Company recognized royalty and marketing revenue from restaurant operated franchisee, which were based on a percent of sales, at the time the underlying sales occurred. Initial franchise fee from new franchisees was recognized when services are delivered, but not earlier than the new franchisee restaurant opening date.~~

~~The adoption of ASC 606 does not impact the Company's recognition of royalties and marketing revenues from restaurant operated franchisee, which are based on a percent of sales and recognized at the time the underlying sales occurs. The adoption does impact the timing in which the Company recognizes initial franchise fees. Initial franchise fees are recognized as the Company satisfies the performance obligation over the franchise agreement term, which is generally 5-10 years. The guidance was retroactively applied to all contracts at the date of initial application. Development fees are recognized over time as the Company satisfies the performance obligation. The Company recognizes development fee revenue over the period of time beginning when the new location is approved by the Company through the end date of the area development agreement. The adoption does not impact the timing in which the Company recognizes area development fees as each franchisee only had a single location open and operating at the time of the adoption.~~

~~The cumulative adjustment upon the adoption of ASC 606 consisted of an increase in deferred revenue of approximately \$25,750 within long term liabilities and an increase in member's deficit of \$25,750 as of January 1, 2020.~~

RADWICK FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

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NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

Note A

Summary of Significant Accounting Policies (Continued)

Royalties are collected on a weekly basis and are based on the greater of 5.5% of the franchisees' gross sales or \$125. Royalty revenue was \$616,085, \$430,715 and \$442,952, for the years ended December 31, 2021, 2020 and 2019, respectively.

Franchise fee revenue was \$16,292, \$10,000 and \$8,917 for the years ended December 31, 2021, 2020 and 2019, respectively. The initial franchise fees collected are determined on a franchisee by franchisee basis. The Company had seven franchisees opened and operating as of December 31, 2021, eight franchisees opened as of December 31, 2020, and seven franchisees opened and operating as of December 31, 2019.

Marketing fees are based on up to 2% of gross revenue, is payable to the Company and held in a marketing fund. The marketing fund is used for marketing expenses related to maximizing public recognition of the Spitz brand. Marketing revenue was \$103,275, \$54,433 and \$61,758 for the years ended December 31, 2021, 2020 and 2019, respectively. The marketing fund balance was \$- for the years ended December 31, 2021 and 2020.

Advertising:

The Company expenses advertising costs as incurred. Advertising expenses were approximately \$132,598, \$110,374 and \$111,273 for the years ended December 31, 2021, 2020 and 2019, respectively.

Income taxes:

The Company has elected to be taxed as a partnership for Federal income tax purposes. Therefore, Federal income taxes are not payable by the Company. The Company's net income is allocated to the members in accordance with the regulations of the Company, and members are subject to Federal income taxes individually. A fee is paid to the state of California based on gross receipts and a minimum tax of \$800. The California fees and taxes at December 31, 2021, 2020 and 2019 were \$1,700, \$5,250 and \$4,326, respectively.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the company and recognize a tax liability (or asset) if the Company has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Company, and has concluded that as of December 31, 2021 and 2020 there were no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Company is subject to routine audits by taxing and other jurisdictions. However, there are currently no audits in progress for any prior tax periods.

RADWICK FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

Note A

Summary of Significant Accounting Policies (Continued)

The Company files income tax returns in the U.S. federal jurisdiction and certain states. With few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations for years before 2018.

Fair Value of Financial Instruments:

The Company's financial instruments, including cash and cash equivalents, accounts payable, and due to related party, are carried at cost, which approximates their fair value because of the short-term nature of these financial instruments.

Recently Issued Accounting Standards:

In February 2016, the FASB issued an update to its guidance on lease accounting. This update revises the accounting for operating leases by a lessee, among other changes, and requires a lessee to recognize a liability to make lease payments and an asset representing its right to use the underlying asset for the lease term in the balance sheet. The distinction between finance and operating leases has not changed and the update does not significantly change the effect of finance and operating leases on the statement of operations. The guidance is effective for annual periods beginning after December 15, 2021, with early adoption permitted. The Company is in the process of evaluating the application and implementation of the new guidance.

Note B

Deferred Revenue

Deferred revenue represents unearned revenue generated from the sale of new franchises and the approval of new franchisee locations. Franchise fee and development fee revenues are recognized when performance obligations are satisfied. Management determined that performance obligations related to franchise fees are satisfied over time and revenue is recognized over the term of the franchise agreement. Deferred revenue was \$178,042 and \$21,833 at December 31, 2021 and 2020, respectively.

Note C

Related Party Transactions

The Company has a payable to Radwick Enterprises LLC, a related party under common control. These payables are non-interest bearing, unsecured and have no specific terms of repayment. The amount payable was \$4,461 and \$5,892 as of December 31, 2021 and 2020, respectively.

Radwick Enterprises, LLC owned five restaurants operated under the concept as of December 31, 2021 and four restaurants as of December 31, 2020.

RADWICK FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

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NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

Note C

Related Party Transactions (Continued)

Management fees are paid monthly to three members of the Company and are distributed based on 13% of royalty revenue. Management fees paid to these members totaled \$-, \$34,130 and \$32,172 for the years ended December 31, 2021, 2020 and 2019, respectively. Accrued and unpaid management fees due to these members totaled \$120,535 and \$39,394 as of December 31, 2021 and 2020. In addition, two of the Class B members received additional management fees in excess of the calculated 13% of royalty revenues totaling \$96,690, \$79,385 and \$- for the years ended December 31, 2021, 2020 and 2019, respectively.

Note D

Reclassification

Certain items in the 2020 financial statement presentation have been reclassified to conform to the 2021 presentation. Such reclassifications have no effect on previously reported net income.

Note E

Members' Equity

Distribution of Available Cash

Ownership percentage of each person or entity admitted as a Class A member is equal to the total capital contributions made by the Class A member over the total capital contributions made by all Class A members to the Company. The managing members may make changes in membership percentages, aggregate capital contributions, and admission of additional or substitute members, without the consent of any other person or entity.

Distributions to the holders of Class B membership interests are subordinate to Class A distributions and are proportionate to each such member's respective holdings of Class B membership interest, until such time as Class B members' respective capital account balances have been reduced to zero.

Profits Interest Unit Agreement and Right of Repurchase

The Company awards Incentive Units to certain members pursuant to the Company's 2017 Incentive Unit Award Agreement (the "Agreement"). The units are vested at the effective date of the Agreement and the Company has a right of repurchase should a qualifying service termination occur. The Right of Repurchase lapses on 15% of the awarded units on the first and second year anniversary the units were awarded, at the third year anniversary the Right

RADWICK FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

of Repurchase lapses on 20% of the awarded units, and the remaining 25% of the awarded Right of Repurchase lapses on the fourth and fifth year anniversary of the awarded units. On July 15, 2017, the Company awarded 50,000 Class B Incentive Units to a certain member at a price of \$1.00 per unit.

On September 1, 2018, the Company awarded 52,631 Class B Incentive Units to a member at a price of \$0.95 per unit. The Company also awarded 25,000 Class B Incentive Units to a member on January 1, 2021 at a price of \$0.95 per unit.

The Class B Units are intended to be profits interests for tax purposes, as described in the Agreement.

Note E

Members' Equity (Continued)

Accordingly, the grant of the Class B Units is not intended to result in taxable income. The Company's total Class B Incentive Units outstanding was 127,631 and 102,631 for the years ended December 31, 2021 and 2020, respectively. Total Class B Incentive Units available for repurchase was 63,816 and 61,842 for the years ended December 31, 2021 and 2020, respectively.

Note F

Concentrations

Significant Vendor:

A significant vendor is defined as one from which the company receives at least 10% of its total purchases. For the year ended December 31, 2021, the Company had purchases from two suppliers totaling \$155,147, which comprised approximately 29% of the Company's annual purchases, respectively. The accounts payable balance included \$— to these vendors at December 31, 2021.

For the years ended December 31, 2020 and 2019, the Company had purchases from three suppliers totaling \$156,132 and \$145,558, which comprised approximately 45% and 42% of the Company's annual purchases, respectively. The accounts payable balance included \$— to these vendors at December 31, 2020 and 2019.

Significant Customer:

A significant customer is defined as one from whom at least 10% of annual revenue is derived. The Company had sales to six customers totaling \$653,528 and \$455,492, which comprised approximately 89% and 92% of annual revenues for the years ended December 31, 2021 and 2020, respectively. The royalties receivable balance included approximately \$13,861 and \$3,826 from these six customers at December 31, 2021 and 2020, respectively.

For the year ended December 31, 2019, the Company had sales to five customers totaling \$476,396, which comprised approximately 96% of annual revenues. The royalties receivable balance included approximately \$6,826 from these five customers at December 31, 2019.

RADWICK FRANCHISING, LLC

NOTES TO FINANCIAL STATEMENTS

RADWICK
FRANCHISING,
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NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019

Note G

Uncertainty Related to Current Economic Conditions

The Company's ongoing profitability may experience instability and estimates included in the financial statements may change due to current political and economic conditions as a result of public health concerns related to the novel coronavirus, or COVID-19. The duration and intensity of these impacts and resulting disruption to which these events effect the Company's business will depend on future developments, which are highly uncertain and cannot be predicted at this time.

Note H

Subsequent Events

The Company evaluated subsequent events through February 23, 2022, when these financial statements were available to be issued. The Company is not aware of any significant events that occurred subsequent to the balance sheet date, but prior to the filing of this report, that would have a material impact on the financial statements requiring additional recognition or disclosure.

RADWICK FRANCHISING, LLC
NOTES TO FINANCIAL STATEMENTS

NOTE -

T

NORTH DAKOTA	Office of the Securities Commissioner 600 East Boulevard Avenue Fifth Floor, Department 414 Bismarck, North Dakota 58505-0510 (701) 328-2910	Office of the Securities Commissioner 600 East Boulevard Avenue Fifth Floor, Department 414 Bismarck, North Dakota 58505-0510 (701) 328-2910
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~~4890-7414-3670v1~~[4901-7039-5440v1](#)

2961956-~~000001-04/10/2024~~[000011-04/01/2025](#)

STATE	STATE ADMINISTRATOR	AGENT FOR SERVICE OF PROCESS
OREGON	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Department of Insurance and Finance Corporate Securities Section Labor and Industries Building Salem, Oregon 97310 (503) 378-4387
RHODE ISLAND	Director, Securities Division State of Rhode Island Department of Business Regulation, Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920 (401) 462-9582	Securities Division Department of Business Regulation Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue, Cranston, Rhode Island 02920 (401) 462-9582
SOUTH DAKOTA	Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Director, Department of Labor and Regulation Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, South Dakota 57501 (605) 773-3560
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, First Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9051
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760	Director, Department of Financial Institutions Securities Division 150 Israel Road S.W. Tumwater, Washington 98501 (360) 902-8760
WISCONSIN	Franchise Registration Division of Securities Wisconsin Department of Financial Institutions 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-1064	Securities and Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, Wisconsin 53703 (608) 266-1064

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2961956-~~000001~~ ~~04/10/2024~~[000011 04/01/2025](#)

RADWICK FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT M
LIST OF FRANCHISEES

LIST OF CURRENT FRANCHISEES AS OF DECEMBER 31,
~~2023~~2024

<u>ARIZONA:</u> <u>Gupshup LLC</u> <u>Jaskarn Singh</u> <u>3755 E Azalea Dr</u> <u>Gilbert, Arizona 85298</u> <u>602-377-0121</u> <u>Kyle Tarter</u> <u>681 E. Apache Blvd., #107</u> <u>Tempe, Arizona 85281</u> <u>(480) 590-0197</u>	<u>MINNESOTA:</u> <u>Chris Law</u> <u>Spitz Minneapolis</u> <u>518 E. Hennepin Avenue</u> <u>Minneapolis, Minnesota 55414</u> <u>(651) 206-7997</u> <u>Chris Law</u> <u>1930 Donegal Drive, Suite 200</u> <u>Woodbury, Minnesota 55125</u> <u>(651) 330-7732</u>
<u>CALIFORNIA:</u> <u>Rebecca Skolmutch</u> <u>Tomato Squirts Incorporated</u> <u>626 Nenno Ave</u> <u>Placentia, California 92870</u> <u>(714) 319-8660</u>	<u>MONTANA:</u> <u>Jenna O'Brien</u> <u>313 N. Broadway</u> <u>Billings, Montana 59101</u> <u>(406) 200-7926</u>
~~ARIZONA:~~ ~~Shelton Johnson~~ ~~21001 N. Tatum Blvd., Suite 34-1140~~ ~~Phoenix, Arizona 85202~~ ~~(480) 687-1593~~ ~~Kyle Tarter~~ ~~681 E. Apache Blvd., #107~~ ~~Tempe, Arizona 85281~~ ~~(480) 590-0197~~ ~~CALIFORNIA:~~ ~~Enrique Cajero~~ ~~1234 Wildwood Drive~~ ~~Los Angeles, California 90041~~ ~~(323) 369-4339~~ ~~COLORADO:~~ ~~Regina Bryant~~ ~~1230 S. Hoover Street, Suite B-100~~ ~~Longmont, Colorado 80501~~ ~~(303) 834-8136~~	~~MONTANA:~~ ~~Jenna O'Brien~~ ~~313 N. Broadway~~ ~~Billings, Montana 59101~~ ~~(406) 200-7926~~ TEXAS: Samarth Patel Shiya Family Group Inc 10400 Calvary Court Frisco, Texas 75035 (469) 408-0830 Debra Holt Greek Me Out, LLC 2524 Quail Point Midland, Texas 79705 (432) 661-2972 ~~UTAH:~~ ~~Spitz Draper~~ ~~12300 S. 62E~~ ~~Draper, Utah, 84020~~

Nathan Heim* Steady Bones Ventures 11470 S Canton Court Sandy, Utah 84092 (801) 946-4398 Restaurant location: 8181 E Arapahoe Rd Suite E Greenwood Village, ~~CO~~Colorado 80112 303-379-9020 MINNESOTA: Chris Law Spitz Minneapolis 518 E. Hennepin Avenue Minneapolis, Minnesota 55414 (651) 206-7997 Chris Law 1930 Donegal Drive, Suite 200 Woodbury, Minnesota 55125 (651) 330-7732 Josh Hill* 35 East Broadway Salt Lake City, Utah 84111	(801) 432-8204 Mark Chamberlain Busy Bee Enterprises, LLC 3158 E 6200 S, Suite D Holladay, Utah 84121 (801) 505-8774 *Area Developer Mark Chamberlain 3601 N Digital Dr #210 Lehi, Utah, 84043 (385) 455-4101 Josh Hill* Spitz Sugarhouse 1201 Wilmington Avenue #101 Salt Lake City, Utah 84106 (435) 640-5306 Puneet Jain Brij Foods 618 Embercrest Dr Murphy, Texas 75094 (972) 948-6995
<u>UTAH:</u> Spitz Draper 12300 S. 62E Draper, Utah, 84020 (801) 432-8204 Mark Chamberlain Busy Bee Enterprises, LLC	<u>VIRGINIA:</u> Meet Patel 18516 Sierra Springs Sq Leesburg, Virginia 20176 (757) 419-6724

3158 E 6200 S, Suite D Holladay, Utah 84121 (801) 505-8774 Mark Chamberlain 3601 N Digital Dr #210 Lehi, Utah 84043 (385) 455-4101 Brett Chamberlain 5414 N Meadowlark Lane Lehi, Utah 84043 Josh Hill* Spitz Sugarhouse 1201 Wilmington Avenue #101 Salt Lake City, Utah 84106 (435) 640-5306 Josh Hill* 35 East Broadway Salt Lake City, Utah 84111 (801) 364-0286 Josh Hill* Tanner Slizeski Spitz West Jordan 3763 W Center Park Dr. #130 West Jordan, Utah 84084 (801) 364-0286 *Area Developer	
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IF YOU BUY THIS FRANCHISE, YOUR CONTACT INFORMATION MAY BE DISCLOSED TO OTHER BUYERS WHEN YOU LEAVE THE FRANCHISE SYSTEM.

2

LIST OF OUTLETS TRANSFERRED FROM FRANCHISEES TO NEW OWNERS
AS OF DECEMBER 31, ~~2023~~[2024](#)

None

LIST OF OUTLETS THAT WERE TERMINATED, CANCELED, NOT RENEWED OR
CEASED OPERATIONS FOR OTHER REASONS AS OF DECEMBER 31, ~~2023~~[2024](#)

~~None~~[-ARIZONA:](#)

-3

[Sheltonn Johnson](#)
[21001 N. Tatum Blvd., Suite 34 1140](#)
[Phoenix, Arizona 85202](#)
[\(480\) 687-1593](#)

LIST OF FRANCHISEES WHO HAVE SIGNED FRANCHISE AGREEMENTS BUT ARE NOT OPEN
 DECEMBER 31, ~~2023~~2024

ARIZONA: Gupshup LLC Jaskarn Singh 3755 E Azalea Dr Gilbert AZ 85298 602-377-0121 CALIFORNIA: Rebecca Skolmutch Tomato Squirts Incorporated 626 Nenno Ave Placentia, CA 92870 (714) 319-8660 Onur Ozkayank 508 Castro St San Francisco CA 96116 415-299-7866 GEORGIA: Joseph Picone Picone Holdings, LLC 841 Barn Owl Rd Marietta, GA 30068 (804) 263-5598	MONTANA: Entertainment 720 Inc Victor Marabella 3018 Annie St Bozeman MT 59718 406-570-5862 TEXAS: Puneet Jain Brij Foods 618 Embercrest Dr Murphy, TX 75094 (972) 948-6995 VIRGINIA: Meet Patel 18516 Sierra Springs Sq Leesburg, VA 20176 (757) 419-6724
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ALABAMA: Lauren Ricci 1 Brennan Hill Lane Gurley, Alabama 35748 801-842-9722	CALIFORNIA: Onur Ozkayank 508 Castro St San Francisco, California 96116 415-299-7866
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<u>GEORGIA:</u> Joseph Picone Picone Holdings, LLC 841 Barn Owl Rd Marietta, Georgia 30068 (804) 263-5598	<u>MARYLAND:</u> Chiragkumar Patel 5990 Florey Road Hanover, Maryland 21076 843-422-5288
<u>MINNESOTA:</u> Conor Hannon 4134 Colorado Ave S St Louis Park, Minnesota 55416 952-913-3986	<u>MONTANA:</u> Entertainment 720 Inc Victor Marabella 3018 Annie St Bozeman, Montana 59718 406-570-5862
<u>TEXAS:</u> Samarth Patel Shiya Family Group Inc 10400 Calvary Court Frisco, Texas 75035 (469) 408-0830	<u>UTAH:</u> Josh Hill* Kyle Zoellner 2549 Sinagua Trail #48 St George, Utah 84770 435-602-9576
<u>VIRGINIA:</u> Sreenath Gurrupu 23601 Roselle Ridge LN Aldie, Virginia 20105 903-408-0010	

[4909-2628-7664v2](#)
[2961956-000011.04/18/2025](#)

RADWICK FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT N
STATE SPECIFIC ADDENDA

specified in the CFRA. We have the right to receive clear title to and possession of all items purchased from you as a condition of performing this obligation.

9. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

10. Section 31126 of the California Corporations Code requires us to approve or disapprove your franchise application in writing within 60 days of receipt of it. If the application is disapproved, we must include the reasons for disapproval.

11. You must sign a general release if you renew or transfer your Franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). CFRA 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20044). We are prohibited from modifying the Franchise Agreement or requiring a general release in exchange for any assistance related a declared state or federal emergency under Section 20044 of the CFRA.

12. 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.

13. The financial performance figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.

14. The highest interest rate allowed by law in California is 10% annually.

15. THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA. SUCH REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION NOR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

16. The terms of Items 5 and 6 of this Disclosure Document have been negotiated with other franchisees. A copy of all Negotiated Sales Notices filed in California in the last twelve months is attached as Exhibit 1.

EXHIBIT 1

Negotiated Sales

STATE OF CALIFORNIA – DEPARTMENT OF

**FRANCHISE INVESTMENT LAW NOTICE OF NEGOTIATED SALE OF FRANCHISE
UNDER SECTION 310.100.2, TITLE 10, CALIFORNIA CODE OF REGULATIONS**

D -310.100.2 (Rev. 1TĞ'T)



Department of)LQDQFLDO3URWHFWLRQDQG,QQRYDWLRQ

File No. App. ID app-31685

(Insert file-number of currently effective
franchise registration)

STATE OF CALIFORNIA
DEPARTMENT OF),1\$1&,\$/3527(&7,21\$1',1129\$7,21

1. (a) Name of

FILER:

Radwick

Franchising, LLC

(b) The above-named filer is filing as a (check one):

☒ FRANCHISOR ☐ SUBFRANCHISOR

(c) If FILER is a SUBFRANCHISOR, the name of FRANCHISOR:

2. (a) Name of FRANCHISE:

Tiznado's Enterprises

Inc.

(b) Contact Person:

Angel Manuel

Tiznado

(c) Address:

3737

Cahuenga Blvd Studio

Studio City, California 91604

(d) Telephone:

323-674-

5320

3. A. (a) Offering Circular Item

Number: _____ 2024 FDD (b) Description of
Provisions in Currently Registered Offering Circular:
Initial Franchise Fee of \$35,000 for a single outlet; weekly royalty fee of 5.5% of Gross
Revenue

(c) Description of Change:

No

Initial Franchise Fee and royalty abatement (no royalty

months 1-3; 3% months 3-9) for manager who purchased Spitz Restaurant from Operating Company

B. (a) Offering Circular Item Number: _____

(b) Description of Provisions in Currently Registered Offering Circular:

(c) Description of

Change: _____

C. (a) Offering Circular Item Number: _____

(b) Description of Provisions in Currently Registered Offering Circular:

(c) Description of

Change: _____

(If additional space is needed, attach separate sheet (s) with respect to each additional item being
changed using the above format)

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**FRANCHISE INVESTMENT LAW NOTICE OF NEGOTIATED SALE OF FRANCHISE
UNDER SECTION 310.100.2, TITLE 10, CALIFORNIA CODE OF REGULATIONS**

D -310.100.2 (Rev. 1TĞ"") Page 2 of 2

4. Date of Sale of Negotiated

Franchise: _____

January 1, 2025

5. Name, title, business address and telephone number of individual to be contacted by the Department regarding this notice:

Name:

Rademan

Bryce

Title:

President

Business Address:

12300 S. 62 E

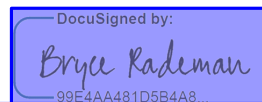
Draper, Utah 84020

Telephone:

(323) 2575600

6. Date of this notice :

April 18, 2025



Authorized Signature

Bryce Rademan

Printed Name of Signatory

CALIFORNIA
ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this **"Addendum"**) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the **"Franchise Agreement"**) dated _____, by and between **Radwick Franchising, LLC**, a Delaware limited liability company, as franchisor (**"Franchisor"**), and _____, as franchisee

FRANCHISOR:

FRANCHISEE:

RADWICK FRANCHISING, LLC

~~FRANCHISOR:~~

~~FRANCHISEE:~~

~~RADWICK FRANCHISING, LLC~~

A Delaware limited liability company

A _____

By: _____

Bryce Rademan

Its: President

By: _____

Name: _____

Title:

7. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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.

9. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Maryland.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR

RADWICK FRANCHISING, LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

By: _____

Name: _____ Title: _____ Date: _____

ADDENDUM TO THE DISCLOSURE

**DOCUMENT PURSUANT TO THE MICHIGAN FRANCHISE
INVESTMENT LAW**

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

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

right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in Subdivision (C).

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

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

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT PURSUANT TO THE MINNESOTA FRANCHISE INVESTMENT LAW

The following provisions supersede the Disclosure Document and apply to all franchises offered and sold in the State of Minnesota:

1. Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchiser from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statute 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.
3. Minnesota statute §80C14 provides: It shall be deemed unfair and inequitable for any person to:
 - (A) Terminate or cancel a franchise without first giving written notice setting forth all the reasons for the termination or cancellation to the Franchisee at least 90 days in advance of termination or cancellation, and the recipient of a notice fails to correct the reasons stated for cancellation or termination within 60 days within receipt of the notice, except that the notice shall be effective immediately upon receipt where the alleged grounds are:

you to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”

C. **Releases**

“A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sec. 80C.22.”

D. **Limitation of Claims**

“With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Section 80C.17, Subd. 5, which requires that no action may be commenced more than three years after the cause of action accrues.”

12. Items 5 and 7 of the Disclosure Document are amended to disclose that the payment of the Initial Franchise Fees under the Franchise Agreement and the Development Fees under the Area

Development Agreement are deferred until the opening of the Spitz Restaurant and its commencement of business. This financial assurance requirement was imposed by the Minnesota Department of Commerce Securities Commission due to Franchisor’s financial condition.

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

MINNESOTA
ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (this “**Addendum**”) dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the “**Franchise Agreement**”) dated _____, by and between Radwick Franchising, LLC, a Delaware limited liability company, as franchisor (“**Franchisor**”) and _____, a _____, as franchisee (“**Franchisee**”). Where and to the extent that any of the provisions of this Addendum are contrary to, in conflict with or inconsistent with any provision contained in the Franchise Agreement, the provisions contained in this Addendum shall control. Defined terms contained in the Franchise Agreement shall have the identical meanings in this Addendum.

The Franchise Agreement is specifically amended as follows:

Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Agreement."

7. Section 19.1 "**Judicial Relief**" (regarding choice of forum), shall be supplemented by the following:

"Minn. Stat. Sec. 80C.21 and Minnesota Rules 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes 1984, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.
9. In the event of any conflict between the terms of this Addendum and the terms of the Franchise Agreement, the terms of this Addendum shall prevail.
10. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Law are met independently without reference to this Addendum.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

FRANCHISOR:

FRANCHISEE:

RADWICK FRANCHISING, LLC

A_____

By: _____

By: _____

Name: _____

Name: _____

____ Title: _____

____ Title: _____

4. Article 9 “**Transfer of Interest**” shall be supplemented by the following new sentence: “A general release shall not relieve any person from liability imposed by the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sec. 80C.22.”
5. Article 11 “**Default and Termination**” shall be supplemented by the following new paragraph:

“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Area Developer be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Agreement.”
6. Section 15.1 “**Judicial Relief**” (regarding choice of forum), shall be supplemented by the following:

“Minn. Stat. Sec. 80C.21 and Minnesota Rules 2860.4400(J) prohibit Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Area Developer to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Disclosure Document or Area Development Agreement can abrogate or reduce any of Area Developer’s rights as provided for in Minnesota Statutes 1984, Chapter 80C, or Area Developer’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.”
7. In the event of any conflict between the terms of this Addendum and the terms of the Franchise Agreement or Area Development Agreement, the terms of this Addendum shall prevail.
8. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

FRANCHISOR:

AREA DEVELOPER:

RADWICK FRANCHISING, LLC

By:— _____

By: _____

Name: _____

Name: _____

____ Title: _____

____ Title: _____

3. You acknowledge that your failure to pay the Initial Franchise Fee when due is a material default under the Franchise Agreement and we can suspend providing services to you and cause approved suppliers to suspend providing goods and services to you, until we receive the Initial Franchise Fee.

4. You acknowledge that your failure to pay the Initial Franchise Fee when due for a Franchised Restaurant developed under an Area Agreement is a material default under its Franchise Agreement and the Area Agreement, and we can suspend providing services to you, and cause approved suppliers to suspend providing goods and services to you, until we receive the Initial Franchise Fee. In addition, you will have no right to proceed with developing other Franchised Restaurants, and our obligation to provide services and approvals to under the Area Agreement, shall be suspended until we receive the Initial Franchise Fee then due. No such failure to pay the Initial Franchise Fee when due and the resulting suspension of our performance shall extend any deadline for your performance under the Area Agreement.

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

6. All other rights, obligations, and provisions of the Franchise Agreement shall remain in full force and effect. This Addendum is incorporated in and made a part of the Franchise Agreement for the State of Virginia.

(Signatures Appear on Following Page)

IN WITNESS WHEREOF, each of the parties hereto has caused this Addendum to be executed by its duly authorized representative as of the date of the Franchise Agreement.

FRANCHISOR:

RADWICK FRANCHISING, LLC

By: _____

Name: Title: Date:

FRANCHISEE:

By: _____

Name: Title: Date:

RADWICK FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

EFFECTIVE DATES

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:

<u>State</u>	<u>Effective Date</u>
	~~May 30, 2024~~
	<u>Pending</u>
	~~May 1,~~
	~~2024~~ <u>Pending</u>
	~~April 30, 2024~~
	<u>Pending</u>
California	Pending
Illinois	~~June 17, 2024~~
Indiana	<u>Pending</u>
Maryland	~~August 1, 2024~~
Michigan	<u>Pending</u>
Minnesota	~~August 1, 2024~~
Virginia	<u>Pending</u>
~~Wisconsin~~	~~June 17,~~
Washington	~~2024~~ <u>Pending</u>
<u>Wisconsin</u>	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

[4909-7773-3424v1](#)
[2961956-000011 04/01/2025](#)

RADWICK FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT O
RECEIPTS

4863-4148-9078v4
2961956-000007-08/09/2024

RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Radwick Franchising, LLC offers you a franchise, Radwick Franchising, LLC must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

Michigan requires that we give you this Disclosure Document at the earlier of 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Radwick Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency Identified on Exhibit L.

The franchisor is Radwick Franchising, LLC, located at 12300 S. 62 E, Draper, Utah 84020; Telephone (323) 2575600.

Issuance Date: April ~~19~~17, ~~2024~~2025

The name, principal business address and telephone number of each Franchise Seller offering the Franchise: Bryce Rademan, 12300 S. 62 E, Draper, UT 84020, (323) 257-5600; Robert Wicklund, 1725 Hillhurst Avenue, Los Angeles, CA 90027, (323) 257-5600; SL Franchise Group: Larry Schwartz and Vincent Blumetti, 3565 Piedmont Rd. NE, Bldg. One, Suite 400, Atlanta, GA 30305; (678) 458-5157; Sarah Conroy, (231) 632-9358; ~~Mark Bailey, 21550 Oxnard St., Suite 1000, Woodland Hills, CA 91367, (805) 298-0108.~~

We authorize the persons and/or entities listed on Exhibit M to receive service of process for us.

I have received a Disclosure Document dated April ~~19~~17, ~~2024~~2025. This Disclosure Document includes the following Exhibits:

Exhibit A	Franchise Agreement and Attachments	Exhibit H	~~-~~ General Release Agreement
Exhibit B	Area Development Agreement and Attachments	Exhibit I	Franchise Compliance Certificates
Exhibit C	Asset Purchase Agreement	Exhibit J	Guarantee
Exhibit D	Option to Obtain Lease Assignment	Exhibit K	Financial Statements
Exhibit E	Mobile Restaurant Addendum;	Exhibit L	State Administrators and Agents for Service of Process
Exhibit F	Non-Traditional Venue Addendum	Exhibit M	Franchisee List
Exhibit G	Confidentiality Agreement for Prospective Franchisees	Exhibit O	State Specific Addenda
	Confidentiality Agreement for Employees of Franchisee	Exhibit P	Receipts

Date

Franchisee

Please sign this copy of the Receipt, date your signature, and return it to Bryce Rademan, 12300 S. 62 E Draper, UT 84020, or scan and email to brycerademan@spitzrestaurant.com. .

4861-2443-3846v14904-5881-9376v1
2961956-000001-04/10/2024000011 04/17/2025

RECEIPT

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~~4861-2443-3846v1~~[4904-5881-9376v1](#)
2961956-~~000001-04/10/2024~~[000011-04/17/2025](#)