

	FRANCHISE DISCLOSURE DOCUMENT VI BrandCo, LLC dba <i>Village Inn</i> a Delaware limited liability company 12701 Whitewater Drive, Suite 100 Minnetonka, Minnesota 55343-4164 (615) 256-8500 www.villageinn.com www.villageinnfranchising.com www.bbq-holdings.com/franchising www.bbq-holdings.com www.facebook.com/villageinnrestaurants
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The franchise being offered is for a Village Inn restaurant.- Village Inn is a sit-down family dining concept.- It features a variety of menu items for all meal periods, but specializes in pancakes, omelets, skilletts, eggs, pies and other popular breakfast items.

The total investment necessary to begin operation of a single Village Inn restaurant franchise is \$1,076~~5~~,000 to \$2,745~~0~~,000. This includes \$22,000 to \$65,000 that must be paid to the franchisor.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you.- To discuss the availability of disclosures in different formats, contact- VI BrandCo, LLC, Attn: Legal Department, 9311 E. Via De Ventura, Scottsdale, Arizona 85258 and (480) 362-4800~~the Legal Department at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164.~~

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

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

Date of Issuance: March 27⁸, 2026⁵, as amended October 10, 2025.

Special Risks to Consider About *This* Franchise

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

1. ~~**Out of State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Minnesota. Out of state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Minnesota than in your own state.~~
1. **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.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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ITEM 1

The Franchisor, and any Parents, Predecessors and Affiliates

To simplify the language in this Disclosure Document, “Village Inn”, “Franchisor”, “we”, or “us” means VI BrandCo, LLC, the franchisor. “Franchisee” or “you” means the person or entity who obtains the franchise; it does not include the Franchisee’s owners. Any email addresses and website URLs referenced in this Disclosure Document, including its exhibits, are current as of the effective date of this Disclosure Document. We may update these email addresses and/or website URLs from time to time.

Village Inn, its Parent, Predecessors and its Affiliates

Village Inn

VI BrandCo, LLC is a Delaware limited liability company formed on August 17, 2020. Village Inn began franchising the Village Inn restaurant brand in September 2021. Its principal place of business is 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164.

Parents

Franchisor’s direct parent is VI OpCo, LLC, a Delaware limited liability company formed on August 17, 2020 (“VI OpCo”) which operates all company-affiliated Village Inn restaurants, and whose parent is Village Inn Holdings, LLC, a Delaware limited liability company formed on August 14, 2020 (“VI Holdings”), with both such entities having an address of 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164. In July 2021, BBQ Holdings, Inc. (“BBQ”), a Minnesota corporation, acquired Franchisor and its affiliated entities by purchasing all membership interests in VI Holdings. BBQ was formed in 2019 to serve as the parent company of Famous Dave of America, Inc., a franchisor of Famous Dave’s® barbecue restaurants and other concepts, and it has never operated franchises in any line of business.

On or about September 27, 2022, BBQ merged with a wholly-owned U.S. subsidiary of MTY Food Group, Inc. (“MTY”) having an address at 8210 Transcanada Road, Saint-Laurent, Québec H4S 1M5. BBQ’s parent company became MTY Franchising USA, Inc. (“MTY USA”), originally known as The Extreme Pita Franchising USA, Inc., and having an address of 9311 E Via De Ventura, Scottsdale, AZ 85258. MTY USA’s parent corporation is MTY Franchising Inc. (“MTY Canada”), a Canadian corporation and a wholly owned subsidiary of MTY, formerly known as MTY Tiki Ming Enterprises Inc., and having an address at 8210 Transcanada Road, Saint-Laurent, Québec H4S 1M5, Canada.

Predecessors

Until July 2021, Village Inn was a wholly owned subsidiary of its ultimate parent Cannae Holdings, Inc., a Delaware corporation (“Cannae”). The principal place of business of Cannae was 1701 Village Center Circle, Las Vegas, Nevada 89134. Cannae’s controlling ownership interest in Village Inn was held through a series of upstream Delaware limited liability companies, particularly VI OpCo, VI Holdings, and VIBSQ Holdco, LLC and RG Group Holdco, LLC. None of these parties had material operations other than their ownership interests in Village Inn and its

company-operated restaurants, Legendary Baking (see below), Bakers Square and other related subsidiaries.

Village Inn's prior predecessor is American Blue Ribbon Holdings, LLC, a Delaware limited liability company organized on December 23, 2008 ("ABRH"). ABRH purchased substantially all of the Village Inn restaurant chain assets of VICORP Restaurants, Inc. ("VICORP") on March 27, 2009. VICORP's address prior to its sale of assets to ABRH was 400 West 48th Avenue, Denver, Colorado 80216. VICORP used the trade names "Village Inn," "Bakers Square," "VICOM", and "J. Horner's," prior to the sale of its assets, and then ABRH and now we use these trade names in conducting business. On April 5, 2010, ABRH implemented the trade name "Legendary Baking" to replace the "VICOM" brand that formerly was used to identify the bakery division of ABRH. (Legendary Baking I, LLC, a Delaware limited liability company formed on August 17, 2020 ("Legendary"), is an affiliate of our predecessors and still offers and sells pies that franchisees are required to purchase, offer and sell in their Village Inn Restaurants.) VICORP first owned and operated Village Inn restaurants in 1959. VICORP granted its first Village Inn franchise on April 1, 1961, and offered and expanded the franchise since that time up to the sale of its assets to ABRH.

On January 27, 2020, ABRH filed for bankruptcy protection as part of a planned restructuring of company-owned or affiliated franchised Village Inn restaurants. See Items 3 and 4 for more information. Effective as of October 2, 2020, ABRH sold all of the Village Inn-related trademarks and existing development agreements and franchise agreements to us through bankruptcy confirmation proceedings described in Item 4 below and sold all of the company-operated Village Inn restaurants and related assets to our affiliate VI OpCo. ABRH franchised the Village Inn restaurant brand from March 2009 to August September 2020. The last known principal place of business of ABRH is 3038 Sidco Drive, Nashville, TN 37204.

Additional Affiliates Under MTY

MTY or one or more of its Canadian-based subsidiaries franchises over (55) different restaurant concepts and has over ~~2,500~~ 400 units under the following trademarks in Canada primarily, and other international countries: Allo Mon Coco, Baton Rouge Steakhouse & Bar, Ben & Florentine, Big Smoke Burger, BO[W]LD, Café Depot, Casa Grecque, Country Style, Cultures, Dagwoods, Extreme Pita, Giorgio, Jugo Juice, Kim Chi, Koryo, Koya, Kuto Comptoir A Tartares, La Crémère, La Duperie (and Cakes & Shakes by La Dip), Madisons, Manchu Wok, Tousjours Mikes, ~~mmmuffins~~, Mr. Souvlaki, Mr. Sub, Mucho Burrito, Muffin Plus, ~~Ø'Burger~~, Papa Murphy's, Pizza Delight, Poke by Sushi Shop, Scores, South St. Burger, Spice Bros, Steak & Frites St. Paul Sukiyaki, ~~Sushi Go~~, Sushiman, Sushi Shop, Thai Express, Thaizone, The Works, Tiki Ming, Timothy's World Coffee, The COOP Wicked Chicken, Tosto, Turtle Jack's, Tutti Frutti, Valentine, Van Houtte, Vanellis, Vie & Nam, Villa Madina, Spice Brothers, Steak Frites, Wasabi, Wetzel's Pretzels and YUZU trademarks. MTY also sub-franchises two (2) other different restaurant concepts: TCBY and TacoTime. MTY is a publicly-traded company headquartered in Montreal, Québec, Canada.

Through common ownership by MTY, we have the following affiliates that also offer franchises: (1) MTY USA, a Tennessee corporation having an address of 9311 E. Via De Ventura,

Scottsdale, Arizona 85258; (2) MTY Canada, a Canada corporation having an address at 8210, route Transcanadienne, Suite 200, Saint-Laurent, Québec, H4S 1M5, Canada; (3) Kahala Franchising, LLC (“Kahala Franchising”), an Arizona limited liability company with its principal address at 9311 E. Via De Ventura, Scottsdale, Arizona 85258; (4) BF Acquisition Holdings, LLC (“BFAH”), a Delaware limited liability company with its principal address at 9311 E. Via De Ventura, Scottsdale, Arizona 85258; (5) La Salsa Franchise, LLC (“LAS”), a Delaware limited liability company with its principal address at 9311 E. Via De Ventura, Scottsdale, Arizona 85258; (6) Imvescor Restaurant Group Inc. (“IRG”) a Canada corporation having an address at 8210, route Transcanadienne, Suite 200, Saint-Laurent, Québec, H4S 1M5, Canada; (7) Papa Murphy’s International, LLC (“Papa Murphy’s”), a Delaware limited liability company having an address at 8000 NE Parkway Drive, Suite 350, Vancouver, Washington 98662; (8) VI BrandCo, LLC (“Village Inn”), a Delaware limited liability company ~~Famous Dave’s of America, Inc., a Minnesota limited liability company~~ having a principal address at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164; (9) BQ Concepts, LLC, an Arizona limited liability company having a principal address at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164; ~~and~~ (10) Wetzels Pretzels, LLC (“WP, LLC”), a California limited liability company with its principal address at 35 Hugus Alley, Suite 300, Pasadena, California 91103; ~~and~~ (11) Famous Dave’s of America, Inc., a Minnesota corporation having a principal address at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164. These affiliates franchise over 50 different concepts as further detailed herein.

The following chart summarizes the franchise brands offered by our U.S. affiliates as of November 30, ~~2024~~2025 (or the date following November 30, ~~2024~~2025, when MTY USA or its affiliate acquired the rights to such franchised brand), including the type of business, number of franchised units in operation as of November 30, ~~2024~~2025, and the date our affiliate (or its current or former affiliates) offered franchises in those brands:

Brand Name	Type of Restaurant Business	Number of Units as of November 30, ~~2024~~ <u>2025</u>	Dates unit franchises began being offered by us or our affiliate
Blimpie	Restaurants serving submarine sandwiches and salads	~~100-87~~ franchised units (97-84 in the United States and 3 internationally) (plus 4 company-owned units in the United States)	From 2006 until 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Chicken Strips and Dips	Ghost kitchen concept serving primarily chicken tenders.	~~3-1~~ franchised units	March 2022, Kahala Franchising.

Brand Name	Type of Restaurant Business	Number of Units as of November 30, ~~2024~~ 2025	Dates unit franchises began being offered by us or our affiliate
Cold Stone Creamery	Restaurants serving super-premium freshly made ice cream, cakes, pies, smoothies, shakes, and other frozen dessert products	~~1,427-501~~ franchised units (~~992-1052~~ in the United States and ~~435-449~~ internationally)(plus 2 company-owned units). ~~105-103~~ Cold Stone Creamery franchises also sell Rocky Mountain Chocolate Factory® products and 1 Cold Stone Creamery franchise also sells Tim Hortons® products. Additionally, ~~13-8~~ licensed units.	From May 2007 until March 2008 by Cold Stone Creamery, Inc., from March 2008 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Frullati Cafe & Bakery	Restaurants serving sandwiches, salads, smoothies and baked goods	~~44-10~~ franchised units	From 1999 until 2004 by Frullati Franchise Systems, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Great Steak	Restaurants serving Philadelphia cheesesteak sandwiches, chicken sandwiches and French fries	~~34-32~~ franchised units (~~24-23~~ in the United States and ~~10-9~~ internationally)	From 2004 until March 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Johnnie's New York Pizzeria	Restaurants serving New York style pizza, calzones, salads, and related Italian cuisine menu items	2 franchised units	From 2006 until March 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, ~~2024~~ 2025	Dates unit franchises began being offered by us or our affiliate
Kahala Coffee Traders	Restaurants serving coffee and espresso, tea, baked goods, parfaits, sandwiches and merchandise	~~5-6~~ franchised units. And 1 licensed unit.	November 2011 under Kahala Franchising
Maui Wowi	Store fronts or portable units serving fruit smoothies, ~~Hawaiian~~ coffee and espresso, <u>and other beverage and food items</u>	~~88-83~~ franchised units (~~80-75~~ in the United States and 8 internationally)	Since November 2015 under Kahala Franchising
NrGize Lifestyle Cafe	Cafes serving smoothies, fruit drinks and nutritional supplements	57 franchised units	From 2006 until March 2010 by Kahala Franchise Corp. and since August 2010 under Kahala Franchising
Pinkberry	Restaurants serving frozen yogurt, yogurt drinks, smoothies and frozen desserts	~~59-62~~ franchised units. And 30 licensed units.	From July 2008 until April 2016 under Pinkberry Ventures, Inc. and since June 2016 under Kahala Franchising
Planet Smoothie	Restaurants serving smoothies, smoothie bowls, juices ~~and~~ , nutritional supplements, <u>baked goods, parfaits, sandwiches, and salads</u>	~~162-167~~ franchised units (~~154-160~~ in the United States and ~~8-7~~ internationally) Additionally, as of fiscal year end there were 2 Tasti D-Lite outlets.	Since June 2016 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, ~~2024~~ 2025	Dates unit franchises began being offered by us or our affiliate
Ranch One	Restaurants specializing in grilled and crispy breaded chicken sandwiches	2 franchised units	From 2001 until 2004 by Ranch *1 Group, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Samurai Sam's Teriyaki Grill	Restaurants serving Japanese rice bowls and noodle bowls	~~12~~ 10 franchised units	From 2003 until 2004 by SP Franchising, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
Surf City Squeeze	Juice bars serving smoothies, fruit drinks and nutritional supplements	62 franchised units (~~59~~ in the United States and ~~3~~ internationally) (plus ~~1~~ 2 company-owned units)	From 1994 until 2004 by Malibu Smoothie Franchise Corp. and Surf City Squeeze Franchise Corp., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising
TacoTime	Restaurants serving ~~freshly-prepared~~ Mexican food including burritos, tacos, quesadillas and nachos	~~222~~ 212 franchised units (~~97~~ 87 franchised in the United States and 125 internationally) (plus 2 company-owned units) Additionally, there are 78 licensed units.	From 2003 until 2004 by Taco Time International, Inc., from 2004 until March 2010 by Kahala Franchise Corp., and since August 2010 under Kahala Franchising

Brand Name	Type of Restaurant Business	Number of Units as of November 30, ~~2024~~ <u>2025</u>	Dates unit franchises began being offered by us or our affiliate
Extreme Pita	Restaurants serving wrap-style hot and cold pita and wrap sandwiches	1 franchised unit	From March 2001 to July 2014: The Extreme Pita Franchising USA, Inc.; since July 2014: MTY USA
Grabbagreen	Restaurants serving healthy food, juice, smoothies and related products	~~4~~ <u>3</u> franchised units	Since February 2018 under MTY USA
Ginger Sushi Boutique + Poke Shop	Restaurant serving a variety of sushi menu items and drinks	0 franchised units	From September 2015 under MTY USA
Mucho Burrito	Restaurants offering burritos, quesadillas, tacos, nachos, and other assorted food and drinks	~~1~~ <u>0</u> franchised units	From January 2010 under Mucho Burrito Franchising USA, Inc.; from March 2019 under MTY USA
Thai Express	Restaurant serving “Thai-style” foods and drinks	7 franchised units (~~5~~ <u>4</u> in the United States and ~~2~~ <u>3</u> internationally) (plus ~~2~~ <u>1</u> company-owned)	From February 2015 under MTY USA
La Diperie	Restaurant serving retail sale of an ice cream product and various dips and toppings	~~1~~ <u>2</u> franchised unit	From April 2019 under MTY USA
Baja Fresh	Restaurant offering a limited menu featuring fresh high quality Mexican-style food products	~~69~~ <u>70</u> franchised units (67 in the United States and ~~2~~ <u>3</u> internationally) (plus ~~6~~ <u>1</u> company-owned units)	October 2016 until July 2017 under Triune, LLC and since then under BFAH

Brand Name	Type of Restaurant Business	Number of Units as of November 30, ~~2024~~ <u>2025</u>	Dates unit franchises began being offered by us or our affiliate
La Salsa	Restaurant offering a limited menu featuring fresh high quality Mexican-style food products	~~5~~ <u>4</u> franchised units	October 2016 under La Salsa Franchise, LLC
The Counter	Full service restaurant featuring build-your-own burgers, signature burgers, side dishes, sandwiches, and salads	~~9~~ <u>7</u> franchised units (~~8~~ <u>6</u> in the United States and 1 internationally) (plus ~~3~~ <u>2</u> company-owned units)	December 2017 under CB Franchise Systems, LLC. Then from March 2019 under MTY USA
Built Custom Burgers	Fast casual restaurant featuring build-your-own burgers, signature burgers, side dishes, sandwiches, and salads	~~7~~ <u>6</u> franchised units (~~3~~ <u>2</u> in the United States and 4 internationally)	December 2017 under Built Franchise Systems, LLC. Then from March 2019 under MTY USA
sweetFrog	Restaurant offering frozen yogurt using a self-serve delivery format	~~216~~ <u>213</u> franchised units (~~206~~ <u>203</u> in the United States which include ~~9~~ <u>7</u> licensed franchisees plus 10 internationally)	September 2018 under MTY USA
Manchu WOK	Quick service restaurant serving fast and fresh Chinese cuisine	15 franchised units	March 2015: MTY USA
Ben & Florentine	Restaurant serving a superior breakfast & lunch experience	0 franchised units	From December 2018 under MTY USA

Brand Name	Type of Restaurant Business	Number of Units as of November 30, ~~2024~~ 2025	Dates unit franchises began being offered by us or our affiliate
Papa Murphy's	Retail food outlet serving primarily take and bake pizza	~~1,000~~ 36 franchised units (~~1,001~~ 965 in the United States and 35 internationally) plus ~~493~~ company-owned units	From May 2019 Papa Murphy's International LLC
Famous Dave's	Restaurants specializing in authentic, down-home, genuine smoked barbecue	~~85~~ 80 franchised units (~~77~~ 70 in the United States and ~~8~~ 10 internationally) plus ~~32~~ 30 company-owned units	From March 1994 under Famous Dave's of America, Inc.
Village Inn	Restaurant specializing in pancakes, omelets, skilletts, eggs, pies and other popular breakfast items.	~~88~~ 84 franchised units plus ~~26~~ 25 company-owned units	From August 2020 under VI BrandCo, LLC
Barrio Queen	Restaurants specializing in authentic Southern Mexican	8 company-owned units	From March 2023 under BQ Concepts, LLC
Champps Kitchen + Bar	sports theme restaurants that provide the public with high-quality food and beverage	~~2~~ 1 franchised units plus 1 company-owned unit	From September 1999 to October 2008 under Champps Entertainment, Inc. and From August 2023 under BQ Concepts, LLC
Sauce Pizza / Wine	Restaurants serving wood-fired pizzas, a variety of pasta dishes, and salads	13 company-owned units	March 2024

Brand Name	Type of Restaurant Business	Number of Units as of November 30, ~~2024~~ 2025	Dates unit franchises began being offered by us or our affiliate
Wetzel's Pretzels	Restaurant specializing in hand-rolled fresh-baked soft pretzels	~~406~~ 455 franchised units (~~389~~ 423 in the United States and ~~17~~ 32 internationally) plus ~~36~~ 35 company-owned units	From April 1996 under Wetzel's Pretzels, LLC

In addition to the franchised brands listed herein, our affiliates also own and operate other restaurant concepts that are not franchised or offered to franchisees as of the issuance date of this Disclosure Document. These brands include the following, and Franchisor's affiliate may continue to buy other restaurant concepts which are or are not franchised: Bakers Square, Granite City Food and Brewery, Real Urban BBQ, Craft Republic Bar & Grill, ~~Champps Kitchen + Bar~~, and Tahoe Joe's Famous Steakhouse.

Except as described above, neither we nor any of our affiliates have offered franchises in other lines of business, and Village Inn conducts no business other than as described in this Item 1.

The Franchise

The franchise being offered is the grant of a license to use Village Inn's system in conjunction with the operation of a Village Inn restaurant ("Restaurant" or "Village Inn Restaurant"). Village Inn is a sit-down family dining concept. It features a variety of menu items for all meal periods, but specializes in pancakes, omelets, skilletts, eggs, pies and other popular breakfast items.

We offer franchise agreements ("Franchise Agreements") which grant the right to construct, own and operate one Restaurant. Our form of Franchise Agreement is attached to this Disclosure Document as Exhibit A. You must operate your Restaurant according to our business methods, designs, arrangements and standards for developing and operating Restaurants (the "System").

Affiliates of Franchisor's may provide administrative, legal, IT and accounting services to Franchisor.

As a franchisee, you will compete directly or indirectly with all types of restaurants. The restaurant business is highly competitive and is affected by the competition in your area. You will compete with other dining establishments, some of which will be national chains, fast food establishments, and locally based restaurants offering similar menu items and may be owned by us or an affiliate of ours. You should make every effort to investigate the competition in your area.

The restaurant industry is heavily regulated in the United States. The Affordable Care Act of 2010 and regulations issued by the U.S. Food and Drug Administration require certain restaurants and other retail establishments to disclose to consumers, on the menu, certain

Mr. Wuycheck has served as Kahala Brands' Senior Vice President of Development since September 2014. In this role, Mr. Wuycheck oversees franchise development for Kahala Brands' portfolio, including Wetzel's Pretzels.

Vice President of Franchise Development: Jay Goldstein

Mr. Goldstein has held his current role since May of 2009. Prior to this, he served as Senior Director of Operations, then Senior Director of Development for Kahala Franchising and has worked with the Cold Stone Creamery brand since October 2005.

Director of Franchise Development: Doug Merenda

Mr. Merenda joined Kahala Brands' sales team in October 2015 as a Director of Franchise Development and was a franchise broker for Kahala Brands from April 2015 through October 2015.

Franchise Development Manager: Traci Zandi

Ms. Zandi has assisted our Development team in awarding franchise units since October 2016. She also served as Office Manager and Executive Assistant for Extreme Pita from April 2011 until October 2016.

Vice President of Franchise Development: Peter Tsafoulis

Mr. Tsafoulis is the Vice President of Franchise Development, a position he has held since March of 2018. Prior to that, he served as the Director of Franchising of IRG from January 2008 until March 2018.

Manager of Franchise Development: Marilyn Bower

Ms. Bower joined Kahala Brands as Manager of Franchise Development in February 2025. Previously, she held similar roles at Gold Spectrum and SunMed from 2022 through 2024. Prior to that, Ms. Bower was a Customer Service Representative with Farmers Insurance Agency in Bradenton, Florida from 2020 through 2022.

~~Head of Development – Wetzel's Pretzels: Jon Fischer~~

~~Mr. Fischer serves as Head of Development – Wetzel's Pretzels as of March 2023. Previously, Mr. Fischer served as the Wetzel's Pretzels Chief Development Officer from October 2019. In his role, Mr. Fischer is responsible for Wetzel's Pretzels franchise development, including real estate development for franchised outlets. Prior to that, Mr. Fischer held a variety of Vice President positions, including in real estate and development, at Papa Murphy's International from August 2014 to October 2019.~~

Sr. Director of Franchise Sales: Adam Lueras

Mr. Lueras became the Director of Franchise Sales for Wetzel's Pretzels effective March 2020 and was promoted to Sr. Director of Franchise Sales in February 2023. Mr. Lueras previously served

Texas Nrgize #1, Inc. v. Kahala Franchising, L.L.C. and Kahala Holdings, L.L.C.; 67th Judicial District Court, Tarrant County, Texas; Civil Action No.: 067-272652-14 subsequently removed to United States District Court for the Northern District of Texas; Case No.: 4:14-cv-544-Y.

On or about June 18, 2014, Texas Nrgize #1, Inc., an Nrgize franchisee (“Plaintiff”), filed a Petition and Request for Disclosure against Kahala Franchise Corp and Kahala Holdings, L.L.C. (collectively “Defendants”) alleging (i) violations of the Texas Business Opportunities Act, Tex. Bus. & Comm. Code §§ 51.001 and the Texas Deceptive Trade Practices Consumer Protection Act, Tex. Bus. & Comm. Code §17.46, and (ii) Breach of Contract and Warranties. Plaintiff sought: (i) economic damages in excess of \$200,000, plus treble damages and pre- and post-judgment interest at the maximum rates allowed by law; (ii) attorneys’ fees and costs; and (iii) such other relief to which the Plaintiff may be justly entitled. On July 16, 2014, Defendants filed a Notice of Removal to the United States District Court for the Northern District of Texas. On July 24, 2014, the judge executed the Order Granting the Unopposed Motion to Substitute Parties and Changing Case Style. Kahala Franchising, L.L.C. (“Defendant”) was substituted in as a defendant instead of Kahala Franchise Corp. On July 28, 2014, Defendant filed a Motion to Transfer Pursuant to 28 U.S.C. §1404(A) and Brief in Support. This motion sought an order to transfer the litigation to the United States District Court for the District of Arizona pursuant to the parties’ forum selection clause contained in the franchise agreement. On August 1, 2014, Defendant filed its Answer, Counterclaim and Third Party Claim. The Counterclaim was against Plaintiff and the Third Party Claim was filed against Duane W. Martin, Argentina Saldivar, and Margena Wood (“Third Party Defendants”). Defendant alleged: (i) Breach of Franchise Agreement against Plaintiff, and (ii) Breach of Guaranty against Third Party Defendants. Defendant sought: (i) judgment against Plaintiff and the Third Party Defendants in an amount to be proven at trial; (ii) attorneys’ fees; (iii) costs pursuant to A.R.S. §§12-341 and 12-341.01 and the parties’ contractual agreements; and (iv) any other relief the Court deemed fit. Plaintiff filed its Response to Defendant’s Motion to Transfer Pursuant to 28 U.S.C. §1404(A) and Brief in Support on August 18, 2014, then filed its Answer to Defendant’s Counterclaim on August 22, 2014. On August 28, 2014, Defendant filed its Reply in Support of Motion to Transfer Pursuant to 28 U.S.C. §1404(A) and Brief in Support. On September 24, 2014, the United States District Court for the Northern District of Texas Court requested that each party submit a supplemental brief to benefit the Court in resolving the Defendant’s Motion to Transfer. Mediation was held on September 29, 2014, but the parties failed to come to an agreement. On October 17, 2014, Third Party Defendants filed their Answer and Counterclaim. Third Party Defendants alleged: (i) violations of the Texas Business Opportunities Act, Tex. Bus. & Comm. Code §§ 51.001 and the Texas Deceptive Trade Practices Consumer Protection Act, Tex. Bus. & Comm. Code §17.46, and (ii) breach of contract and warranties. Third Party Defendants sought: (i) economic damages in excess of \$200,000, plus treble damages under the Code and pre- and post-judgment interest at the maximum rates allowed by law; (ii) attorney’s fees; (iii) costs; and (iv) any other general or special relief that the Court deemed fit. On October 24, 2014, Defendant filed its Supplemental Briefing In Support of Its Motion to Transfer Pursuant to 28 U.S.C. §1404(A). On November 10, 2014, Defendant filed its Answer to the Third Party Counterclaims. On November 13, 2014, Defendant filed its Notice of Dismissal Without Prejudice as to Third Party Defendant Argentina Saldivar only. On November 14, 2014, Plaintiff filed its Response to Defendant’s Supplemental Briefing In Support of Their

~~Motion to Transfer Pursuant to 28 U.S.C. §1404(A). On November 26, 2014, Defendant filed its Reply to Plaintiff's Response to Defendant's Supplemental Briefing in Support of Its Motion to Transfer Pursuant to 28 U.S.C. §1404(A). On February 24, 2015, the Court granted Defendant's Motion to Transfer the case to the United States District Court of the District of Arizona; Phoenix Division; Case No.: CV15-0337 PHX DGC. In April 2015, Plaintiff moved to compel arbitration which was ultimately denied by the Court. The parties participated in a mediation in August 2015 which was unsuccessful. In December 2015, the parties executed a settlement agreement in which Defendant paid Plaintiff the sum of \$35,000. The parties filed a Stipulation to Dismiss With Prejudice on December 18, 2015.~~

Concluded Arbitration and Litigation Involving SFF, L.L.C., successor in interest to SweetFrog Enterprises, L.L.C.

~~*Urquieta Sweet Frog, L.L.C. and Ana Urquieta v. SweetFrog Enterprises, L.L.C. d/b/a SFF, L.L.C., American Arbitration Association; Case No. 01 14 0001 8086.*~~

~~On December 23, 2014, Urquieta Sweet Frog, L.L.C. and Ana Urquieta, a former sweetFrog franchisee and its owner (collectively "Plaintiffs"), filed a Demand for Arbitration against SweetFrog Enterprises, LLC ("Defendant"). Plaintiffs alleged: (i) Defendant engaged in fraud; (ii) unfair practices; and (iii) deceptive actions. On February 2, 2015, Defendant timely filed an Answer and Counterclaim and denied all allegations, and further asserted a counterclaim against Plaintiffs for unpaid royalties. This matter was settled in December of 2015. Under the settlement, Defendant agreed to pay Plaintiffs \$300,000 and the parties executed mutual releases.~~

~~*SFF, L.L.C. v. Carmel Village Yogurt Company L.L.C.; City of Richmond, Virginia Circuit Court; Case No. CL16-3927.*~~

On August 29, 2016, SFF, L.L.C. ("Plaintiff") filed a lawsuit against three sweetFrog franchisee entities, Carmel Village Yogurt Company L.L.C. ("Defendant Carmel YC"), Huntersville Yogurt Company, L.L.C. ("Defendant Huntersville YC"), and Mooresville Yogurt Co, L.L.C. ("Defendant Mooresville YC"), and their main member, Steve Anto ("Defendant Anto"); (all named Defendants collectively referred to as, "Anto Defendants"). Plaintiff alleged: (i) Defendant Carmel YC breached its franchise agreement through its unauthorized closure of its franchised shop; and (ii) as a result of the breach, Plaintiff had the contractual right to terminate Defendant Carmel YC's franchise agreement and cross terminate the franchise agreements of Defendant Huntersville YC and Defendant Mooresville YC. Plaintiff sought: (i) declaratory judgment that the three franchise agreements had terminated; (ii) specific performance of the Anto Defendants' post-termination obligations; (iii) damages for past due fees; (iv) lost future royalties in excess of \$116,000; and (v) recovery of its attorneys' fees. In response to Plaintiff's complaint, Anto Defendants denied Plaintiff's claims and asserted counterclaims against Plaintiff and alleged: (i) Defendant Carmel YC's franchise agreement was unenforceable and, alternatively, that Plaintiff was in breach of Defendant Carmel YC's franchise agreement due to Plaintiff's allowance of another franchisee to open a shop within three miles of Defendant Carmel YC's shop. Anto Defendants sought: (i) a declaratory judgment that they were not in default of their franchise agreements; (ii) damages of not less than \$425,000; and (iii) recovery of their attorneys' fees. Plaintiff denied Anto Defendants' claims and filed a demurrer and pleas in bar seeking to have

those claims dismissed. Prior to the court hearing and ruling on Plaintiff's motion, the parties entered into an agreement pursuant to which: (i) the parties acknowledged the valid termination of Defendant Carmel YC's franchise agreement; (ii) Defendant Carmel YC transferred the assets of its business to Plaintiff and Plaintiff paid Defendant Carmel YC \$25,000; (iii) Plaintiff reinstated Defendant Huntersville YC's and Defendant Mooresville YC's terminated franchise agreements; and (iv) Plaintiff granted Defendant Anto the right to develop a new sweetFrog shop at a mutually acceptable location on or before November 8, 2018. The case was dismissed with prejudice on December 15, 2016.

Concluded Arbitration and Litigation Involving Fresh Enterprises, L.L.C. successor in interest to BF Acquisition, L.L.C.

Fresh Enterprises, L.L.C. v. Ledang Investment Group, L.L.C., Vincent Tienn Le, Ho Tien Le and Hue Thi Dang Superior Court of the State of California, County of Santa Clara, Case No. 1-13-CV-257219.

On July 2, 2013, Fresh Enterprises, L.L.C., as successor in interest to Baja Fresh Westlake Village, Inc. ("Plaintiff"), filed a complaint against Ledang Investment Group, L.L.C.; Vincent Tien Le, Ho Tien Le and Hue Thi Dang (collectively "Defendants Ledang" or "Cross Claimants Ledang") for: (i) implied indemnity; (ii) equitable indemnity; (iii) express indemnity; (iv) breach of contract; (v) declaratory relief seeking unspecified damages; (vi) indemnification; (viii) a judgment of unlawful detainer; and (ix) declaration that Defendants Ledang were obligated to reimburse Plaintiff for various expenses. On January 6, 2014, Cross Claimants Ledang filed a Cross-Complaint against Plaintiff, Baja Fresh Westlake Village, LLC, Triune Corporation and National Franchise Sales, Inc. (collectively "Counter Defendants") for: (i) breach of contract; (ii) breach of covenant of good faith and fair dealing; (iii) negligent misrepresentation; and (iv) intentional misrepresentation. On February 19, 2014, Counter Defendants filed a Motion to Compel Arbitration, which was granted. The disputes between the parties were then arbitrated before the American Arbitration Association (Case Number 72-20-1400-0126). On February 2, 2015, the Arbitrator issued an award in favor of Cross Claimants Ledang in the amount of \$660,620.84. The parties entered into a Settlement and Release Agreement on July 20, 2015, under which Counter Defendants paid the Cross Claimants Ledang the sum of \$585,000 and the matter was dismissed with prejudice.

Concluded Arbitration and Litigation Involving Famous Dave's of America, Inc.

Desert Ribs, L.L.C., Famous Gracie, L.L.C., Famous Freddie, L.L.C., Famous George, L.L.C. and Famous Charlie, L.L.C. v. Famous Dave's of America, Inc., American Arbitration Association, Minneapolis, Minnesota, Case No. 01 16 0000 8549.

On March 14, 2016, the franchisees for the Famous Dave's® Restaurants in Chandler, Peoria, Mesa and Gilbert, Arizona ("Claimants") filed a Demand for Arbitration against Famous Dave's alleging that Famous Dave's (1) violated the Minnesota Franchise Act ("MFA"), (2) breached the implied covenant of good faith and fair dealing under the Famous Dave's® Franchise Agreements with Claimants (the "Franchise Agreements"), and (3) breached certain express provisions of the Franchise Agreements. Claimants sought damages of \$2,984,098, and a permanent injunction

prohibiting Famous Dave's from engaging in discriminatory conduct in violation of the MFA. On July 20, 2016, the arbitrators ruled in partial favor of the pre-hearing motion filed by Famous Dave's by dismissing Claimants' MFA claims against Famous Dave's. Upon the dismissal of the MFA claims, Claimants voluntarily dismissed their remaining claims against Famous Dave's and entered into a confidential settlement agreement and mutual release (the "Settlement Agreement"), dated August 22, 2016, with Famous Dave's. The Settlement Agreement included the following material terms: (i) the territorial rights granted to Claimants in the Franchise Agreements were modified; (ii) the managing member of Claimants (the "Consultant") entered into a consulting agreement with Famous Dave's that provided for the design, development and build-out of a counter-service/line-service prototype barbecue restaurant concept (the "Prototype") and the payment of a consulting fee of \$410,000 to the Consultant in installments over a three-year period; and (iii) Claimants entered into a right of first offer agreement with Famous Dave's granting to a Claimant the first right to enter into an area development agreement with Famous Dave's for the development of seven Prototype restaurants in a reserved territory in Arizona.

Famous Dave's of America, Inc. v. Allan Gantes; John Gantes; M Mart 1, LLC; Kurt Schneider; Shoreline FD Investors, L.L.C.; SR El Centro FD, Inc. SR Long Beach FD, Inc.; SR Palmdale FD, Inc.; SR Restaurant Holdings Group, Inc.; SR Simi Valley FD, Inc.; SR Tracey FD, Inc., Superior Court of the State of California, County of Los Angeles, Central Division, Case No. BC589329.

On July 24, 2015, Famous Dave's of America, Inc. filed a lawsuit against Allan Gantes; John Gantes; M Mart 1, L.L.C.; Kurt Schneider; Shoreline FD Investors, LLC; SR El Centro FD, Inc.; SR Long Beach FD, Inc.; SR Palmdale FD, Inc.; SR Restaurant Holdings Group, Inc.; SR Simi Valley FD, Inc.; SR Tracey FD, Inc., (collectively referred to herein as "Defendants") (SR El Centro FD, Inc.; SR Long Beach FD, Inc.; SR Palmdale FD, Inc.; SR Restaurant Holdings Group, Inc.; SR Simi Valley FD, Inc.; SR Tracey FD, Inc. will herein be referred to as the "SR Defendants"), the former franchisees for the Famous Dave's® Restaurants in El Centro, Long Beach, Palmdale, Simi Valley, and Tracy, California, and others (collectively referred to herein as "Restaurants") based in part on the continued operation of the Restaurants as Famous Dave's® Restaurants using Famous Dave's mMarks and Restaurant System after the termination of their Franchise Agreements by Famous Dave's for failure to cure breaches of the Franchise Agreement, including the failure to pay the Royalty and Marketing Fund Fees due under the Franchise Agreements, within the prescribed cure period after receipt of written notice, in violation of the post-termination obligations of the Franchise Agreements. Famous Dave's alleged Lanham Act violations, including federal trademark infringement, federal trademark dilution, federal unfair competition and false advertising, and federal trade dress dilution; trademark infringement, trademark dilution, unfair competition and false advertising under California law; common law trademark infringement; breach of the Franchise Agreements; breach of the implied covenant of good faith and fair dealing; and intentional interference with contract. Famous Dave's sought injunctive relief to enjoin Defendants from continuing to use the mMarks and Restaurant System and enforcing compliance with the post-termination obligations of the Franchise Agreements, and also sought damages in an amount that was to be determined at trial, reasonable attorneys' fees, interest and costs of suit. On March 11, 2016, the SR Defendants filed its First Amended Cross Complaint against Famous Dave's. The SR Defendants alleged that (i) Famous Dave's breached its obligations cited in the Franchise Agreements by failing to provide certain marketing support

franchises to certain Maryland residents and non-residents without providing them with a copy of a 2009 Franchise Disclosure Document that contained its 2008 financial statements with a going concern note from its auditors resulting from the unfavorable financial condition of its parent company; and (iv) sold franchises to certain Maryland residents and non-residents without including, or abiding with, a deferral condition in their Franchise Agreements that was imposed upon it by the State of Maryland, all as required by the Maryland Franchise Registration and Disclosure Law (the “Maryland Law”) and in violation of the Maryland Law. Without admitting or denying the allegations, in September 2012, Triune voluntarily entered into a Consent Order with the Office of the Attorney General of Maryland and agreed to: (i) not violate the Maryland Law in the future; (ii) pay the Office of the Attorney General the sum of \$50,000 as a civil penalty; (iii) retain copies of all acknowledgments of receipt confirming dates that prospective Maryland franchisees received any Maryland Franchise Disclosure Documents; (iv) comply with the disclosure and antifraud provisions of the Maryland Franchise Law and the record keeping and escrow requirements of the Code of Maryland Regulations; and (v) send a copy of the Consent Order to certain Maryland franchisees.

State of Virginia Determination; Case Number SEC-2012-00027.

In February 2012, the Division of Securities and Retail Franchising of the State Corporation Commission (the “Commission”) alleged that during 2009 Triune, LLC (“Triune”): (i) offered or sold franchises in Virginia in 2009 that were not registered under the Virginia Retail Franchising Act (the “Virginia Act”); (ii) offered or sold franchises in Virginia without disclosing that it was not registered to do so; (iii) failed to provide material information regarding the parent company’s unfavorable financial condition and the potential impact that it could have on Triune as stated in a going concern note in its 2008 financial statements from its auditors; and (iv) failed to provide a prospective franchisee with a copy of its Franchise Disclosure Document as required by rule or order of the Commission at least 14 calendar days before the prospective franchisee signed a binding agreement or made any payment to it in connection with the sale or offer to sell a franchise in Virginia. Without admitting or denying the allegations, on November 26, 2012, Triune voluntarily entered into a Settlement Order with the Commission and agreed: (i) to not violate the Virginia Act in the future; (ii) to pay Virginia the sum of \$25,000 as a penalty and the sum of \$5,000 to defray the Commission’s costs of investigation; (iii) to offer certain Virginia franchisees a refund of their initial franchise fees; and (iv) to send a copy of the Settlement Order to certain Virginia franchisees.

Lawsuits Filed by Franchisor Kahala Franchising, L.L.C. Against Franchisees During Fiscal Year December 1, 2024~~3~~ through November 30, 2025⁴

Suit for Breach of Contract

*Kahala Franchising, L.L.C. v. Golden Enterprises, Inc.; DBH Associates, LP, Deseret Sales, Inc., Randy Herzog, Laurie Herzog, Amy Wilson, Rob Wilson, Clare Hunter, Deobrah Hunter; United States District Court in and for the Eastern District of Washington; Case No.: 2:25-cv-00426.**Kahala Franchising, L.L.C. v. All About Food, Inc. and Chu Yup Lee a/k/a Michale Lee; In the Circuit Court of the Nineteenth Judicial Circuit Lake County, Illinois; Case No.: 2024LA000000001.*

Kahala Franchising, L.L.C. v. Mid Valley Foods, Inc., Candyce Dilbeck, Steve Hopkins, Gegory M. Hopkins; United States District Court in and for the District of Arizona; Case No.: 2:25-cv-04166-KML.

Suit for Federal Trademark Infringement, Lanham Act, 15 U.S.C. §1124; Common Law Trademark Infringement; Federal Unfair Competition, Lanham Act, 15 U.S. C. §1125; Common Law Unfair Competition; Breach of Contract; Unjust Enrichment; Audit Demand/Accounting

Kahala Franchising, L.L.C. v. Byron Washington and Bram Berg; United States District Court for the Southern District of New York; Case No.: 1:25-cv-06392.

Suit for Foreible Entry and Detainer

Cold Stone Creamery Leasing Company, Inc. v. JRF, Inc.; Iowa Distriet Court for Dallas County; Case No.: SCSC050015.

Except as described above, no litigation is required to be disclosed in this Item.

ITEM 4

Bankruptcy

American Blue Ribbon Holdings, LLC

On January 27, 2020, our predecessor American Blue Ribbon Holdings, LLC filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code in the District of Delaware, as part of a planned restructuring of company-owned or affiliated franchised restaurants. In re American Blue Ribbon Holdings, LLC, a Delaware limited liability company, *et al.*, 1:20-BK-10161. On September 16, 2020, the bankruptcy court confirmed American Blue Ribbon Holdings, LLC's plan of reorganization. On September 30, 2021, the bankruptcy court entered a final decree, and the case was terminated on October 19, 2021. The last known principal place of business of ABRH is 3038 Sidco Drive, Nashville, TN 37204.

ITEM 5

Initial Fees

The initial franchise fee for a Village Inn Restaurant is \$35,000 for your first restaurant. The Initial Franchise Fee is reduced for your second traditional restaurant to \$25,000. The Initial Franchise Fee is reduced for your third and each subsequent traditional restaurant to \$20,000.

You pay the initial franchise fee in full at the signing of the Franchise Agreement.- The fee is nonrefundable. -We may periodically reduce the initial franchise fee, such as in connection with limited time promotions, new concepts and/or operational programs.

If you are currently an active or active reserve member of the U.S. Armed Forces, have been honorably discharged from the U.S. Armed Forces ("Eligible Military"), or are a 501(c)(3) organization ("501(c)(3)"), you will receive a 20% discount on the Initial Franchise Fee.

Opening Team Expenses

You will reimburse Village Inn for the Travel Expenses and the prorated Salaries and Benefits for the Opening Team members who assist you with the opening of your Restaurant (see Item 11). These expenses are nonrefundable and will typically range between \$10,000 and \$50,000; but may be lower or higher depending upon the service model and the location of your Restaurant. You will pay to Village Inn 50% of the estimated Opening Team expenses for your Restaurant, which Village Inn will determine based on the size of the Opening Team, distance traveled, and other factors, before the date that the Opening Team arrives at your Restaurant. Upon completion of the Opening Team's assistance, Village Inn will send you an invoice for the actual amount of remaining Opening Team costs. You must pay this invoice within 30 days.

Site Review Report Fee (if requested)

You will pay to Village Inn the then-current Site Review Report Fee after Village Inn prepares a site review report and issue a "no objection" letter for the proposed site of your Restaurant. The current Site Review Report Fee is \$1,000 to \$5,000; and may increase if a site visit is required. The Site Review Report Fee is nonrefundable.

ITEM 6 Other Fees

Name of Fee	Amount	Due Date	Remarks
Royalty ^{1,2, 5, 7}	4.0% of Gross Sales as described in the footnotes below.	Each Tuesday with an option to annually prepay after operating the Restaurant for at least one full year ⁶	"Gross Sales" include all sales conducted by or through the Restaurant, or from the franchised location at the actual price charged by the Franchisee. However, "Gross Sales" do not include tips for employees and sales tax and loyalty redemptions, 'Free Pie Wednesdays discounts, senior discounts, delivery fees, and other customary promotions or discounts
Marketing Fee ^{1,3, 5}	Currently 1% of Gross Sales	Each Tuesday	Paid at the same time and in the same manner as Royalty
Local Marketing ³	1% of Gross Sales; may be increased by Village Inn at any time to a combined maximum with local marketing of ~~23~~ 3%	Upon invoicing	Local marketing payable to third-party vendors as required
Extension Fee ¹	50% of the then-current Initial Franchise Fee not including any discounts or reductions	30 days prior to expiration of the term or the first extension term	Paid to Village Inn upon execution of a new Franchise Agreement for the first or second extension term

Name of Fee	Amount	Due Date	Remarks
Extra Manuals ¹	From \$12 to \$110 per manual	Upon invoicing	Cost of manuals, training materials, etc.; the first set of manuals/materials is loaned to you without charge
Training Costs and Opening Assistance Costs	\$65,000 to \$160,000	Upon invoicing	Payable to us or third parties in connection with your initial training and our opening assistance.
Additional Training Fees and Costs	A reasonable fee we determine based on the additional training to be provided.	Upon invoicing	Payable to us or third parties in connection with any additional training you undertake. You are responsible for the expenses you or your trainees incur in connection with such additional training.
Extraordinary Operating Assistance ¹	Actual costs incurred by Village Inn	Upon invoicing	Costs include transportation, meals, lodging, and gross wages of Village Inn employees rendering assistance
Transfer Fee ¹	\$5,000	Upon completion of transfer	Payable in connection with the transfer of your franchise to a third party
Audit Fee ¹	Cost of audit	Upon invoicing	Due only if audit shows an understatement of more than ~~32~~ 2% of the Gross Sales previously reported
Interest ¹	3% greater than publicly announced prime rate of Village Inn's prime lender	Upon invoicing	Amount adjusted, if necessary, on January 1 each year
Late Charge ¹	5% of amount past due	Upon invoicing	Assessed 5 days after payment is due
Operational Management Fee ⁺	7% of Gross Sales plus Village Inn Expenses	Each Tuesday while Village Inn is acting as operations manager	See discussion of "Gross Sales" under the heading "Royalty," above
Lease ^{1,4}	Varies	Monthly	Payable to Village Inn only if you lease land, building, or equipment from Village Inn
Location Assistance ⁺	Varies	Upon invoicing	Due for each site model report; costs range from \$115 to \$300 per report
Electronic Cash Register and	Our then-current fee (currently \$50)	As incurred	We may charge you a fee and our costs for making pricing and other changes or alterations to the

Name of Fee	Amount	Due Date	Remarks
~~Computer System Change Fee~~			~~electronic cash register or computer system.~~
Alternative Supplier Fee	We do not expect to charge for the evaluation, although we reserve the right to charge you or the supplier a reasonable evaluation fee. (Not to exceed \$5,000)	As incurred	
Remodeling Costs	<u>The amount you incur to remodel your Franchised Location. These costs may range from \$50,000 to \$350,000 each time you remodel.</u>	<u>Payable to suppliers as incurred</u>	<u>You must remodel your Franchised Location in accordance with Village Inn requirements. Village Inn can require that you extensively remodel your Restaurant once every five to ten years. This does not include routine maintenance costs.</u>
<u>Third-Party Performance Measurement Evaluations</u>	<u>Up to one-half of the cost of set programs, estimated to range from \$250 to \$500 per inspection</u>	<u>Within 30 days after receipt of an invoice</u>	<u>Village Inn can utilize feedback and inspection programs to evaluate your operations, quality, compliance and food safety. Village Inn (in its sole discretion) may share the cost for these services upon the audit or inspection of your location if passing feedback is obtained.</u>
<u>Meraki Security Appliance Network Infrastructure Equipment and Security</u>	<u>\$1,500 per 3-year term per restaurant \$3,500 to \$4,500</u>	<u>Upon invoicing</u>	<u>Payable to Village Inn</u>
<u>Technology Support Fees</u>	<u>\$200 to \$325 per month</u>	<u>As incurred</u>	<u>Payable to Village Inn for ongoing technology support</u>
<u>Costs, Expenses, and Attorneys' Fees</u>	<u>Variable</u>	<u>Upon demand</u>	<u>Payable only if Village Inn prevails in any action it commences or defends to enforce the Franchise Agreement (including injunction proceedings), which may arise from your indemnification obligations.</u>
Document Administration Fee	\$500	As incurred	Applicable if an amendment must be prepared, including for an affiliate transfer.
<u>Lease Guarantee Fee</u>	<u>10% of the total amount guaranteed, up to a maximum</u>	<u>Signing of the lease guarantee</u>	<u>See Note 8</u>

Name of Fee	Amount	Due Date	Remarks
<u>(optional)</u>	<u>payment of \$10,000 (if applicable) (Note 15)</u>	<u>agreement (if applicable)</u>	
<u>Sublease Late Charge</u>	<u>5% of the late or unpaid amount plus any late charges and interest incurred under the Master Lease as a result of the late payment (where applicable).</u>	<u>As incurred</u>	<u>Payable to our affiliate if you are subleasing your restaurant space from our affiliate.</u>
<u>Reimbursement of Taxes</u>	<u>We may seek reimbursement from you the cost of all taxes, assessments and similar charges we incur arising from your operation of the Franchised Business or our licensing of intellectual property to you in the state where your Franchised Business is located.</u>	<u>Payable monthly by electronic funds transfer at same time as royalty and service fee.</u>	<u>Only imposed if government authority collects these taxes or assessments</u>

¹Franchisees pay the costs or fees to Village Inn. All such costs or fees are non-refundable. Different versions of the Franchise Agreement from prior registration periods contain different fees, due dates and fee amounts. Franchisor may in its discretion waive or reduce certain fees described in this Item from time to time.

² Village Inn collects all royalties by automatic bank transfer through an automated clearinghouse. The royalty is calculated at 4.0% of Gross Sales. “Gross Sales” is defined as the total amount of sales made by you from all business activities taking place by or through the Restaurant, or at the franchised location, in the form of cash, check, credit, or otherwise (without reserve or deduction for inability or failure to collect the same), and includes, without limitation, the sale of food, beverages, goods and services, whether sold for consumption on or off the premises, receipts from food catering, and sales from vending, amusement, or entertainment machines. Additionally, Gross Sales are based on the actual price you would charge. Gross Sales do not include tips and gratuities for employees or sales taxes actually collected and paid to a governmental agency. Furthermore, for the avoidance of doubt, loyalty redemptions, “Free Pie Wednesdays” discounts, senior discounts, delivery fees, and other customary promotions or discounts shall not be included in Gross Sales.

³ Village Inn can increase the percentage of your Gross Sales payable for the Marketing Fee by up to 1/2% per year after giving you at least 60 days prior notice of the increase. Although the maximum amount Village Inn may require you to spend on marketing and advertising described above is 23% of Gross Sales, Village Inn does not represent that such maximum percentage or current rates will be adequate for the success of your operations. All strategies and productions for local marketing shall require Village Inn’s prior approval (which shall not be unreasonably

withheld) except for promotions or materials already initiated, implemented, or approved by Village Inn.

⁴ The lease payments for land and building vary depending upon factors such as location, size of parcel, and local market conditions. The lease payments for equipment also vary depending upon the equipment leased. For additional information, see Item 7 of this Franchise Disclosure Document.

⁵ Village Inn uses fiscal year ending starting December 1st and ending November 30th for financial reporting purposes.

⁶ After operating the Restaurant for at least one full fiscal year, Franchisee is granted the option to annually prepay the Royalty for that year and thereby receive a ten percent (10%) discount on the Royalty due by paying to Franchisor on or before February 1 an amount equal to ninety percent (90%) of that year's projected royalty ("Prepaid Royalty"). The projected royalty is equal to four percent (4%) of the Gross Sales from the Franchisee's preceding fiscal year ("Projected Royalty"). In making the calculation of the Projected Royalty, the beginning date for the preceding fiscal year shall be based on the Franchisor's fiscal period with fiscal year being a 52-week fiscal year consisting of twelve (12) fiscal periods ending on the last business day of the fiscal year of the Franchisor. Franchisor and Franchisee agree to, on or before February 1, reconcile the difference between the Prepaid Royalty and the Royalty due based upon Franchisee's actual Gross Sales (while still subject to the 10% discount) during the preceding fiscal year. For example, if Franchisee's Projected Royalty was \$50,000 (based on Gross Sales of \$1,250,000), and thus the Prepaid Royalty was \$45,000, but Franchisee's actual Gross Sales during the fiscal year were equal to \$1,500,000, Franchisee would owe Franchisor an additional \$9,000. ($\$1,500,000 \times 4\% = \$60,000$ Royalties owed $\times 10\%$ discount = \$54,000 less \$45,000 prepaid = a remaining owed balance of \$9,000).

⁷ Franchisor has the absolute right to increase the Royalty to up to eighteen percent (18%) of Gross Sales with respect to any period during which Franchisee is in breach or default of its/his/her obligations under this Agreement without providing Franchisee advance notice or right to cure. The Royalties paid or owing to Franchisor with respect to the period during which Franchisee is in breach or default are referred to as "Breaching Royalties." Breaching Royalties will be charged for a minimum fourteen (14) day period, regardless of the length of the actual breach or default.

⁸ If, in order to obtain the lease agreement for the site of your Village Inn restaurant, the landlord requires you to obtain a third party lease guarantee, and we or one of our affiliates agrees to serve as such guarantor (with such determination to be made in our sole and absolute discretion), you will pay to us a lease guarantee fee in the amount of 10% of the total amount of the rental obligations being guaranteed under the lease during its term up to a maximum payment of \$10,000.

If Village Inn sells an existing Village Inn Restaurant to the Franchisee, the Franchisee will not be required to pay Village Inn for location assistance.

ITEM 7
Estimated Initial Investment

Description	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (1)	\$16,000	\$35,000	Lump Sum	At signing of Franchise Agreement	Village Inn
Real Estate Occupancy (2)	\$120,000	\$160,000	As negotiated	At time of Purchase, or monthly if lease	Seller/Lessor
<u>Site Review Report Fee</u>	<u>\$1,000</u>	<u>\$5,000</u>	<u>Lump Sum</u>	<u>As incurred</u>	<u>Village Inn</u>
Furniture, Fixtures, Equipment, and Signage	\$200,000	\$585,000	As incurred	Upon delivery	Suppliers
POS, Back Office Computers	\$25,000	\$35,000	As incurred	Upon delivery	Suppliers
Construction Costs (3)	\$450,000	\$1,485,000	As negotiated	During construction	General Contractor
Pre-Opening Costs (4)(5)	\$80,000	\$120,000	As incurred	As incurred	Suppliers and Employees
Inventory	\$10,000	\$20,000	As incurred	As incurred	Suppliers
Smallwares	\$19,000	\$35,000	As incurred	As incurred	Suppliers
Insurance (Annual Premiums) (A) Liability Insurance \$1,000,000 in Coverage	\$15,000 annually per restaurant Note 6	\$25,000 annually per restaurant Note 6	Note 6	Upon binding of coverage and payment terms provided by the insurance carrier	Insurance Company
(B) All Risk Property Insurance; a Minimum of \$850,000 Combined Limit for Building and Contents Plus Business Income Coverage	Note 7	Note 7	Note 7	Upon binding of coverage and payment terms provided by insurance carrier	Insurance Company

(C) Workers Compensation and Employer's Liability Insurance	Note 8	Note 8	Note 8	Note 8	Insurance Provider
Training Costs and Opening Assistance Costs (9)	\$65,000	\$110,000	As incurred	As incurred	Suppliers and Employees
Cash or Cash Equivalent Reserve	\$25,000	\$30,000		Upon signing the Franchise Agreement	Franchisee's Bank Account
Average Per Month of Additional Funds for the First Three Months (10)	\$50,000	\$100,000	As incurred	As incurred	Employees, Suppliers, Utilities
TOTAL FOR	\$1,076,500	\$2,745,000			
	See Notes 11, 12, and 13	See Notes 11, 12, and 13			

Notes:

(1) The initial franchise fee is \$35,000 for the first Village Inn restaurant, the initial franchise fee is reduced for your second traditional restaurant to \$25,000, and for your third and each subsequent traditional restaurant to \$20,000.

(2) The occupancy cost varies depending upon if you purchase or lease the property, the return on investment the owner/lessor requires, the location of the real property, local market conditions, and other factors. Local conditions determine the size of the parcel of land on which a Village Inn restaurant can be constructed. A shopping center location requires approximately 10,000 square feet (plus easements for adequate parking). A non-shopping center location requires between 45,000 and 60,000 square feet. Landlords typically require a security deposit equal to one or two month's rent depending on your credit.

(3) Construction Costs vary depending upon whether your building is new or if it is a conversion of an existing building, property location, local market conditions, and other factors. Construction Costs include site development, all contractor build-out items like heating, ventilation, and air conditioning systems, wall and floor coverings and installation of furniture, fixtures, and equipment. If you lease the real property and the lessor constructs the restaurant, some or all of the construction costs will be included in your rent payments.

The Prototypical plans and specifications are the architectural, structural, plumbing, mechanical, and electrical drawings; kitchen equipment and dining room layouts; and all required design characteristics. These plans are for franchisee's use to have a local architect and related engineers "site adapt" to the specific location to meet the locally adopted codes, ordinances, and standards

referred to above including to reflect identification of special risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. In the event you fail to obtain or maintain the required insurance coverage, we reserve the right, but are not obligated to, obtain the required insurance on your behalf and charge the insurance premium to you.

(7) Property insurance premiums vary depending on the amount of insurance coverage and deductible, current cost of materials and labor, the age and value of the building and contents, location, safety and preventive features (e.g., burglar/fire alarms), the insurance company, and other factors.

(8) You must provide workers' compensation and unemployment insurance with coverage sufficient to meet the requirements of the law where your restaurant is located. State statutes determine the coverages and set the manual rates.

(9) This estimate includes (a) your training costs for you, a Director of Operations, and two managerial persons at a certified training restaurant for a period of 10-3 to 12-6 weeks (including attire that conforms with the brand standards, salary, travel, rental car, hotel, meals, and per diem for other living expenses for your personnel) and (b) your reimbursement to us for our costs for our opening assistance team members who travel to your Restaurant before, during and after your Restaurant opening (including travel, rental car, hotel, meals, prorated salaries and benefits, and per diem for other living expenses for our opening assistance team members during the period they are providing opening assistance to you). This estimate is for your first Restaurant. Your initial training and/or our opening assistance may decrease for additional Restaurants you develop.

(10) This is an estimated average of your initial expenses per month for the first three (3) months of operation. These expenses include payroll, food supplies, utilities, ordinary maintenance, grand opening expenses, advertising, royalties, and other expenses associated with normal restaurant operations.

(11) Village Inn relies on its and its affiliates' experience operating Village Inn Restaurants and on the industry experience of the persons listed in Item 2, above, to compile the estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

(12) Village Inn does not offer, either directly or indirectly, financing to new franchisees.

(13) None of the initial investments, except for some deposits, is refundable.

(14) The Site Review Report Fee is applicable if a site review is requested by Franchisee or Village Inn determines it is necessary. The cost of the report may increase if a site visit is required.

ITEM 8

Restrictions on Sources of Products and Services

Village Inn requires that your restaurant be constructed, equipped, and operated in accordance with its brand standards~~established requirements~~. ~~Village Inn will provide you (in hard copy or in Print Document Format (PDF) file) one set of its prototypical architectural plans and specifications.~~ Any cost incurred by Village Inn with respect to a change to the standard plans

and specifications, shall be borne by you. Additionally, all signs, graphics, menus, and other similar materials that use any of the Village Inn trademarks or other commercial symbols or slogans must conform exactly to Village Inn's ~~terms and conditions~~ brand standards. Furthermore, Village Inn food servers and other personnel are required to comply with our dress code. Logoed or other brand-specific designated attire may be purchased from any supplier, provided that the specifications are followed. Village Inn does not derive any revenue from signs, graphics, or brand-specific designated attire. Most important, you must purchase and sell directly only pies made by a Village Inn approved vendor. In the event the pies provided by the approved vendor do not adhere to the quality and brand standards as Village Inn expects, you shall notify the Franchise Advisory Board and Village Inn in writing of deficiency of quality and brand standards. In the event the Franchise Advisory Board agrees with the complaint, and we cannot return the pies to the same quality and brand standards within sixty (60) days, either the Franchise Advisory Board or you may request an alternate vendor to source pies. We agree to approve any reasonable alternate vendor. Such approval shall not be unreasonably withheld. Village Inn derives revenue from these purchases and sales. "Franchise Advisory Board" means the Associate of Village Inn Franchisees ("AVIF"), so long as such organization represents franchisees owning at least 50% of all franchise Village Inn restaurants and in the event the AVIF fails to represent a sufficient number of restaurants, any successor independent franchisee association meeting such requirement. In the event no such entity exists, the Franchise Advisory Board shall be made up of 5 franchisees appointed by the Franchisor.

Village Inn or other third-parties we may designate are the only approved suppliers for services related to the preparation of the Site Review Report for your Restaurant. You must, at your own cost and expense, use our designated and approved architect, as detailed in the Confidential Manual and no other architect may be used by you for the design of your restaurant. You must also, at your own cost and expense, retain a licensed architect of record to prepare the permitted construction set of drawings.

We estimate that your purchases or leases from us, from designated and/or approved suppliers, and/or otherwise in accordance with our ~~specifications~~ brand standards, will represent, collectively, approximately 25% to 50% of your total purchases in establishing the Restaurant, and approximately 25% to 50% of your total purchases in the continuing operation of the Restaurant.

You are required to install, maintain, and operate a network security appliance and related network components approved or designated by Village Inn in order to support secure connectivity with the Village Inn technology systems. The current estimated cost for the required security appliance hardware is approximately \$3,000 to \$4,500 per restaurant. This amount generally includes the required security license and management through the franchisor's designated platform for the applicable subscription term.

You are responsible for all costs associated with the purchase, installation, configuration, maintenance, replacement, and operation of the required network infrastructure and related equipment, which may include, without limitation, firewalls, switches, wireless access points, cabling, internet connectivity, and other hardware or services necessary to support the restaurant's technology systems.

You may also elect to utilize For2Fi for a secondary backup internet connection. The estimated cost for this optional service is approximately \$100 to \$125 per month per restaurant.

From time to time, Village Inn may require you to install updates, replacements, or upgrades to hardware, software, security systems, or related technology in order to maintain system security, functionality, and compatibility with Village Inn technology environment. You will be responsible for the cost of those updates, replacements or upgrades. Although requirements may change based on technology, security, or operational needs, it is generally Village Inn current practice not to require significant system upgrades more frequently than approximately once every five years.

In addition, you must comply with our required restaurant technology standards, which may include, without limitation, the following systems and services:

Point of Sale (POS) System

You must purchase and maintain a point of sale system (“POS” or “POS System”) that conforms to our specifications and standards and through our approved vendor. The POS system is used to process sales transactions and integrate with other required restaurant technology systems. You are responsible for all costs associated with the purchase (\$2,500 to \$8,000), licensing (\$200 to \$600 monthly), installation, configuration, maintenance, support, and replacement of the POS system and related hardware and software components. We are currently an approved provider of certain POS computer system maintenance, monitoring, and support services including the technology support. These services may include remote system monitoring, help desk support, software updates, configuration management, and coordination with third-party vendors. From time to time, Village Inn may require you to implement additional or replacement technology systems, software applications, security tools, or operational platforms to support brand standards, operational efficiency, customer engagement, reporting, or system security. These requirements may include, without limitation, new POS features, digital ordering systems, loyalty platforms, kitchen display systems, network security tools, or other restaurant technology systems. You will be responsible for the costs associated with the purchase, licensing, installation, maintenance, and operation of any such required technology.

Back Office System

You must purchase and maintain a Back Office (“RMS”) system that conforms to our specifications and standards to our specifications and standards and through our approved vendor. The RMS system is used to process sales, inventory, labor, cost of goods and integrate with other required restaurant technology systems. You are responsible for all costs associated with the licensing (\$100 to \$400 monthly), installation, configuration, maintenance, support, and software components.

Tablets

You are required to maintain tablet devices approved by Village Inn for use with certain operational and management applications. Village Inn currently requires a minimum of two (2) tablets per restaurant. These devices may be used to access and operate required systems such as back-office management, enablement platform for training and communications, acquisition and

recruitment platform for hiring and onboarding, and Olo for digital ordering management. you are responsible for all costs associated with the purchase (currently \$400 with a case), setup, connectivity, maintenance, and replacement of these devices.

You must implement and maintain appropriate data security measures to protect customer payment card and business information. This includes compliance with applicable data security standards, including the Payment Card Industry Data Security Standard (PCI DSS), and the use of approved security tools, monitoring systems, and protective services designated by us. You are responsible for all costs associated with maintaining required security controls, security software, monitoring services, incident response measures, and any remediation required to maintain compliance with applicable security standards or Village Inn requirements.

~~You must purchase a POS System (as defined in Item 7) that conforms to our standards and specificationse. We currently only have one approved POS System and vendor, NCR Corporation.~~

We are also currently an approved vendor of certain Point of Sale Computer System maintenance and support services. See Item 6 and 11 for the types of services we may provide and their related costs.

Except for Legendary Baking and other Village Inn divisional or affiliated pie facilities, Village Inn's construction plans and specifications ~~and NCR Corporation for the POS System; Village Inn does not maintain a list of approved suppliers or require that you purchase from any specific supplier. Any vendor able to provide goods or services meeting Village Inn's qualifications is automatically deemed an approved supplier.~~ We reserve the right to establish and institute a restrictive sourcing program for ~~other~~ goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating a Village Inn Restaurant. Our Operating Manual, and changes thereto, will identify our standards and specifications for you and (where appropriate) suppliers. If we institute additional restrictive sourcing programs and you want to use any item or service we have not yet evaluated or to buy or lease from a supplier we have not yet approved or designated as meeting our minimum standards and specifications, you may be required to send us sufficient information, specifications and/or samples so we can determine whether the item or service complies with our standards or the supplier meets approved supplier criteria. We will decide within a reasonable time (no more than ~~30~~45 days) whether the item, service or supplier meets our criteria and we will notify you of our approval (as well as of any subsequent disapproval of the item, service, or supplier) in writing. ~~We do not expect to charge for the evaluation, although we reserve the right to charge you or the supplier a reasonable evaluation fee.~~ We may establish alternative procedures for your requests and may limit the number of approved items, services and/or suppliers as we think best. In addition to requiring purchases from approved distributors or suppliers, we may, in our sole discretion, require that you purchase certain products or services through designated purchasing channels, programs, platforms, or contractual arrangements that we specify.

Village Inn negotiates purchasing arrangements with certain suppliers that provide volume discounts or vendor allowances based on purchases made by you and other franchisees, usually ranging between 1% and 5%. You can participate in these arrangements, if at all, only to the extent that your restaurant's location is in the geographic area that the supplier services. Participation in any eligible programs is conditioned upon your compliance with Village Inn's requirements. In

some cases, franchisees benefit in proportion to the amount of their purchases; in other instances, Village Inn receives the entire amount of the vendor allowances. In some cases, franchisees benefit by receiving a discount on supplies. Such vendor allowances are generally based on a percentage of franchisee purchases and are calculated based on an amount per unit, per case, per gallon, or per pound of product purchased. We may use vendor allowance funds or other non-cash items received from suppliers to us and our franchisees in our sole and absolute discretion. Village Inn has not established purchasing or distribution cooperatives.

Pursuant to the mergers as fully described in Item 1, the total revenues and expenses of Franchisor and its subsidiaries and affiliates have been consolidated with MTY USA's, as reflected in the audited consolidated financial statements presented in this disclosure document. For the year ending November 30, 2025, MTY USA and its subsidiaries, as of such date, derived revenues from the sales of products, services, and vendor allowances in the amount of \$47,054,607, which was approximately 8.5% of MTY USA's total consolidated recognized revenue in the amount of \$604,239,000.

Various suppliers and vendors of MTY USA and its subsidiaries contribute marketing and other revenues to MTY USA and/or its subsidiaries based upon system-wide purchases from those suppliers and vendors. During our last fiscal year, MTY USA and its subsidiaries on a consolidated basis earned a total of \$29,352,205 of the \$47,054,607 from such vendors. Additional other revenues (for example, revenue from miscellaneous fees and expenses from franchisees) in the amount of \$5,917,821 were also received by MTY USA and its subsidiaries during the last fiscal year.

No officers of Village Inn own an interest in any supplier.

Village Inn may use vendor allowance funds or other non-cash items received from Franchisor's suppliers related to the Village Inn brand to benefit the Village Inn brand in our sole and absolute discretion.

ITEM 9 Franchisee's Obligations

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

Obligation	Section in Franchise Agreement	Section in Sublease	Disclosure Document Item
a. Site selection and acquisition/lease	Articles 2 and 23 of Franchise Agreement	Preamble	Items 5, 7, 11, and 12

Obligation	Section in Franchise Agreement	<u>Section in Sublease</u>	Disclosure Document Item
b. Pre-opening purchases/leases	Article 9 and Section 10.2 of Franchise Agreement	<u>Not Applicable</u>	Items 5, 7, and 8
c. Site development and other pre-opening requirements	Article 9 and Sections 6.4, 10.2 and 12.1 of Franchise Agreement	<u>1.2</u>	Items 5, 7, and 11
d. Initial and ongoing training	Articles 11 and 12 of Franchise Agreement	<u>Not Applicable</u>	Items 7 and 11
e. Opening	Sections 2.2 and 6.3 of Franchise Agreement	<u>Not Applicable</u>	Items 7 and 11
f. Fees	Articles 4, 5 and Sections 3.2(c), 6.1, 6.4, 7.3, 7.4, 18.2(d), 22.1(b), and 29.19 of Franchise Agreement	<u>3, 4, 5 and 18</u>	Items 5, 6, 7, and 10
g. Compliance with standards and policies/Operating Manual	Article 10 of Franchise Agreement	<u>Not Applicable</u>	Item 8
h. Trademarks and proprietary	Articles 1, 15, 16, and 24 of Franchise Agreement	<u>Not Applicable</u>	Items 13 and 14
i. Restrictions on products/services	Section 10.2 of Franchise Agreement	<u>6</u>	Item 16
j. Warranty and customer service	Article 10 of Franchise Agreement	<u>Not Applicable</u>	Item 11
k. Ongoing product/service	Section 10.2(g) of Franchise Agreement	<u>Not Applicable</u>	Item 8
l. Maintenance, appearance, and remodeling requirements	Articles 9, 10, 13, and 15 and Section 18.2(g) of Franchise Agreement	<u>Not Applicable</u>	Items 8 and 11
m. Insurance	Article 20 of Franchise Agreement	<u>8</u>	Item 7
n. Advertising	Article 6 of Franchise Agreement	<u>12</u>	Items 6, 7 and 11

Obligation	Section in Franchise Agreement	<u>Section in Sublease</u>	Disclosure Document Item
o. Indemnification	Article 20 and Sections 9.9, 18.2(h), 26.1 and 26.2 of Franchise Agreement	<u>Not Applicable</u>	N/A
p. Owner's participation/management/staffing	Articles 10, 11, and 12 of Franchise Agreement	<u>2.3, 7, 11 and 16</u>	Items 11 and 15
q. Records and reports	Article 14 and Sections 5.2 and 13.1 of Franchise Agreement	<u>Not Applicable</u>	N/A
r. Inspections and audits	Articles 13 and 14 of Franchise Agreement	<u>3</u>	Items 6 and 11
s. Transfer	Articles 18 and 19 of Franchise Agreement	<u>3.3 and 13</u>	Item 17
t. Renewal	Section 3.2 of Franchise Agreement	<u>9</u>	Item 17
u. Post-termination obligations	Article 24 of Franchise Agreement	<u>2.2</u>	Item 17
v. Non-competition covenants	Article 17 of Franchise Agreement	<u>Not Applicable</u>	Item 17
w. Dispute resolution	Articles 22 and 25 and Sections 18.4, 29.4, 29.5, 29.6, 29.7, 29.8, and 29.16 of Franchise Agreement	<u>Not Applicable</u>	Item 17

ITEM 10 Financing

Item 10:

We do not offer direct to franchisees. However, in limited circumstances and in our sole discretion, we or one of our affiliates may provide financing in connection with your purchase of a corporate-owned restaurant sold on an "as-is" basis, or in other limited, one-off circumstances. In addition, we may in our sole discretion, provide a lease guarantee for an approved restaurant site.

Other than as described above, we do not guarantee franchisee obligations under any note or other obligation, except as specifically described below.

If you are an individual and married, your spouse must execute and deliver to us a Personal Guaranty of Franchise Agreement (See Appendix A of the Franchise Agreement: Ownership of Franchisee and Personal Guaranty) at the same time that you sign the Franchise Agreement unless your spouse is also signing the agreement as an individual. If you are a corporation, limited liability company, or other business entity, each of your shareholders, members, or other owners (and their respective spouses, if married) must execute and deliver to us a Personal Guaranty of Franchise Agreement, at the same time that you sign this Agreement. In the event any person who has not previously signed a Personal Guaranty of Franchise Agreement becomes your spouse or the holder of any class of your stock or ownership interests or a spouse of such holder, at any time after the execution of such agreement, you must cause such person(s) to immediately execute and deliver a Personal Guaranty of Franchise Agreement to us as appropriate.

Lease guarantee fees, if applicable, are disclosed in Item 6 (Other Fees) of this Disclosure Document.

If the franchisee is an individual, the individual franchisee (and his/her spouse, if married) must personally guarantee the debt. If the franchisee is a corporation, limited liability company, partnership, or other entity, each of the principals of the entity (and each of their respective spouses, if married) must personally guarantee the debt. Once paid, the lease guarantee fee is non-refundable under all circumstances. We do not offer financing for the lease guarantee fee as it is payable in full upon the execution of the guarantee. Neither we, nor any of our affiliates, are required to serve as a guarantor of your lease for the site of your restaurant. The decision of whether to serve as a guarantor of your lease shall be made at our sole and absolute discretion.

If you purchase a corporate restaurant “as-is” that is owned and operated by one of our affiliates, we may finance up to 100% of the purchase price, at our sole discretion. When you purchase a corporate-owned restaurant from one of our affiliates, you will enter into an “Asset Purchase Agreement” (see Exhibit A-2: Asset Purchase Agreement (For Sale of a Corporate Store to a Franchisee)). If you finance any portion of the purchase price of the corporate-owned restaurant through one of our affiliates, you will also enter into a “Promissory Note and Security Agreement” and a “Guaranty,” which are exhibits to the Asset Purchase Agreement (and also the form of agreement we would use in any other limited, one-off circumstance in which we or our affiliates, in our sole discretion, provide financing). The purchase price may include the initial franchise fee, any transferrable furniture, fixtures, and equipment, the leasehold, and/or any transferable leasehold improvements that are located in the restaurant at the time of purchase, along with any inventory in the restaurant at the time of purchase. The lender providing the financing may be one of our affiliates, whichever entity owns the restaurant. The annual rate of interest charged will be between 0% and 12% and will depend on the creditworthiness of the franchisee, the amount being financed, and the dollar amount being paid up-front by the franchisee. There are no finance charges associated with the Promissory Note and Security Agreement. The amount being financed will be required to be re-paid in equal monthly installments and the period of repayment will be between 12 months and 60 months, depending on the amount being financed. The security interest required by us is a first position lien on all equipment. If the franchisee is an individual, the individual franchisee (and his/her spouse, if married) must personally guarantee the debt. If the franchisee is a corporation, limited liability company, partnership, or other entity, each of the principals of the entity (and their respective spouses, if married) must personally guarantee the debt. The Promissory Note and Security Agreement may be pre-paid in full or in part at any time and from time to time without penalty. The franchisee’s potential liabilities upon default include: (i) an accelerated obligation to pay the entire amount due, including but not limited to all accrued and unpaid interest, if the default is not cured within seven calendar days; and the interest rate will be increased to an annual rate of 18%; (ii) obligation to pay costs and attorneys’ fees incurred in collecting the debt; (iii) termination of the franchise; and (iv) liabilities from cross defaults resulting from non-payment or from the loss of business property on franchisee’s other restaurants named in the Promissory Note and Security Agreement and granting us or our affiliate the right to take back the restaurant(s). Additional waiver provisions are set forth in the Promissory Note and Security Agreement attached as Exhibit A-2 to this Disclosure Document. The Promissory Note and Security Agreement requires franchisees to waive the following legal rights: demand, notice, diligence, protest, presentment for payment, and notice of extension, dishonor, protest, demand and nonpayment of the promissory note; any release or discharge by reason of any release or substitution of, or other change in, any security given for the indebtedness or the obligation of any person or entity who may become directly or indirectly liable for the note or any extension or other modification of the note; and rights to contest or appeal our exercise of the take

back rights and not receiving compensation for the restaurant after the take back rights have been exercised. The Promissory Note and Security Agreement also bars the franchisee's right to contest the take back rights.

We require a first lien position in all equipment as a security interest to be given by the franchisee. We do not intend to sell, assign or discount to a third party any financing arrangement. We do not arrange financing from other sources; therefore, we do not receive direct or indirect payments from placing financing.

The lease for a corporate restaurant is entered into by one of our affiliates. When you purchase the corporate restaurant, you will enter into a Sublease (See Exhibit A-3: Sublease) with our affiliate using our standard form of Sublease where you pay all monies owing under the Lease directly to the property owner, or our standard form of Sublease in which you pay all monies owing under the Lease to our affiliate and the affiliate will pay the property owner, which are exhibits to the Asset Purchase Agreement. The Sublease will contain substantially the same terms as the Lease. The term of the Sublease will be for the entire term of the Lease, less one day. If you are an individual, you (and your spouse, if married) must sign the Guaranty of Sublease (See Exhibit D to Sublease: Guaranty of Sublease). If you are a corporation, limited liability company, partnership or other business entity, each of your shareholders, members, partners or other owners (and their respective spouses, if married) must sign the Guaranty of Sublease.

If we determine that you do not have the financial capacity to perform your obligations with respect to the site or the Lease, we may deny approval of the site and/or Lease. That disapproval will be deemed to be reasonable. In that event, we or our affiliates or franchisees may operate a *Village Inn* restaurant at that site.

We or our affiliates may, in our sole discretion, lease the site approved by us for your *Village Inn* restaurant and sublease the site to you. In addition, if and when you sign the Sublease, you must pay to us an amount equal to two months base rent under the Lease, plus a security deposit in an amount equal to the security deposit required under the Lease. (We reserve the right, however, to require a greater security deposit, based upon your creditworthiness.)

Please note, if you intend to lease the site of your restaurant, the lease must include certain required provisions (See Appendix B of the Franchise Agreement: Option for Assignment of Lease; Exhibit A-1: Franchise Agreement – Section 23).

~~We do not typically offer direct or indirect financing. We do not know whether you will be able to obtain financing for all or part of your investment and, if so, the terms of the financing. We do not typically guarantee your note, lease or other obligation.~~

ITEM 11

Franchisor's Assistance, Advertising, Computer Systems, and Training

Except as listed below, Village Inn need not provide any assistance to you.

BEFORE OPENING:

Before you open your Village Inn Restaurant, we (or our designee) are required by the Franchise Agreement to provide the following assistance and services to you. (In the case of a Franchisee purchasing from Village Inn an existing operating Restaurant, the obligations described under this heading, Before Opening, will not apply.)

You select your business site and we evaluate it prior to execution of the Franchise Agreement. In conducting our evaluation, we may consider a variety of factors including demographics, traffic counts, ingress-egress, visibility, residential density, and parking. We do not generally own the site.

We are required to approve or disapprove of any lease you enter into, which determination will be made in our sole discretion. Our approval is not a warranty, representation or guaranty by us that a Village Inn opened at that site will be a financial success or that the site complies with any or all applicable laws, codes, ordinances or regulations (including without limitation, the Americans with Disabilities Act). Regardless of our approval, you are solely responsible for the terms of the lease. (Franchise Agreement, Section 3.1). Village Inn will provide a Site Review Report for the proposed site, if requested, for the Franchised Location and if a Lease exists, may review the Lease for the premises for compliance with the terms and conditions of this Agreement. You will provide the information as may be reasonably specified by Village Inn for the proposed site selected by you. Village Inn reserves the right, that within 30 days, Village Inn may visit the proposed site, if requested, and prepare a Site Review Report for you which provides certain site information relevant to assessing whether the proposed site is suitable for development of a Village Inn® Restaurant. The Site Review Report is not a warranty, representation or guaranty by Village Inn that a Village Inn® Restaurant opened at that site will be a financial success or that the site complies with any or all applicable laws, codes, ordinances or regulations (including without limitation, the Americans with Disabilities Act). If applicable, you may not purchase or lease any proposed site until Village Inn has issued a “no-objection” letter, signifying the site simply meets brand standards. Once a “no-objection” letter is issued, you will pay Village Inn the then-current fee (currently \$1,000 to \$5,000, subject to increase if a site visit is required) for the Site Review Report (see Item 5). Village Inn can terminate your Franchise Agreement if you fail to open your Restaurant before the Required Opening Date, as defined in the Franchise Agreement.

We will provide you with one set of Village Inn’s prototypical plans and specifications (that you must adapt to local codes) for the construction and/or equipping of a Village Inn Restaurant. We will not be responsible for conforming any premises purchased, leased, or rented by you to local ordinances and building codes, other applicable laws/rules/regulations, or obtain for you required health, sanitation, building, driveway, utility, sign, or any other required permit. You bear sole responsibility to construct, remodel, and/or decorate any premises purchased or leased by you. (Franchise Agreement, Section 9.2).

You will be solely responsible for inspections during construction or renovation to confirm that the Restaurant is being constructed or renovated in a workmanlike manner and according to the specifications established by us. You will be solely responsible for complying with all federal, state, and local laws, ordinances, statutes, and building codes, and for acquiring all licenses and building and other permits required by law in connection with the construction or renovation of

your Restaurant at the franchised location. We will have no responsibility to you or any other party. You will not open the Restaurant for business without our prior written approval.

~~We will not purchase, lease, rent, lend, deliver, or install equipment, signs, fixtures, opening inventory, or supplies for or to you or your premises, although we will provide you general advice regarding the provision of such items.~~

We will not hire or assist you in hiring or training employees, except for your Director of Operations and two additional managers designated by you as described in this Item 11 below. (Franchise Agreement, Section 10.2(j)).

Promptly upon the full signing of your Franchise Agreement, we will deliver to you one copy of the Operating Manual containing mandatory and suggested specifications, standards, and operating procedures prescribed from time to time by us, as well as information relative to your other obligations under the Franchise Agreement and in connection with the operation of your Village Inn Restaurant. We have the right to add to and modify the Operating Manual from time to time, in our sole discretion, to reflect changes in the specifications, standards, and operating procedures, but no such addition or modification will alter your fundamental status and rights under the Franchise Agreement. To protect our confidential material and methods, we may require that your employees, shareholders, officers, directors, general partners, members, and managers sign a confidentiality agreement.

The System and our Operating Manual do not include any personnel policies or procedures or security-related policies or procedures that we (at our option) may make available to you in the Operating Manual or otherwise for your optional use. You will determine to what extent, if any, these policies and procedures might apply to your operations at the Village Inn Restaurants. We neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of the Village Inn Restaurant's employees or customers. We may modify these manuals, but the modification will not alter your status and rights under the Franchise Agreement. (Franchise Agreement, Sections 1.1 and 10.2(j)).

We will provide you with general assistance prior to the opening of your Village Inn Restaurant, including approving or disapproving your marketing/advertising and grand opening plans and materials. Village Inn will provide access to a "grand opening celebration" package which will include advertising and promotional materials for your Village Inn® Restaurant (see Article 6 of the Franchise Agreement). You must spend a minimum of \$10,000 (or a higher amount as determined by Village Inn) on the grand opening celebration for your first Restaurant (see Item 7). ~~Village Inn will provide access to a "grand opening celebration" package which will include advertising and promotional materials for your Restaurant (see Article 6 of the Franchise Agreement). You must spend a minimum of \$10,000 (or a higher amount as determined by Us) on the grand opening celebration for your Restaurant (see Item 7).~~ We will provide an on-site opening assistance team at your Restaurant before, during and after the opening of your Restaurant. See ~~Item 11.~~ (Franchise Agreement, Section 12.5).

SCHEDULE FOR OPENING:

Generally, the opening of your Village Inn Restaurant will take place within eighteen (18) months from the date you ~~We estimate that the typical length of time between the signing of the~~

~~Franchise Agreement and the opening of your Village Inn Restaurant is approximately nine to fifteen months.~~ Some factors which may affect this timing are your ability to locate an acceptable site, the time to acquire the site through lease negotiations, your ability to secure any necessary financing, your ability to comply with local zoning and other ordinances, the timing of the delivery and installation of equipment and signs, and the time to convert, renovate, or build the premises. The conversion of an existing facility to a Franchised Restaurant usually takes sixty (60) to one hundred fifty (150) days, depending on the extent of the conversion of the premises, equipment, and operational systems that may be necessary. In any event, your Village Inn Restaurant is required to be opened and operational within eighteen (18) months after you execute the Franchise Agreement.

AFTER OPENING:

There is no obligation on Village Inn to provide services to you during the term of the franchise. We may, however, offer the following to you from time to time:

Although we will not hire or assist you in hiring or training employees, we will provide training of your Director of Operations and two additional managers as you may request from time to time so that at all times you employ a Director of Operations and two additional managers who have successfully completed our training program.– There are no tuition fees for the training; however, you will be responsible for all costs incurred by your employees to attend the training. (Franchise Agreement, Section 12.4).

We may from time to time provide continuing assistance through operations manuals, supplements, bulletins, and periodicals. Training programs are also offered periodically on various aspects of restaurant operations, which Franchisee may be required to attend, but not more frequently than once a year. We also may make available to you information regarding any new product, service or supplier or any updated method of doing business. There are no separate charges for these services, but you are responsible for the wages and living expenses of those attending such training. (Franchise Agreement, Section 12.3)

Prices to be charged to your customers in connection with your Village Inn Restaurant are solely your responsibility. If we consult with you on costs and prices, or if we or our agents and/or representatives suggest prices to you from time to time, you are under no obligation to adhere to them. If we conduct advertising in which prices for items are indicated or suggested, these prices are not binding on you in any manner. (Franchise Agreement, Sections 10.2(f)). Modifications to the menu are allowed only as a reflection of food and beverage items characteristic of your local area and subject to our testing and prior written approval.

You are solely responsible for the operation of your Village Inn Restaurant in accordance with the requirements of the Franchise Agreement, the Operating Manual, and all other applicable manuals and directives provided to you in writing by us from time to time. We may conduct periodic inspections of your restaurant as we deem necessary to furnish supervision and assistance in the operation of your restaurant and to assure the quality of goods and services being offered by you. At your request, Village Inn, if it deems appropriate after consultation with you, will provide, at your expense, extraordinary operating assistance above that normally furnished, and such assistance may include on-site visits by Village Inn personnel. (Franchise Agreement, Section 10.1).

ADVERTISING:

Village Inn develops, maintains, and administers advertising, public relations, and sales promotion programs intended to help the success of our restaurant brand. We do not, however, use marketing/advertising fees paid by franchisees to advertise the sale of Village Inn franchises. We have no obligation to ensure that the Marketing Fee is expended so as to be proportionate or equivalent to the fees paid by you or that any particular amount is spent in the ~~Franchised Area~~territory, if applicable.

Each Village Inn franchise granted under this offering must pay to Village Inn a weekly marketing/advertising Marketing Fee of 1% of the Gross Sales for that restaurant. Company-owned Restaurants contribute the same rate as other Village Inn franchisees.

Additionally, franchisees must spend a minimum of 1% of their Gross Sales annually in each franchise location for local marketing and advertising promotions. All strategies and productions for local marketing shall require Village Inn's prior approval (which will not be unreasonably withheld) except for promotions or materials already initiated, implemented, or approved by Village Inn.

If a regional marketing/advertising cooperative is established by Village Inn that covers the market in which your Restaurant is located, then you will be required to participate in and contribute up to 1% of your annual Gross Sales to such regional marketing/advertising cooperative.

Also, if Village Inn establishes 300 Village Inn owned and franchised restaurants combined in at least 25 states, each franchisee may in our sole discretion be required to participate in and contribute up to 1% of its annual Gross Sales in each franchise location, to a national cooperative established by Village Inn for which such contributing franchisee will have one vote, for each restaurant owned, in determining how much money should be spent on national advertising or promotions of the Village Inn brand. Village Inn owned restaurants do not contribute to these cooperatives.

Village Inn will use the fees paid by franchisees for marketing studies, creation of promotional materials, and other services (material production, administrative support, etc.) and to purchase advertising time and space in national, regional, or other advertising media (television, radio, and print) to promote Village Inn Restaurants. The fees will also be used to pay the costs and overhead of Village Inn's in-house Village Inn marketing department and advertising agencies. You may develop advertising materials for your own use, at your own cost, but prior to use, we must approve the materials in writing. You will not establish a Home Page (website) for your Restaurant without Village Inn's consent. In addition, when Village Inn provides the Franchisee with access to the local restaurant template page (the "Subpage") on Village Inn public website (www.villageinn.com) or another website maintained by Village Inn, the Franchisee will be required to maintain its own content and information on the Subpage consistent with the standards and specifications that Village Inn may set forth in the Manuals or otherwise. Finally, you may not use the words "Village Inn®" or any other marks as any part of an email address, any domain name or, absent Village Inn prior approval, in any online medium, including social media networks such as Facebook, Twitter, LinkedIn, YouTube and the like.

The marketing/advertising fees are placed into a bank account, and they are accounted for on Village Inn's books as a separate line item. Village Inn will provide to contributing franchisees within 120 days after the end of Village Inn's fiscal year an accounting of the use of those fees paid by franchisees to Village Inn. If there is a credit balance in that account at the end of any fiscal year, that credit balance shall be retained for future expenditures. During the year ended ~~January 1, 2025~~ November 30, 2025, ~~\$696,554.04~~ \$825,977.58 in marketing/advertising fees were paid by franchisees. Village Inn, out of their general funds, spent a total of ~~\$1,324,600~~ \$1,185,724 on marketing and advertising programs related to Village Inn Restaurants, which is approximately ~~\$6,056.99~~ \$47,428.96 per company-operated Village Inn Restaurant (based on number operating at the end of the fiscal year). Of that amount, approximately, ~~\$21,891~~ \$34,846 or ~~23%~~ 23%, was spent on production; approximately ~~\$67,488~~ \$118,175 or ~~510%~~ 10%, was spent on media placement, approximately ~~\$733,474~~ \$879,640 or ~~5874%~~ 58% was spent on innovation, and approximately ~~\$441,386~~ \$153,062, or ~~3513%~~ 13% was spent on administration of the fund, which costs were absorbed by Village Inn as overhead. None of the advertising described in this paragraph is principally a solicitation for the sale of franchises.

Village Inn will provide access to a "grand opening celebration" package which will include advertising and promotional materials for your Village Inn Restaurant (see Article 6 of the Franchise Agreement). You must spend a minimum of \$10,000 (or a higher amount as determined by Village Inn) on the grand opening celebration for your first Restaurant (see Item 7). ~~You are required to pay a Grand Opening Marketing fee of \$10,000 for a Traditional store or \$5,000 for a Non-Traditional store payable to US on the earlier of (i) prior to you executing a lease for the premises where the Franchised Business will be located; or (ii) prior to construction commencing at the premises where the Franchised Business will be located. We or our designated affiliate will create a marketing plan for (i) a grand opening event at your Franchised Business, and (ii) the initial advertising of your Franchised Business, and will work with you to obtain your input on the marketing plan. We or our designated affiliate will use the Grand Opening Marketing to pay for the grand opening and initial advertising, but may, in our sole discretion, reimburse you for some local store marketing expenses that you pay if you received our prior approval. The Grand Opening Marketing should be used within six (6) months of the opening of your Franchised Business to the public. However, if a portion of the Grand Opening Marketing is not used within those six (6) months, we may, in our sole discretion, and without prior notice, spend transfer the remaining portion of the Grand Opening Marketing after six (6) months from the opening of your Franchised Business to the public to the Marketing Fund.~~

TRAINING:

Village Inn requires that you, the Director of Operations, and a minimum of two managers successfully complete and become certified in Village Inn's management-training program for each franchised restaurant. Village Inn has the right to pre-approve management candidates before the beginning of training, and retains sole discretion over successful training progress and certification. At least two of these individuals must be involved in the daily operation of the restaurant.

We conduct the required franchise training programs throughout the year, as needed. On-the-job training is conducted at a certified training restaurant ~~in Colorado or other training restaurant~~ specified by us. Completion of the training program must occur no less than four weeks

before the restaurant's scheduled opening date.— The duration of a training program lasts approximately ~~10-3~~ to ~~12-6~~ weeks. The manager candidate's background, profile, and performance while in training determine the program's duration for that candidate.- The instructional materials for the training may include binders, printed materials, and online training courses.- The Franchise Management Training Program is as follows:

TRAINING PROGRAM

Subject	Hours of Classroom Training (up to)	Hours of ~~On-~~ ~~The-~~ Job Training (up to)	Location
Orientation; Restaurant Tour; Materials Issued	~~03~~	~~10~~	A ~~Restaurant~~ <u>Certified training location</u> designated by Village Inn
Hourly Skills Set Training; ~~Host Training program~~ <u>Initial Kitchen Training</u> <u>Recipes</u> <u>Technical Skills</u> <u>Kitchen Positions</u> <u>Food Preparation</u> <u>Initial Front of House Training</u> <u>Food Presentation</u> <u>Service Steps</u> <u>Position Functions</u>	~~030~~	~~105~~	A ~~Restaurant~~ <u>Certified training location</u> designated by Village Inn
Testing, ~~E-Course Projects and Weekly Evaluation~~	~~05~~	~~20~~	A ~~Restaurant~~ <u>Certified training location</u> designated by Village Inn

Subject	Hours of Classroom Training (up to)	Hours of On-the-Job Training (up to)	Location
Manager Skills Set Training <u>Overview of Restaurant Operations</u> <u>Management Functions</u> <u>Purchasing and Inventory</u> <u>Opening and Closing</u> <u>Systems and Tools</u> <u>Resources</u> <u>Operational/Shift Checklists</u> <u>Security/Safety</u> <u>Safe Food Handling</u> <u>Cashier Drawer Change</u> <u>Shift Responsibilities: Open/Close</u> <u>POS</u> <u>Communications: email/vm</u> <u>GSI</u> <u>PARIS</u> <u>Invoices</u>	030	37195	A Restaurant Certified training location designated by Village Inn
Hourly Skills Set Training: <u>Server Training program</u> <u>Busser Training program</u> <u>Review of Training</u> <u>Restaurant Systems</u> <u>Goal Setting</u> <u>Problem Solving</u>	010	210	A Restaurant Certified training location designated by Village Inn
Testing, E-Course Projects and Weekly Evaluation	0	2	A Restaurant
Manager Skills Set Training: <u>Guest Service</u> <u>Handling Guest Complaints</u> <u>Floor Management</u> <u>Open/Close Management responsibilities</u> <u>Shift Change procedures</u> <u>Pie (VI)</u>	0	32	A Restaurant
Hourly Skills Set Training: <u>Expediter Training program</u> <u>Crew Trainer Training program</u> <u>Continue hourly position training as needed</u>	0	20	A Restaurant

Subject	Hours of Classroom Training (up to)	Hours of ~~On-~~ ~~The-~~ Job Training (up to)	Location
Management Skills Set Training: Team member Orientation Payroll Reports Safety & Security continued: Incident Reports, Security equipment, Crisis Management Pie (VI)	0	33	A Restaurant
Testing, E-Course Projects and Weekly Evaluation	0	2	A Restaurant
Hourly Skills Set Training: Continue hourly position training as needed	0	15	A Restaurant
Manager Skills Set Training: Harassment Prevention Coaching to Resolve Conflict Scheduling Team member practices: making good employment decisions Pie (VI)	0	38	A Restaurant
Testing, E-Course Projects and Weekly Evaluation	0	2	A Restaurant
Hourly/Management — FOH Skills Practice all new FOH skills Pie (VI)		53	
Testing, E-Course Projects and Weekly Evaluation	0	2	A Restaurant
Hourly Skills Set Training: Cook Training program	0	30	A Restaurant
Testing, E-Course Projects and Weekly Evaluation	0	2	A Restaurant
Manager Skills Set Training: Ordering Receiving Pie (VI)	0	23	A Restaurant
Hourly Skills Set Training: Continue Cook Training program	0	30	A Restaurant
Testing, E-Course Projects and Weekly Evaluation	0	2	A Restaurant
Manager Skills Set Training: Food Inventory Pie (VI)	0	23	A Restaurant
Hourly Skills Set Training: Dish Machine Operator Training program Prep Cook Training program Continue Cook Skills building as needed	0	30	A Restaurant
Testing, E-Course Projects and Weekly Evaluation	0	2	A Restaurant

Subject	Hours of Classroom Training (up to)	Hours of ~~On-~~ ~~The-~~ Job Training (up to)	Location
Manager Skills Set Training: ~~Food Cost Management: pars, calculations~~ ~~Food Production Specialist: understanding the role~~ ~~Pie (VI)~~	0	23	~~A Restaurant~~
~~Management Training & Application of all FOH/HOH skills—discretionary based on individual's demonstrated abilities~~	0	55	~~A Restaurant~~
<u>Totals:</u>	<u>Up to 75</u>	<u>Up to 300</u>	
Total Training Hours Available	495 to 550		

Village Inn staffs its Training and Development Department with instructors that are well versed in restaurant and personnel training, management, and supervision.- All training will be conducted under the supervision of a suitable instructor provided by Franchisor. All instruction will be conducted by instructors who have experience with Village Inn and/or with restaurant operations. Our instructors have been adequately trained in the ownership and operation of a Village Inn franchise, including having, at a minimum, completed the entire Training Program, and having experience in training each of the subjects listed in the table above.

Village Inn does not charge tuition for training of you, your initial Director of Operations, and two managers.- However, you are responsible for all costs incurred by you and your employees during training.— These costs include wages, benefits, workers compensation insurance, transportation, lodging, meals, and other living expenses.

From time to time, but not more than once a year, Village Inn may require you, your Director of Operations, and your managers, at your cost and expense, to attend and successfully complete refresher or additional courses.- Additionally, Village Inn may also provide specific training programs on a space-available basis, at your expense.- We encourage your attendance at these supplemental training programs.

For a minimum of 18 business days during the pre- and post-opening period of the Restaurant, we will provide you, at your Restaurant's premises and at your expense, a new restaurant opening assistance team consisting of at least 10 persons for the purpose of facilitating the opening of the Restaurant.- During this period, our team members will also assist you in establishing and standardizing procedures and techniques essential to the operation of the Restaurant and will assist in training personnel. There is no fee for this opening assistance. However, you will pay Village Inn for the Travel Expenses and the prorated Salaries and Benefits for the Opening Team within 30 days after receipt of an invoice from Village Inn. Note: 50% of this expense is billed up front before the opening date.~~You will reimburse us for our opening assistance team members' travel, lodging, meals, prorated salaries and benefits, and other expenses~~

incurred, but we will not charge you for our team members' salaries during such opening assistance period. We may reduce or eliminate our new restaurant opening assistance to you if you or your affiliates have previously opened and are operating Restaurants.

~~All training and pre and post opening programs are subject to change due to COVID-19 restrictions on us and/or your ability to travel for training and pre and post opening assistance.~~

COMPUTER SYSTEMS:

We require that you operate a fully functional POS and back office system (the "Point of Sale Computer System"), including credit card processing, related systems that track sales and other point-of-purchase information, and telecommunications infrastructure that is compatible with our infrastructure and meets all necessary security and compliance requirements.

You are required to purchase, install, and maintain the computer systems and related technology necessary to support required restaurant operations and technology platforms. The current estimated cost of the required computer systems for a restaurant is approximately \$2,500 to \$8,000 fully installed. You may also be required to maintain, update, or replace these systems periodically, with estimated average costs of approximately \$2,500 per year, which may vary depending on system upgrades, replacements, or operational requirements. These systems may include, without limitation, back-office computers, manager workstations, telephony systems, network-connected peripherals, printers, scanners, and other hardware necessary to operate the required restaurant technology systems. You are responsible for all costs associated with the purchase, installation, configuration, maintenance, licensing, support, and replacement of these systems, including related telecommunications equipment, hardware, peripherals, maintenance agreements, software, and operating systems. The required equipment and services may be obtained from vendors approved or designated by the franchisor, or from commercially available vendors that meet the franchisor's specifications and compatibility requirements. Required equipment and services may be obtained from vendors approved or designated by Village Inn, or from commercially available vendors that meet Village Inn's specifications and compatibility requirements

In addition to the required POS System ~~We~~ we recommend you purchase an Aloha Point of Sale Computer System and a Verifone VX-820a card reader to be EMV compliant and to encrypt credit card data from NCR Corporation, or such other POS Point of Sale System as we may designate from time to time. The POS Point of Sale Computer System must process all restaurant and beverage orders, track employee hours for payroll, and print customer checks. In addition, the POS Point of Sale Computer System must be able to perform credit card and gift card processing. The charges associated with credit card and gift card transactions are compiled per transaction and therefore will vary from restaurant to restaurant and are typically payable and collected by Village Inn approved supplier or vendor. We estimate that the costs associated with credit card transactions will be between 1% and 4% of your gross sales. All computers at your restaurant must be compliant with the current Payment Card Industry Data Security Standards, as issued by the credit card processing companies, to ensure the security and privacy of your customers' credit card data. Village Inn will have independent access to the information and data contained on your POS Point of Sale Computer System.

The recommended ~~Point of Sale Computer System~~ costs approximately \$27,000 based on ~~our standard configuration for a restaurant and the Verifone VX 820 card reader cost is~~ approximately \$420 per terminal with an activation fee of \$150 per restaurant and a \$55 per month processing fee per restaurant. Installation costs will vary. Kitchen Display System (software and hardware) is currently optional but may be required in the future, and is~~but~~ recommended for enhanced speed of service. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the ~~Point of Sale Computer~~OS System.

You are required to maintain software and hardware support service agreements for the required POS system and restaurant network infrastructure. These services must include, at a minimum, network security and encryption services, POS system maintenance and technical support, assistance with menu configuration and updates, and support for required back-office systems. The current estimated cost for these required support and maintenance services is approximately \$3,900 per restaurant per year. You are responsible for all costs associated with maintaining these service agreements and ensuring that all required systems remain operational, secure, and compliant with franchisor standards. These services may be provided by Village Inn, its affiliates, or approved third-party vendors. The scope of required services and the associated fees may be modified by Village Inn from time to time based on technology requirements, system changes, or operational needs, and such changes may occur without prior notice. In addition, Village Inn may require additional office and telecommunications equipment, and computer hardware, peripherals and software you use in your Village Inn® Restaurant, which may include (a) a back-office personal computer for managing e-mail, composing and editing documents, running restaurant management applications, and web browsing; and (b) high-speed Internet connectivity with antivirus and data security software (as Village Inn specifies in the Manuals or otherwise in writing). You are responsible for the cost of those items. Although we are not obligated to provide ongoing maintenance, repairs, upgrades, or updates to the Point of Sale Computer System, we do require that you purchase a software support service contract and a hardware support service contract for the Point of Sale Computer System, and we may be a vendor for these services. We currently have four (4) tiers of Point of Sale Computer System services that you may select. Tier 0 is the minimum requirement, includes network security and encryption and will cost approximately \$1,300 per year. Tier 1 is the next option, adds incremental Point of Sale Computer System maintenance, support, menu changes and back-office software maintenance, and will cost approximately \$7,500 per year. Tier 2 is the next option, adds incremental help desk and depot services, and will cost approximately \$10,000 per year. Tier 3 is the most comprehensive option and adds incremental labor scheduling, food cost management, mobility, dashboard reporting and certain analytics, and will cost approximately \$12,000 per year.

We recommend a separate computer (aside from the ~~Point of Sale Computer~~OS System) with a current ~~Windows 7 Professional~~ Operating System (or supported version of MS Windows) for your general office needs. We recommend certain computer software that is of assistance in operating your business. The computer you select must have the capacity to operate the recommended software and the ~~Windows 7 Professional~~current Operating System (or supported version of Microsoft Windows). In addition, because of the rapid advances in computer and communications technology, we may require you to add computer hardware and software not only for ~~Point of Sale OS~~ transactions but for training, communications, or other systems (at our direction by revising the Village Inn's Operating Manual) to accommodate any advances Village Inn determines are in the best interest of the Village Inn's franchise system which includes, without

limitation, that we may require a particular firewall (hardware and/or software). You will incur the cost of the required hardware and software and there are no contractual limitations on the frequency and cost of this obligation, but it is Village Inn's policy not to require significant upgrades more than once every 5 years. In addition, you are required to acquire and maintain a high-speed broadband Internet/DSL/Cable connection to accommodate communication and training systems. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of the computer. Neither we nor any third party is obligated to provide ongoing maintenance, repairs, or updates for the computer. We do not require you to purchase a service contract for this computer.

You are required to report the following data by restaurant on a weekly basis: -sales, and guest counts. ~~If you are Tier 1 or higher, Village Inn may perform this function for you.~~

You are required to install and maintain a ~~Meraki-network~~ security appliance as specified by Village Inn and connect to the Village Inn ~~Meraki-network security~~ concentrator. The cost of a ~~Meraki-network~~ security appliance is ~~\$1,500~~\$3,500 to \$4,500 ~~per license for a 3-year term per~~ restaurant. Your ~~Point of Sale Computer~~OS System and other computers must follow the Payment Card Industry (PCI) DSS merchant requirements as stated on the <http://www.pcisecuritystandards.org>. The ~~Point of Sale Computer~~OS System must be segmented off of other internal business networks. You must use internal or third party IT network resources, which include security shield, threat defender, and breach protection programs. We may suggest third party PCI compliance vendors to you, but you are responsible for your own PCI compliance and general data security at your Restaurant whether or not we provide network security and encryption services as set forth above. Village Inn ~~does not currently have~~has the right to independent access to the information and data collected and generated by your computer system; ~~however, we reserve the right to do so in the future.~~

Village Inn recommends you purchase the latest version of Microsoft Office. Microsoft Office includes Microsoft Excel and Microsoft Word, which will allow effective communication between the home office and franchise locations. ~~If you elect to purchase a software and hardware support service contract from Village Inn, you must also install the appropriate tool(s) to allow us remote access to the Point of Sale Computer System. Additionally, at your expense, appropriate security precautions must be in place, including a Village Inn approved antivirus agent, proper encryption for secure data and information, anti-spyware software, and basic security policies that assure data integrity and confidentiality meeting Village Inn minimum specifications. Village Inn reserves the right to scan and monitor your system and audit your system at our sole discretion.~~

All of the preceding computer system requirements are set forth in the Operating Manual, as may be updated from time to time in our sole discretion. Additional charges for computer, software or licensing fees may be charged in the future if there are changes or updates to the computer system requirements. ~~set forth in the Operating Manual.~~

You may be required to participate in online ordering and delivery programs, which may, in Village Inn's sole discretion, require you to pay for certain goods and/or services from Village Inn, its affiliates, and/or unaffiliated third-party providers. As of the date of this disclosure it is strongly recommended. For example, as of the Disclosure Document's Issuance Date, franchisees are required to enter into an agreement with, and pay corresponding fees to, Olo as established by

Olo for such goods and/or services. Applicable fees may include, as of the Disclosure Document's Issuance Date, a monthly fee of \$135, Transaction Fee of \$0.13 per transaction. This provider and/or its fees may change, in Village Inn sole discretion, upon advance notice to you. Additionally, third-party delivery programs may charge varying fees, including commissions of 15% to 24%, order processing fees (for example, \$0.99 promo fees, or native delivery fees of \$5.49 to \$12 based on distance), and pickup fees of 5% to 7%. Program terms and fees vary by provider and may change or increase under the provider's then-current terms.

OPERATING MANUAL:

Before you sign the Franchise Agreement, we will give you the opportunity to review the current Operating Manual for Village Inn Restaurants. The Operating Manual contains approximately 100 pages. The Operating Manual may be subject to revisions or additional requirements at any time.

FRANCHISE ADVISORY BOARD:

Village Inn has a Franchise Advisory Board. Its purpose is to provide a forum for the exchange of information regarding operations, marketing, research and development, and other issues relating to the Village Inn System as a whole. The board members are nominated by the franchisees in their respective regions. The Franchise Advisory Board serves in an advisory capacity only and does not have decision-making power. Village Inn has the power to change or dissolve the Franchise Advisory Board.

ITEM 12

Territory

The franchise is granted only for the location specified in the Franchise Agreement as approved by us (the "Franchised Location"). The Franchised Location of your Restaurant is subject to our approval. We will not unreasonably withhold our approval.

You will not receive an exclusive territory. You may face competition from other franchisees, from restaurants that we or our affiliates own, or from other channels of distribution or competitive brands that we or our affiliates control. You will not receive an option, right of first refusal or other rights under the Franchise Agreement to acquire additional franchises. Village Inn (and/or our affiliates) may establish other franchised or company-owned *Village Inn* restaurants that may compete with your location, including across the street from your location or in the same venue as your location. We (and/or our affiliates) may co-brand *Village Inn* with one or more of our other quick service restaurants or allow approved *Village Inn* restaurants to sell additional approved menu items under a trademark license agreement we may have with other third-party restaurant concepts. We presently intend to develop *Village Inn* restaurants throughout the United States and internationally. Except as expressly limited in the Franchise Agreement, we (for ourselves, our affiliates and our designees) retain all rights with respect to *Village Inn* restaurants, the marks, all confidential and proprietary information, all copyrighted materials and the sale of *Village Inn* products anywhere in the world, including, without limitation, the right to implement multi-area marketing programs that may allow us or others to solicit or sell to customers anywhere. We also reserve the right to issue mandatory policies to coordinate such multi-area marketing programs.

One or more future *Village Inn* restaurants may have an adverse effect on the revenues and profitability of existing *Village Inn* restaurants, including your Restaurant.
Franchise Agreement

~~The Village Inn Restaurant must be established at a specific location of which we approve. If Village Inn approves a franchise for a specific location under a Franchise Agreement, it will not operate another restaurant using the trade name “Village Inn,” or permit another franchisee to establish another Village Inn Restaurant within a three-mile radius of that location (“Franchise Area”). Village Inn also will not alter, modify, or amend the Franchise Area for an existing location without the Franchisee’s consent. However, a Franchisee will not receive the right to acquire additional franchises within the geographic area of his/her/its restaurant. Additionally, Village Inn may own or operate a directly competitive restaurant within the Franchise Area, and may own or operate a Village Inn Restaurant within the Franchise Area if it is acquired as part of a purchase of restaurants which includes at least one restaurant outside the Franchise Area and the Franchisee declines to purchase that restaurant at Village Inn’s cost. However, Village Inn shall not offer whole pies branded as “Village Inn” at any restaurant owned, franchised, or acquired by Village Inn or its affiliates or subsidiaries (except at Village Inn branded restaurants operated in conformance with the Franchise Agreement) within the Franchised Area.~~

~~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, including the Internet, and we have no obligation to pay you any compensation for soliciting or accepting orders inside your Franchise Area.~~

Except as stated above, Village Inn may engage in any business activity or own, operate, develop, franchise, or license other franchises or company-operated outlets selling similar products or services (full-service restaurants) under different trade names or service marks even if such restaurants offer products similar to those which are or may be offered at Village Inn Restaurants. Village Inn has created, and may continue to create, food and merchandise bearing the trademarks and service marks licensed to Franchisee under the Franchise Agreement. Franchisee may sell such food and merchandise only from the Restaurant, only at retail, and only in the manner specified by, and with the prior written consent of, Village Inn. Village Inn reserves to itself the right to sell such food and merchandise through other channels of distribution, such as at retail, on the Internet, and at wholesale to retail outlets (such as grocery stores, discount retailers, convenience stores, and the like), whether such outlets are within the ~~Franchised Area~~territory, if applicable, or elsewhere. Village Inn also may license others to prepare and sell such products at retail or wholesale. Franchisor also reserves the right to distribute its products to other restaurants within or outside of the ~~Franchised Area~~territory, if applicable, for sale at retail by such restaurants.

You are not restricted from soliciting or accepting orders outside your territory, if applicable, but you may not sell any of the products or services offered in connection with your Restaurant on a wholesale basis, at any location other than your Restaurant, or through the Internet, catalog, mail order and telemarketing, or any other method of sales or distribution.~~Under the terms of the Franchise Agreement, †~~ The continuation of a Franchisee’s ~~Franchise Area~~territory, if applicable, is not dependent upon the achievement of a certain sales volume, market penetration, or other contingency. However, if a Franchisee wishes to relocate the restaurant, Village Inn’s prior approval is required. In conducting our evaluation of a proposed site for relocation, we may

consider a variety of factors including demographics, traffic counts, ingress-egress, visibility, residential density, parking, and governmental regulations concerning setbacks, sign codes, and the terms of the purchase agreement or lease.

We reserve the right, either directly or through affiliated entities, to operate or license others to operate businesses other than *Village Inn* restaurants anywhere, including, but not limited to, locations of our other restaurant concepts, and you agree that we or our affiliates may do so anywhere.

As described in Item 1, we and our parent BBQ own and operate and franchise, and our affiliates own and operate and franchise, various restaurant concepts in the United States, including Baker's Square and Famous Dave's. As noted in Item 1 some of them share our corporate address and certain personnel, and several of these restaurant concepts promote and offer pies as part of their primary dessert menu through similar means. We, our parent BBQ and our affiliates may in the future acquire and then operate and/or franchise other restaurant concepts. You have no options, rights of first refusal, or similar rights to acquire additional franchises in these existing restaurant concepts or any other concepts we, our parent BBQ or our affiliates may operate or franchise under your Franchise Agreement, and we, BBQ, our affiliates and any franchisees of these other concepts may solicit and accept orders for their products and services ~~in your Franchise Area and/or Growth Area~~ within your territory, if applicable. ~~We do not maintain any formal process to resolve potential conflicts between you and franchisees of our systems that we or our affiliates operate, and expect that we will address any conflicts that may arise on a case-by-case business as we determine appropriate under the circumstances.~~

Franchisor and its affiliates have the absolute right to develop other restaurant business concepts under other brand names even if the locations for the concept are located close to your Restaurant.

ITEM 13

Trademarks

You receive the right to operate a Village Inn Restaurant under the name "Village Inn" and under any other trade names, trademarks, service marks and logos currently used or that may in the future be used in the operation of Village Inn Restaurants. We may change or modify the ~~m~~arks and you must adopt, use and display the new or modified trade names, service marks, trademarks and copyrighted materials at your expense. We hold registrations for the following principal trademarks on the U.S. Patent and Trademark Office Principal ("USPTO") Register following assignment from ABRH:

In addition to the above-referenced marks, Village Inn makes use of other trademarks, service marks, tag lines, and slogans, from time to time, in which it claims intellectual property ownership. We or our predecessor ABRH have filed all required affidavits with regard to the marks. There are currently no effective material determinations of the Patent and Trademark Office, trademark trial and appeal board, the trademark administrator of any state, or any court involving the principal trade or service marks. There are no pending infringement actions, oppositions, or cancellations or pending material litigation involving the principal trade or service marks. Additionally, Village Inn is not aware of any infringing uses of the service marks which could materially affect your use of them.

There are no agreements currently in effect that significantly limit the rights of Village Inn to use or license the use of its trademarks, service marks, trade names, logotypes, or other commercial symbols in any manner material to you. Accordingly, Village Inn grants you a non-exclusive right to use the above marks in connection with and at the franchised restaurant location during the term of the Franchise Agreement. However, even during such term, marks other than the Village Inn trade or service marks identified above must require prior written approval of Village Inn before they can be used. The determination as to whether such marks are necessary or required for your franchise restaurant will be at Village Inn's sole discretion.

You acknowledge in the Franchise Agreement that the registered service marks and trade names, the words, "Village Inn", and any artwork, stylized lettering, logo, or design associated with any of the marks are the property of Village Inn and have valuable goodwill attached to them. In using the service marks and trade names, you must identify that you are using them under license from Village Inn and that you are completely separate from Village Inn. You may not use any of the marks or the words, "Village Inn", in the name of your business entity or allow their use by another. You may not sell or provide any products or services under any of the trade or service marks and trade names except in accordance with the system for Village Inn Restaurants offered by Village Inn.

You must notify us immediately if you suspect any unauthorized use or claim relating to the use of any registered marks owned by Village Inn. Village Inn is not obligated to protect your rights to use the marks or to protect you against claims of infringement or unfair competition. However, Village Inn has, in the past, taken all legal action it has considered necessary to protect its marks. Further, pursuant to the Franchise Agreement, you agree to cooperate with Village Inn, as reasonably requested and at Village Inn's expense, in the litigation or defense of any infringement, suit, or claim, and you shall not enter into any negotiation or settlement of any such claim or suit without the prior written consent of Village Inn regarding the trademarks.

You must modify or discontinue, at your cost and expense, the use of a mark if Village Inn modifies or discontinues it, provided, however that if it would cost more than \$10,000, you must make any such change only if you agree to do so in writing. Additionally, as a condition to the licensing of such marks, you agree not to directly or indirectly contest Village Inn's right to its service marks, trademarks, trade secrets, or business techniques that are a part of Village Inn's business.

If any of the above individuals terminates his or her employment with you or the person's responsibilities change from restaurant operations, you agree to (i) immediately notify Village Inn of the change; (ii) reassign personnel or responsibilities so that there will always be direct on-premises supervision of the restaurant by at least two Village Inn-approved and trained managers; and (iii) within 60 days, either replace such individual(s) with another person(s) Village Inn has approved and who has successfully completed the required training or reinstate the previous individual(s) to their previous operational responsibility.

If the Franchisee is a legal entity, each individual or entity owner must sign a personal guarantee of all of the obligations of the Franchisee. If you are an individual and married, your spouse must also execute and deliver to us a personal guarantee at the same time that you sign the Franchise Agreement unless your spouse is also signing the agreement as an individual. Additionally, Village Inn may require you to have designated employees execute confidentiality agreements with respect to Village Inn's confidential information. You and all directors, officers, managers, partners, shareholders, members, or other ownership interest in 25% or greater in the franchise are bound by the non-competition provisions of the Franchise Agreement as described in Item 17 below.

If you are an individual and married, your spouse must: sign the Personal Guaranty of Franchise Agreement in which your spouse agrees to perform, and guarantees, all of the franchisee's obligations to us and our affiliates contained in the Franchise Agreement (See Exhibit A of the Franchise Agreement: Ownership of Franchisee and Personal Guaranty); if applicable; sign the Guaranty of Sublease in which your spouse agrees to perform, and guarantees, all of the sublessee's obligations to us and our affiliates contained in the Sublease (see Exhibit D to Sublease); and, if you purchase a corporate restaurant, sign the Guaranty of Promissory Note and Security Agreement and Guaranty of Sublease in which your spouse agrees to perform, and guarantees, all of the franchisee's obligations to us and our affiliates contained in the Promissory Note and Security Agreement, and all of the sublessee's obligations to us and our affiliates contained in the Sublease (see Exhibit A-2: Guaranty of Promissory Note and Security Agreement and Exhibit A-3: Guaranty of Sublease). Each person, corporation, partnership, limited liability company or other entity that owns, directly or indirectly, an equity interest in the franchised entity ("Principal"), and each executive officer must sign the Personal Guaranty to the Franchise Agreement in which the Principal agrees to be bound by the restrictive covenants, the confidentiality provisions and certain other provisions contained in the Franchise Agreement. Each Principal's spouse (if married) must also: sign the Personal Guaranty of Franchise Agreement in which the Principal (and his/her spouse, if married) agree to perform, and guarantee, all of the franchisee's obligations to us and our affiliates contained in the Franchise Agreement; if applicable, sign the Guaranty of Sublease in which the Principal (and his/her spouse, if married) agree to perform, and guarantee, all of the sublessee's obligations to us and our affiliates contained in the Sublease; and if purchasing a corporate restaurant, sign the Guaranty of Promissory Note and Security Agreement and Guaranty of Sublease in which each Principal (and his or her spouse, if married) agrees to perform, and guarantees, all of the franchisee's obligations to us and our affiliates contained in the Promissory Note and Security Agreement and all of the sublessee's obligations to us and our affiliates contained in the Sublease. In the event that any person who has not signed an appropriate guaranty becomes your spouse or the holder of any class or your stock or ownership interests or a spouse of such holder, at any time after the execution of

the respective agreement as referenced above, you must cause such person(s) to immediately execute and deliver the required guaranty to us.

ITEM 16

Restrictions on What the Franchisee May Sell

You must offer for sale only approved products and menus, which, except as to prices, will generally be uniform with those of other Village Inn Restaurants. You must prepare and serve in accordance with our specifications all of the items on the approved menu. However, we may modify any of our menu specifications, standards, and requirements at any time. If we do, you must promptly modify your operations to comply with the changes, but we normally will provide you a reasonable period of time to exhaust current supplies of products.

Additionally, Village Inn has the right to restrict the sale of any item and to require you to add new items as it develops and adds them to the Village Inn menu. Our right to modify or add to what you must offer is not limited. Also, Village Inn retains the right to prohibit you from offering or selling any product or service not authorized by Village Inn. There are no restrictions or conditions imposed by Village Inn regarding the customers to whom you may sell approved products or services.

ITEM 17

Renewal, Termination, Transfer, and Dispute Resolution

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	Section 3.1	Term will begin on the effective date of the Franchise Agreement and shall expire on the earlier of: (a) 10 years from the date of opening of your Village Inn Restaurant; or (b) the expiration of the term of your lease or sublease, as applicable (excluding any option/extension periods thereto of such lease or sublease), subject to Village Inn approval.
b. Renewal or extension of the term	Section 3.2	If you comply with our requirements, you shall have the option to extend the term of the franchise for 5 years, 10 years, or a term mutually agreed upon based on your existing lease
c. Requirements for you to renew or extend	Section 3.2	Provide at least ~~six (but not more than 12) months~~ <u>210 days</u> prior notice; evidence of right to possess the location; not be in default of the franchise agreement

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Section 29.3	Only the terms of the Franchise Agreement and other related written agreements 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 and arbitration	Articles 22 and 25 and Sections 18.4, 29.4, 29.5, 29.6, 29.7, and 29.8	Subject to applicable state law, binding arbitration of any claim or controversy concerning the Franchise Agreement in accordance with the commercial rules of the American Arbitration Association, excluding lease disputes, trade or service marks, or copyright claims
v. Choice of forum	Section 25.1(g)	Subject to applicable state law, arbitration must be in Minneapolis, Minnesota
w. Choice of law	Section 29.6	Subject to applicable state law, the law of the state where the Restaurant is located applies

Sublease

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

<u>Provision</u>	<u>Section in Sublease</u>	<u>Summary</u>
1. <u>Term of the Sublease</u>	<u>2.1</u>	<u>Ends one day before expiration of Master Lease, including any renewals of Master Lease.</u>
2. <u>Renewal or extension of the term</u>	<u>2.2 and 2.3</u>	<u>If the Master Lease contains a renewal option, you must notify us to exercise it.</u>
3. <u>Requirements for you to renew or extend</u>	<u>2.2 and 2.3</u>	<u>You must be in good standing and you must notify us of your intent to renew at least 60 (but not more than 90) days before we are required to notify the Master Landlord of intent to renew.</u>
4. <u>Termination by you</u>	<u>Not Applicable</u>	<u>You have no right to terminate the Sublease.</u>
5. <u>Termination by us without cause</u>	<u>Not Applicable</u>	<u>There is no right to terminate the Sublease without cause.</u>
6. <u>Termination by us with cause</u>	<u>15</u>	<u>Our Leasing Affiliate may terminate the Sublease for cause. Our Leasing Affiliate can terminate only if you default under the Master Lease, Sublease or the Franchise Agreement.</u>
7. <u>“Cause” defined – curable defaults</u>	<u>15.1</u>	<u>Our Leasing Affiliate can terminate if you default in the: (i) payment of any sums you owe; (ii) performance of any of the terms, covenants, or conditions of the Master Lease or Sublease; or (iii) default under the Franchise Agreement or any other agreement between you or your affiliates and us or our affiliates.</u>

<u>Provision</u>	<u>Section in Sublease</u>	<u>Summary</u>
8. <u>“Cause” defined – defaults that cannot be cured</u>	<u>15.1</u>	<u>Bankruptcy of, or general assignment for the benefit of creditors by, franchisee; defaults under the Master Lease that are not curable</u>
9. <u>Your obligations on termination/ nonrenewal</u>	<u>15</u>	<u>Our Leasing Affiliate may enter and take possession of the premises and all of the furniture, fixtures, equipment, signage, inventory and other items covered by our lien under Section 4.2 of the Sublease; you are not relieved of further obligations under the Sublease.</u>
10. <u>Assignment of agreement by us</u>	<u>22</u>	<u>Our Leasing Affiliate has the right to assign under the Master Lease.</u>
11. <u>“Transfer” by you – defined</u>	<u>9 and 22</u>	<u>Approval of Leasing Affiliate is required.</u>
12. <u>Our approval of transfer by you</u>	<u>9</u>	<u>Approval of Leasing Affiliate, at its sole discretion, and approval of landlord may be required.</u>
13. <u>Conditions for our approval of transfer</u>	<u>9</u>	<u>Our Leasing Affiliate must consent.</u>
14. <u>Our right of first refusal to acquire your business</u>	<u>Not Applicable</u>	<u>None. Our Leasing Affiliate already holds the Master Lease.</u>
15. <u>Our option to purchase your business</u>	<u>Not Applicable</u>	<u>None. Our Leasing Affiliate already holds the Master Lease.</u>
16. <u>Your death or disability</u>	<u>Not Applicable</u>	<u>None</u>
17. <u>Non-competition covenants during the term of the franchise</u>	<u>Not Applicable</u>	<u>None</u>
18. <u>Non-competition covenants after the franchise is terminated or expires</u>	<u>Not Applicable</u>	<u>None</u>
19. <u>Modification of the agreement</u>	<u>Not Applicable</u>	<u>None</u>
20. <u>Integration/merger clause</u>	<u>24</u>	<u>The Sublease, including any exhibits, contains the entire agreement of the parties.</u>
21. <u>Dispute resolution by arbitration or mediation</u>	<u>Not Applicable</u>	<u>None</u>
22. <u>Choice of forum</u>	<u>Not Applicable</u>	<u>None</u>
23. <u>Choice of law</u>	<u>20</u>	<u>The laws of the state where the Premises are located applies.</u>

ITEM 18 Public Figures

Village Inn does not use any public figure to promote its franchise.

ITEM 19

Financial Performance Representations

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

Unless otherwise indicated, the financial information in this Item was compiled from 22 24 company-owned and ~~88~~84 franchised Village Inn Restaurants open for the entire fiscal year in the United States, and exclude any cobranded locations where sales are not separately reported under the Village Inn brand.

The company-owned Village Inn Restaurants included in this Item are substantially similar to franchised Village Inn Restaurants. However, the revenues, expenses and profitability of your Restaurant will be directly affected by factors which include the Restaurant's geographic location; competition in the market; presence of other restaurants; the quality of both management and service at the Restaurant; contractual relationships with lessors and vendors; the extent to which you finance the operation of your Restaurant; your legal, accounting and other professional fees; federal, state and local income taxes, gross profits taxes or other taxes; discretionary expenditures; accounting methods used; certain benefits and economies of scale which Franchisor may derive as a result of operating restaurants on a consolidated basis; and the fees payable to Franchisor by franchised Village Inn Restaurants. See Items 5 and 6 for information on the fees you must pay under the Franchise Agreement.

Net Revenues⁽¹⁾ for Systemwide Restaurants for the ~~2025~~4 Fiscal Year Ended November 30, ~~2025~~4

Company-Owned and Franchised Restaurants	Total/Average
System-wide Restaurant Average Net Revenues	\$1,847,312 <u>909,505</u>
System-wide Restaurant Median Net Revenues	\$1,817,327 <u>99,556</u>
System-wide Number of Restaurants	~~110~~ <u>108</u>
Number Above/Below	~~51~~ <u>53</u> / ~~59~~ <u>55</u>

Average Net Revenues	
Number Above/Below Median Net Revenues	~~55~~ <u>54</u> / ~~55~~ <u>54</u>
Low/High Net Revenues	~~\$723,648~~ <u>658,011</u> / ~~\$3,461,827~~ <u>84,052</u>

**Net Revenues⁽¹⁾ for Franchised Restaurants
During the 202~~5~~4 Fiscal Year Ended November 30, 202~~5~~4**

<u>Franchised Restaurants</u>	Total/Average
Total Number of Franchised Restaurants	~~88~~ <u>84</u>
Average Annual Franchised Restaurant Net Revenues	~~\$1,888,982~~ <u>978,393</u>
Median Annual Franchised Restaurant Net Revenues	~~\$1,822,786~~ <u>947,219</u>
Number Above/Below the Average Annual Franchised Restaurant Net Revenues	~~40~~ <u>37</u> / ~~48~~ <u>47</u>
Number Above/Below the Average Median Franchised Restaurant Net Revenues	~~44~~ <u>42</u> / ~~44~~ <u>42</u>
Low/High Annual Franchised Restaurant Net Revenues	~~\$721,648~~ <u>658,011</u> / ~~\$3,461,827~~ <u>84,052</u>

**Net Revenues⁽¹⁾ for Company-Owned Restaurants
for the 202~~5~~4 Fiscal Year Ended November 30, 202~~5~~4**

<u>Company-Owned Restaurants</u>	Total/Average
Total Number of Company-Owned	~~22~~ <u>24</u>
Average Restaurant Net Revenues	~~\$1,680,630~~ <u>68,396</u>
Median Net Revenues	~~\$1,684,094~~ <u>718,888</u> ~~11~~ / ~~11~~

Company-Owned Restaurants	Total/Average
Number Above/Below the Average	~~11~~ <u>13</u> / 11 \$854,970 / \$2,436,685
Number Above/Below the Average Median	~~22~~ <u>12</u> / 12
Low/High Annual Franchised Restaurant Net Revenues	~~\$1,680,630~~ <u>\$1,842,892</u> / \$2,441,512

Notes:

Percentages other than number of restaurants are as a percentage of restaurant revenues, net.

⁽¹⁾ Includes food, beverages, and merchandise sales, net of discounts for franchised Restaurants open all of fiscal year 20254.

Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

The revenue figures contained in this Item do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted 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 Village Inn Restaurant. The franchisees listed in Exhibit E-1 of this Disclosure Document may be one source of this information.

For each franchisee-owned restaurant, we compiled the figures for these financial performance representations using historical information that franchisees report to us. Please be advised that no certified public accountant has audited these figures or expressed his or her opinion concerning their contents or form. For each company-owned Restaurant, these figures utilized a uniform accounting system and the data was prepared on a basis consistent with generally accepted accounting principles during the covered period. The information contained in this Item has not been audited.

This information is provided as reference information only for your use with other information. Franchisor urges you to consult with your financial, business, tax, accounting and legal advisors about the information contained in this Item.

Franchisor will provide written substantiation of the data used to prepare the information contained in this Item upon your reasonable request.

Other than set forth above, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-operated or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial

performance information or projections of your future outcome, you should report it to the franchisor's management by contacting the Legal Department at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164; telephone number 952-294-1300; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20 Outlets and Franchisee Information

The information set forth below regarding the number of restaurants, and the portion of which are company-operated or franchisee-operated, is current as of November 30, 2025⁴. See the Notes to the Tables for important updates related to the sale of company-operated locations during 2025⁴.

**Table No. 1
Systemwide Restaurant Summary
For Years 2023 - 2025**

RESTAURANT TYPE	YEAR	RESTAURANTS AT THE START OF THE YEAR	RESTAURANTS AT THE END OF THE YEAR	NET CHANGE
Franchised				
	2023	~~98~~ <u>99</u>	~~94~~ <u>92</u>	-7
	2024	~~94~~ <u>92</u>	~~88~~ <u>90</u>	- ~~3~~ <u>2</u>
	2025	90	84	-6
Company - Operated*				
	2023	~~25~~ <u>24</u>	~~24~~ <u>23</u>	-1
	2024	~~24~~ <u>23</u>	~~26~~ <u>25</u>	2
	2025	25	25	0
Total Outlets				
	2023	123	115	-8
	2024	115	~~114~~ <u>115</u>	- ~~1~~ <u>0</u>
	2025	115	109	-6

*As described in Item 1 above, Village Inn and its affiliates operate multiple company-operated and franchise restaurant concepts. Each of the other restaurants described in Item 1 focuses primarily on lunch and dinner, and none of those restaurants is a substantially similar concept to that of Village Inn Restaurants. Accordingly, none of the other restaurants described in Item 1 are included in the charts in this Item 20.

**Table No. 2
Transfers of Restaurants from Franchisees to New Owners (other than Us)
For Years 2023 - 2025**

Arizona								
	2023	8	0	0	0	0	0	8
	2024	8	0	0	0	0	1	7
	2025	7	0	0	1	0	1	5
Arkansas								
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Colorado								
	2023	17	0	0	0	0	2	15
	2024	15	0	0	1	0	0	14
	2025	14	0	0	0	0	0	14
Florida								
	2023	18	1	0	0	0	1	18
	2024	18	~~42~~	0	0	0	1	~~48~~ 19
	2025	19	0	0	0	0	1	18
Illinois								
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Iowa*								
	2023	8	0	0	0	0	2	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	1	0	0	5
Kansas*								
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
Minnesota								
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3

Missouri								
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Nebraska								
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	1	3
New Mexico								
	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
Oklahoma								
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Texas								
	2023	~~67~~	0	0	0	0	1	~~56~~
	2024	~~56~~	0	0	0	0	0	~~56~~
	2025	6	0	0	0	0	0	6
Utah								
	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	1	4
	2025	4	0	0	0	0	0	4
Virginia								
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Washington								
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

	2025	1	0	0	0	0	0	1
Wyoming								
	2023	4	0	0	0	0	2	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	1	1
Totals								
	2023	~~98~~ 99	1	0	0	0	8	~~94~~ 92
	2024	~~94~~ 92	~~4~~ 2	0	~~2~~ 1	0	~~2~~ 3	~~88~~ 90
	2025	90	0	0	2	0	4	84

*As part of its bankruptcy proceeding, our predecessor ABRH marketed certain company-affiliated Village Inn Restaurants for sale through a bankruptcy-related sale process. As a result of that process, ABRH sold three company-operated Village Inn Restaurants in New Mexico to a new franchisee in April 2020, three company-operated Village Inn Restaurants in Florida to an existing franchisee in June 2020 and thirty-one company-operated Village Inn Restaurants in Arizona, Colorado, Illinois, Iowa, Nebraska, New Mexico, Oklahoma and Utah to an existing franchisee in July 2020.

Table No. 4
Status of Company-Operated Restaurants
For Years 2023 – 2025

STATE	YEAR	RESTAURANTS AT START OF YEAR	RESTAURANTS OPENED	RESTAURANTS REACQUIRED FROM FRANCHISEE	RESTAURANTS CLOSED	RESTAURANTS SOLD TO FRANCHISEE	RESTAURANTS AT END OF THE YEAR
Arizona							
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Colorado							
	2023	7	0	0	1	0	6
	2024	6	0	0	0	0	6
	2025	6	0	0	0	0	6
Illinois							
	2023	1	0	0	0	0	1
	2024	1	1	0	0	0	2
	2025	2	0	0	0	0	2

Iowa							
	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
	2025	5	0	0	0	0	5
Minnesota							
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Nebraska							
	2023	7	0	0	0	0	7
	2024	7	0	0	0	0	7
	2025	7	0	0	0	0	7
Ohio							
	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2025	1	0	0	0	0	1
Virginia							
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
Texas							
	2023	<u>40</u>	0	0	0	0	<u>40</u>
	2024	<u>40</u>	0	0	0	0	<u>40</u>
	2025	0	0	0	0	0	0
Totals							
	2023	~~25~~ <u>24</u>	0	0	1	0	~~24~~ <u>23</u>
	2024	~~24~~ <u>23</u>	2	0	0	0	~~26~~ <u>25</u>
	2025	25	0	0	0	0	25

Table No. 5
Projected Openings
As of November 30, ~~2024~~2025

State	Franchise Agreements Signed But Restaurant Not Operational	Projected New Franchised Restaurants In The Next Fiscal Year	Projected New Company Restaurants in the Next Fiscal Year
All States	0	0	0
Totals	0	0	0

Current Franchisees

The names, addresses, and telephone numbers of all current franchisees and their Village Inn Restaurants operating as of November 30, ~~2024~~2025, are as set forth on Exhibit C.

Former Franchisees

The names, addresses, email addresses (if any), current telephone numbers or, if unknown, the last known home telephone number of every franchisee who had a Village Inn Restaurant terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the 202~~5~~4 fiscal year, or who have not communicated with us within 10 weeks of this disclosure document's issuance date, are as set forth on Exhibit C.

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

Purchase of Previously-Owned Franchise

If you are purchasing a previously-owned franchised outlet, we will provide you additional information on the previously-owned franchised outlet in an addendum to this Disclosure Document.

Confidentiality Clauses

During the last three fiscal years, we have not signed any agreements with franchisees that contain confidentiality clauses that would restrict a franchisee's ability to speak openly about their experience. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you.

Franchisee Associations

The following independent franchisee organization has asked to be included in this FDD:

Association of Village Inn Franchisees
A Chapter of the American Association of Franchisees & Dealers
P.O. Box 10158
Palm Desert, CA 92255-1058
Telephone: 619-209-3775
Email: avif@aafdchapters.org
Website: avif.aafdchapters.org

ITEM 21

Financial Statements

Attached to this Disclosure Document as Exhibit D-1 are the audited consolidated financial statements of Franchisor's parent company, MTY Franchising USA, Inc. ("Guarantor") for the

fiscal years ended November 30, 202~~5~~⁴, and 202~~4~~³, and for the fiscal years ended on November 30, 202~~4~~³ and 202~~3~~².

Guarantor absolutely and unconditionally guarantees to assume the duties and obligations of Franchisor under its franchise registration in each state where the franchise is registered, and under the Franchise Agreement, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns. (See Exhibit D-2: Performance Guaranty).

ITEM 22

Contracts

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit A-1 Franchise Agreement

Exhibit A-2 Asset Purchase Agreement (For Sale of a Corporate Store to a
Franchisee) with Promissory Note and Security Agreement and Guaranty (if
applicable)

Exhibit A-3 Sublease

ITEM 23

Receipts

You must sign two copies of the Receipt attached to this Disclosure Document. After signing, you keep one copy and provide the other to us.

VILLAGE INN
FRANCHISE AGREEMENT

This Agreement (“Agreement”) is entered into as of _____ (“Effective Date”), by and between VI BrandCo, LLC, a Delaware limited liability company (“Franchisor”), with a principal place of business at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164, and _____, a _____ (“Franchisee”), located at _____.

RECITALS

I. Franchisor is the owner and developer of a System (more completely described in Section 1.3, below) for establishing and operating full-service mid-scale family restaurants under the service mark, “Village Inn Restaurant”, and other trademarks, service marks, logos, and identifying features and distinctive methods for establishing and operating those restaurants.

II. Franchisor grants to others non-exclusive licenses to use the System solely in conjunction with the operation of Village Inn Restaurants.

III. Franchisor desires to grant Franchisee a non-exclusive license to use the System solely in conjunction with the operation of a Village Inn Restaurant (as more completely defined below, the “Restaurant”) at the Licensed Location under the terms and conditions contained in this Agreement, and Franchisee desires to accept such license and to operate a Village Inn at the Licensed Location in accordance with the terms and conditions contained in this Agreement.

WHEREFORE, the parties agree as follows:

DEFINITIONS

Unless the context clearly indicates otherwise, capitalized terms used in this Agreement shall have the meanings given to them below.

A. “Fiscal Year” means the twelve month period immediately prior to November 30th, or such other period as Franchisor may establish by written notice to Franchisee.

B. “Franchise Advisory Board” or “FAB” means the Association of Village Inn Franchisees (“AVIF”), so long as such organization represents franchisees owning at least 50% of all franchised Village Inn restaurants and in the event the AVIF fails to represent a sufficient number of restaurants, any successor independent franchisee association meeting such requirement. In the event no such entity exists, the FAB shall be made up of 5 franchisees appointed by the Franchisor.

~~C. “Franchised Area” means a three-mile radius of the Licensed Location.~~

~~D.C.~~ “Franchisor Indemnitees” means Franchisor and its direct or indirect parents, subsidiaries, and affiliates and their respective officers, directors, managers, shareholders, members, and employees.

~~E.D.~~ “Gross Sales” has the meaning given to it in Section 5.2, below.

~~F.E.~~ “Licensed Location” means _____.

~~G.F.~~ “Losses and Expenses” include, but are not limited to, all losses; compensatory, consequential, and punitive damages; fines; charges; costs; expenses; lost profits; reasonable attorneys’ fees, costs, and expenses; expert witness fees, costs, and expenses; court costs; settlement amounts; judgments; expenses of recall; refunds; and compensation (including any interest accrued on any of the foregoing).

~~H.G.~~ “Marks” has the meaning set forth in Section 15.1, below.

~~I.H.~~ “Operating Manuals” means those volumes designated “Operating Manuals” by Franchisor which are loaned by Franchisor to Franchisee including all editions, supplements, and modifications to such volumes during the term of this Agreement.

~~J.I.~~ “Proceeding” means any action, suit, proceeding, claim, demand, investigation, formal or informal inquiry, judgment, or appeal.

~~K.J.~~ “Restaurant” or “Franchised Business” means the Village Inn Restaurant operated by Franchisee pursuant to this Agreement.

~~L.K.~~ “Standards and Policies” means all requirements of the System promulgated by Franchisor as they may change from time to time as set forth in the Operating Manuals, memoranda, and other written directives from Franchisor, including, without limitation, requirements and procedures related to appearance of the Restaurant, menus and recipes, and operating requirements.

~~M.L.~~ “System” has the definition given to it in Section 1.3, below.

AGREEMENT

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

1. THE SYSTEM

1.1. Franchisee acknowledges that Franchisor owns and is continually developing and modifying a system for the operation of restaurants under the service mark, “Village Inn Restaurant” (the “System”). By entering into this Agreement, Franchisee acknowledges that it is undertaking the continuing obligation to utilize the entire System in the operation of its Restaurant, including, but not limited to, Franchisor’s Operating Manuals and Standards and Policies, as the System presently exists and evolves.

1.2. The provisions of this Agreement shall be interpreted to give effect to Franchisee's acknowledgment that the Licensed Location shall always be operated by Franchisee in conformity to the System, through strict adherence to Franchisor's Standards and Policies as they exist now and as they may from time to time be modified.

1.3. The System is a comprehensive uniform restaurant system which includes but is not limited to such factors as reputation for high-quality food and service; distinctive appearance; distinctive interior decor and atmosphere; equipment design and layout; food product, menu, beverage, and recipe specifications; the federally registered service mark, "Village Inn"; other service marks; domain names; distinctive signs; distinctive menu design, format, and content; distinctive dress codes; advertising and marketing plans and materials; emblems; logos and logotypes; trade secrets; training materials; Operating Manuals; Standards and Policies; and other common factors. Franchisee acknowledges that adherence to the System creates significant value for Franchisor, Franchisor's franchisees, and Franchisee such that deviations from the System by Franchisee would cause significant damage to Franchisor and its other franchisees.

1.4. Franchisee agrees to strictly adhere to and not use any part of the System other than in accordance with this Agreement.

1.5. Franchisee acknowledges that aspects of the System, individually and collectively, constitute trade secrets of Franchisor and will always remain the sole and exclusive property of Franchisor, and that they are and will be revealed to Franchisee only in confidence. Franchisee agrees never to divulge such trade secrets and the System, and agrees to use its best efforts to prevent them from being divulged by its employees, shareholders, or agents.

1.6. Franchisee acknowledges that the words, "Village Inn," together with design and artwork used in connection with those words, are the valid and exclusive property of Franchisor and that valuable goodwill is attached to the name, "Village Inn." Franchisee agrees that it will use the words, "Village Inn," only pursuant to this Agreement. However, Franchisee also acknowledges that Franchisor may license others to use this name.

2. GRANT AND LOCATION

2.1. Franchisor grants to Franchisee the right and Franchisee undertakes the obligation to operate a Village Inn Restaurant at the Licensed Location. The right that is granted to Franchisee under this Agreement is for the specific Licensed Location, except as hereinafter provided, and cannot be transferred from such location without Franchisor's prior written approval. Notwithstanding the foregoing, you acknowledge that the *Village Inn* franchise granted under this Agreement is non-exclusive, that we are not granting you any territorial protection or any other exclusive rights, and that we, directly or through one (1) or more affiliates, reserve the right in our sole discretion, and without compensating you or seeking your prior approval: (i) to establish, and grant to other franchisees or licensees the right to establish, a *Village Inn* restaurant or any other business using the Proprietary Marks, the *Village Inn* System or any variation thereof, in any location other than the approved Location (including locations in the immediate vicinity of your Location including across the street or in certain circumstances within the same venue), on any terms and conditions that we deem appropriate; (ii) to establish, and grant to other franchisees or licensees the right to establish, any restaurant concept other than *Village Inn* in any location on

any terms and conditions that we deem appropriate (including locations in the immediate vicinity of the Location); (iii) to sell products identified by the Proprietary Marks or other trademarks, service marks or commercial symbols in any location through any distribution channels, including grocery stores, convenience stores, supermarkets, club stores, vending machines, delivery services and restaurants other than *Village Inn* restaurants; and (iv) to take any other action that we are not expressly prohibited from taking under this Agreement.

2.2. ~~Franchisee shall open for operation the Village Inn Restaurant~~the Franchised Business at the Licensed Location within no later than eighteen (18) months from the Effective Date, unless Franchisee has obtained a written extension of this time period from Franchisor of this Agreement.

2.3. Franchisor will not license, franchise, or itself operate another Village Inn Restaurant within the ~~Franchised Area~~territory, if applicable in our sole discretion. Additionally, Franchisor will not own or operate a directly competitive restaurant (as defined in Section 17.1, below) in the ~~Franchised Area~~territory, if applicable, without the express consent of Franchisee, except as referenced in Section 2.4 below or if such restaurant is acquired by Franchisor in conjunction with the purchase of multiple restaurants at least one of which is located outside the ~~Franchised Area~~territory, if applicable, and Franchisee declines to purchase such restaurant(s) in the ~~Franchised Area~~territory, if applicable, from Franchisor within sixty (60) days after notice is provided to Franchisee. Further, the Franchisor shall not offer whole pies branded as “Village Inn” at any restaurant owned, franchised, or acquired by Franchisor or its affiliates or subsidiaries (except at Village Inn branded restaurants operated in conformance with this provision) within the ~~Franchised Area~~territory, if applicable.

2.4. Except as specifically provided in Section 2.3, Franchisor may engage in any business activity, under any name, at any location. Among other things, Franchisor expressly reserves the exclusive and unrestricted right to own, operate, develop, or franchise Village Inn Restaurants anywhere outside the~~Franchised Area~~territory, if applicable. Further, Franchisee acknowledges and agrees that Franchisor or Franchisor’s direct or indirect parent, subsidiaries, or affiliated entities may now or hereafter own, operate, develop, franchise, or license other restaurants under different trademarks and trade names or service marks within and outside of the ~~territory, if applicable~~Franchised Area, regardless of whether such restaurants offer products similar to those which are or may be offered at Village Inn Restaurants.

2.4.2.5. Franchisee must select a site for the Franchised Business for Franchisee’s Restaurant within nine (9) months from the Effective Date.

3. TERM

3.1. This Agreement will begin on the Effective Date and shall expire on the earlier of: (a) ten (10) years from the date of the opening of the Village Inn Restaurant at the Licensed Location; or (b) or the expiration of the term of your lease or sublease, as applicable (excluding any option/extension periods thereto of such lease or sublease), subject to Village Inn’s approval, subject to provisions hereinafter set forth (“Initial Term”).

3.2. At the expiration of this Agreement, Franchisee shall have the option to extend the term of this Agreement for a period of five (5) years or a term mutually agreeable between the parties to be coterminous with the Franchisee's existing lease if Franchisee:

(a) Provides Franchisor with written notice of its intent to renew the franchise at least ~~six (6) months, but not more than twelve (12) months~~ 210 days, prior to the expiration of the Initial Term.

(b) Provides Franchisor with evidence of Franchisee's right to possess the Licensed Location for the extended term.

(c) Executes the form of Village Inn franchise agreement (with the then-existing royalty and marketing fees, and other then-current fees, terms, and conditions) being offered by Franchisor for new franchised locations (or, if Franchisor is not then offering Village Inn franchises, the form most recently offered) at least thirty (30) days prior to the expiration of the Initial Term. Such agreement, however, shall provide for the payment of a renewal/extension of fifty percent (50%) of the then-current initial franchise fee not including any discounts or reductions payable to us when you renew this Agreement.

(d) Is not in default under this Agreement or any other agreement with Franchisor or its affiliates (i) at the time Franchisee provides Franchisor with its written notice of intent to renew or is eligible to do so, (ii) at the time Franchisee executes the new franchise agreement, or (iii) upon the expiration of the Initial Term.

(e) Has not received a written notice of default under this Agreement or any other agreement with Franchisor or its affiliates in the three (3) calendar year period immediately preceding the receipt of the notice of intent to renew.

(f) Upgrades and/or remodels the Licensed Location and the operations with respect to it, at Franchisee's sole cost and expense (the necessity of which shall be in the sole discretion of Franchisor), to conform with the most current Village Inn Restaurant prototype, design, standards, specifications, and requirements. Such upgrades and/or remodels are to be completed at least thirty (30) days prior to the expiration of the Initial Term.

(g) Concurrently with the execution of the new franchise agreement, executes a general release of all claims against the Franchisor Indemnitees.

4. INITIAL FRANCHISE FEE

4.1. Franchisee shall pay Franchisor an initial franchise fee of Thirty-Five Thousand and 00/100 Dollars (\$35,000.00) ("Initial Franchise Fee"), which shall be paid no later than the execution of this Agreement. Except as provided in this Agreement, the Initial Franchise Fee is nonrefundable.

5. ROYALTY FEE

5.1. Beginning with the opening of Franchisee's Restaurant at the Licensed Location ("Royalty Commencement Date"), Franchisee shall pay to Franchisor a royalty fee ("Royalty" or

outdoor materials; internet activities; agency fees; recruiting and retention of marketing personnel; menu development; other costs related to the development, marketing, and testing of advertising; and the purchase of advertising time or space in national, regional, or other advertising vehicles. Accordingly, in each Fiscal Year, Franchisee agrees to pay Franchisor a marketing fee (“Marketing Fee”) which will be held by Franchisor in a segregated account (“Marketing Fee Fund”). In addition to all amounts payable to Village Inn by Franchisee pursuant to this Agreement, each Tuesday Franchisee will pay a Marketing Fund Fee equal to a specified percentage of the Revenues generated by Franchisee’s Restaurant for the preceding week, unless that day is a non-business day, in which case the Marketing Fund Fee is payable to Village Inn on the next business day. The Marketing Fund Fees will be deposited into one or more local, regional, national or international Marketing Funds (collectively, the “Fund” or the “Marketing Fund”), which will be administered and controlled exclusively by Village Inn. The Marketing Fund Fee amount that Franchisee must pay pursuant to this Article 6.1 is an amount equal to 1% of the Restaurant’s weekly Revenues. Village Inn reserves the right to increase this percentage upon 60 days prior written notice to Franchisee; provided however, that Village Inn may not increase the Marketing Fund Fee by more than ½% in any 12-month period. Franchisor is under no obligation to ensure that the Marketing Fee is expended so as to be proportionate or equivalent to the fees paid by Franchisee or that any particular amount is spent in the ~~Franchised Area~~ territory, if applicable. Further, Franchisee agrees that Franchisor’s decisions on how the Marketing Fee is used for marketing, advertising, public relations, and promotional campaigns, in all forms, phases, and aspects (including, without limitation, the cost, development, type, quantity, timing, placement and choice of media and means, including digital advertising, market areas, advertising agencies, and public relations firms), are entirely at Franchisor’s sole discretion, final, and determinative. Franchisor has no fiduciary obligation to Franchisee in connection with the operation of any Marketing Fee Fund. No interest on an unexpended Marketing Fee shall be imputed or otherwise charged for the benefit of, or payable to, Franchisee. Franchisee understands and agrees that the only obligations Franchisor has regarding the collection and spending of the Marketing Fee or the administration of the Marketing Fee Fund are the express contractual obligations in this *Section 6.1*. Franchisor is not acting as a trustee, fiduciary, agent or in any other special capacity. Franchisor does not give any representation or warranty regarding the quality or effectiveness of the advertising and marketing activities funded by the Marketing Fee or of the Marketing Fee Fund, and Franchisor will have no liability to Franchisee with respect to how these funds are spent.

6.2. In addition to the payment of the fees required in Section 6.1, in each Fiscal Year, Franchisee shall spend money for local marketing/advertising promotions for its Restaurant, in an amount determined by Franchisor but ~~currently no more than~~ one percent (1%) of the Fiscal Year Gross Sales from the Licensed Location. The means by which Franchisee shall conduct its local marketing/advertising promotions are at Franchisee’s discretion but subject to the requirements of Section 6.5.

6.3. Village will provide access to a “grand opening celebration” package that will include advertising and promotional materials for Franchisee’s Restaurant. Franchisee will spend a minimum of \$10,000 (or such other greater amount determined by Village Inn, in its sole and absolute discretion, and specified in writing by Village Inn) on the grand opening celebration for Franchisee’s Restaurant. The grand opening expenditures can be applied toward the local advertising requirements of this Agreement. Village Inn reserves the right to request written documentation from Franchisee sufficient to establish to Village Inn’s satisfaction that such

expenditures were actually made by Franchisee. Such documentation will be provided to Village Inn within 15 days after Village Inn's request.

6.4. All fees required to be paid pursuant to Sections 6.1 and 6.2 shall be calculated and paid in the same manner and under the same schedule as Franchisee's Royalty. Franchisor may at any time increase the percentage which Franchisee is required to pay to Franchisor or spend for local marketing/advertising under this Article 6, but in no event shall Franchisee be required to spend more than a total of two percent (2%) of the Gross Sales at the Licensed Location in any Fiscal Year on the fees or required expenditures under this Article 6. Franchisor does not represent to Franchisee that such level of advertising is adequate, and Franchisee may make its own determination to increase its spending on advertising in excess of that required in this Agreement, subject to the requirements of Section 6.5.

6.5. Franchisee shall use only approved marketing/advertising media vehicles and materials. Approved marketing/advertising media vehicles are limited to (i) television and radio; (ii) newspapers, magazines, and other such print vehicles; (iii) outdoor, transit, and other signage displayed on billboards or buildings (excluding on-premises signs or lighting); (iv) direct mail flyers, door hangers, and handbills; (v) internet web sites; and (vi) other means approved by Franchisor in advance in writing, which shall be at Franchisor's sole and absolute discretion. All marketing/advertising materials to be used by Franchisee, except those made available and approved for use by Franchisor, shall require Franchisor's written approval prior to their use, and such approval shall be at Franchisor's sole and absolute discretion. Franchisee shall submit to Franchisor, in each instance, all marketing/advertising materials requiring approval by Franchisor prior to use. Franchisor shall notify Franchisee, within ten (10) business days of Franchisee's request, as to whether it approves the use of such materials. Franchisor's failure to notify Franchisee within such ten (10) business days, shall not be deemed as an automatic approval of the request.

7. DEBTS, TAXES, INTEREST AND BREACHING ROYALTIES

7.1. Franchisee will pay when due and without abatement, offset, diminution, or reduction, all of Franchisee's obligations due and payable to Franchisor at the place designated by Franchisor, and to all other suppliers or creditors of Franchisee.

7.2. Franchisee shall promptly pay in full all city, county, state, and federal taxes (including gross receipts, business and occupation or similar taxes assessed against Franchisor) arising in connection with or levied or assessed by any governmental body in connection with any part of this Agreement, the operation of the Restaurant, or any of the merchandise or assets at the Licensed Location. Village Inn will have no liability for any taxes which arise or result from Franchisee's Restaurant and Franchisee will indemnify Village Inn for any such taxes that may be assessed or levied against Village Inn which arise out of or result from Franchisee's Restaurant. If any "franchise" or other tax which is based upon the Revenues, receipts, sales, business activities, or operation of Franchisee's Restaurant is imposed upon Village Inn by any taxing authority, Village Inn may collect from you, or require you to reimburse us for, any taxes, mandatory industry-funded compliance fees, regulatory fees, assessments, surcharges, or similar charges imposed or assessed by any governmental authority, quasi-governmental authority, or industry body, whether assessed against you or against us, as a result of your operation of the

Franchised Business or the license of our intangible property in the jurisdiction where the Franchised Business is located, to the extent permitted by law.

7.3. In the event that Franchisee fails to pay any sum which it is obligated to pay to Franchisor for any reason whatsoever, a late fee of 5% of the amount due and owing shall be assessed if not ~~made-paid~~ within five (5) days after the obligation is due and owing. Thereafter, interest at the rate of three percent (3%) over the publicly announced prime rate of Franchisor's prime lender, adjusted annually on April 1 each year, per annum (but not to exceed the lawful maximum rate within the jurisdiction of the Licensed Location), will accrue on all such unpaid amounts until paid in full. The late fee and interest, however, shall not prohibit Franchisor from declaring a default as provided elsewhere in this Agreement.

7.4. Franchisor has the absolute right to increase the Royalty up to eighteen percent (18%) of Gross Sales, with respect to any period during which Franchisee is in breach or default of Franchisee's obligations under this Agreement without providing Franchisee advance notice or right to cure. The Royalty Fee paid or owing to Franchisor with respect to the period during which Franchisee is in breach or default are referred to as "Breaching Royalties." Breaching Royalties will be charged for a minimum fourteen (14)-day period, regardless of the length of the actual breach or default. In the event Franchisee prepaid Royalties pursuant to Section 5.4, then the Breaching Royalties in excess of the four percent (4%) Projected Royalty shall be due and owing for the time period Franchisee is in breach of default upon Franchisor's written demand.

8. OTHER INVESTMENTS REQUIRED OF FRANCHISEE

In addition to all payments, fees, and other obligations required in this Agreement, Franchisee acknowledges that it has made and will continually maintain cash investments in its business, including, but not limited to (i) land and building lease deposits (or equity investment if Franchisee owns its land and building); (ii) equipment lease deposits (or equity investment if Franchisee owns its equipment); and (iii) cash working capital of not less than Twenty-Five Thousand Dollars (\$25,000.00).

9. RESTAURANT FACILITY

9.1. At Franchisee's expense, and in accordance with plans and specifications approved by Franchisor prior to the commencement of work, Franchisee shall establish and maintain at the Licensed Location a fully equipped Village Inn Restaurant in compliance with the System.

9.2. Franchisor shall provide to Franchisee (~~in hard copy, electronically or on computer disk in Print Document Format (PDF) file~~) one set of Franchisor's standard plans and specifications (excluding site development plans and without architectural seal) for the construction and equipping of a new Village Inn Restaurant. Franchisee shall be solely responsible for making modifications to such plans and incurring all expenses to bring them into compliance with Franchisee's lease requirements and applicable building codes, zoning, accessibility, and other governmental requirements relating to the Licensed Location, including without limitation the Americans with Disabilities Act ("ADA"). Any costs incurred by the Franchisor with respect to a change to the Franchisor's standard plans and specifications, shall be borne by the Franchisee.

9.3. If there is an existing structure at the Licensed Location which is to be converted into a Village Inn Restaurant, Franchisor will provide to Franchisee, at Franchisee's expense, minimum specifications for the conversion. However, in any case, Franchisee shall be solely responsible for developing plans and incurring whatever expenses are necessary to comply with Franchisee's lease requirements and all applicable governmental requirements. Franchisor will have 30 days to visit and/or review the site proposed by Franchisee and prepare a Site Review Report that will provide Franchisee with certain site information relevant to assessing whether the proposed site is suitable for development of a Restaurant. The Site Review Report represents Franchisor opinion based on its past experience and is offered for consideration and independent evaluation by Franchisee and its advisors. It is not a representation of fact, or guaranty of any type and is provided only on the express understanding, as stated herein, that Franchisor has no liability of any kind whatsoever with respect to the information provided. Franchisee agrees and acknowledges that the Site Review Report may provide an estimate of revenues for the site selected by Franchisee but that there is no representation, warranty, or guaranty that Franchisee's Restaurant will attain these estimated revenues if Franchisee selects this site as the Franchised Location or that the estimate is based on any validated or substantiated methodology. Franchisee will pay Franchisor the then-current fee for the Site Review Report after Franchisor issues a "no-brand-standards-objection" letter for the site. The fee for a Site Review Report is currently \$1,000 to \$5,000, but this fee may be increased by Franchisor at any time. Franchisee will not purchase or lease a proposed site until Franchisor has provided Franchisee with a no-brand-standards-objection letter for that proposed site

9.4. All changes or modifications to previously approved plans or specifications relating to the building, remodeling, refurbishing, or equipping of the Licensed Location shall in each case be submitted to and approved by Franchisor prior to commencement of work.

9.5. Franchisee agrees to make, at its expense, necessary maintenance and repairs to keep the improvements constructed at the Licensed Location, and all furniture, fixtures, and equipment in the Restaurant, in good condition and repair, consistent with Franchisor's standards and specifications, throughout the entire term of this Agreement.

9.6. Franchisor shall have the right, not more than once every five (5) years during the term of this Agreement, to specify in writing the work which Franchisee must undertake to refurbish, remodel, re-equip, or repair the Restaurant in accordance with Franchisor's then-current prototype, design, standards, and specifications for Village Inn Restaurants (the "Upgrade"). Franchisee agrees, at its expense, to perform such work within a reasonable time, not to exceed two hundred and seventy (270) days, after receipt of Franchisor's notice, and to pay Franchisor's then-current fee for remodel plans (currently \$7,500). Nothing herein shall be construed to relieve Franchisee of any part of its responsibility for keeping the Licensed Restaurant, with all of its furnishings, fixtures, and equipment, in continuous good repair, maintenance, and appearance.

In the event the franchisee owns two or more Village Inn Restaurants, the Parties agree that the Franchisee will not be required to Upgrade more than 50% of the Franchisee's restaurants in any given year. Moreover, if the Franchisee believes that notwithstanding the foregoing, the demand for Upgrade will cause undue economic burden on the Franchisee or its operation, the parties agree to negotiate in good faith a remodel schedule that will "smooth" the obligation over a number of years, taking into account all Upgrades that are projected to be required throughout

Notwithstanding the foregoing, Franchisor may designate certain aspects of the System or Standards and Policies as either mandatory or suggested.

10.2. Franchisee covenants and warrants with respect to the operation of the Restaurant at the Licensed Location that Franchisee and its employees will at all times strictly comply with all of the Operating Manuals, Standards and Policies, and the System. Without limiting the foregoing, throughout the term of this Agreement, Franchisee shall:

(a) Continuously operate only a Village Inn Restaurant at the Licensed Location in accordance with the System and for at least the minimum days and hours prescribed by Franchisor. Franchisee may not relocate the Restaurant from the Licensed Location without the express written approval of Franchisor, which approval may be conditioned on, among other things, compliance with this Agreement and payment of a new prototype plans fee for the new location.

(b) Maintain and operate the Restaurant in a clean, safe, efficient, and high-quality manner in accordance with the System and in such a fashion as not to detract from or adversely impact the name and reputation of Village Inn Restaurants.

(c) Comply with all applicable governmental laws, ordinances, and requirements.

(d) Maintain the condition and appearance of the interior and exterior of the Restaurant building and the furniture, fixtures, and equipment such that they conform strictly with Franchisor's approved plans and Standards and Policies, including all exterior and interior decorating designs and color schemes.

(e) Offer only for sale all food, beverages, and products prescribed by Franchisor, plus such additional food, beverages, or products as may be approved in advance in writing by Franchisor. In addition to approved vendors and approved distributor(s), we may, in our sole discretion, require you to purchase certain products or services through designated purchasing channels, programs, platforms, or contractual arrangements specified by us.

(f) Use Franchisor's menu design, format, and content, and not make any change to the menu unless it is pre-approved in writing by Franchisor. The menu content shall consist of Franchisor's approved food and beverage offerings. Franchisee agrees to conform to all menu changes as they occur, or to become current with all changes at least once every six months. Modifications to the menu are allowed only as a reflection of food and beverage items characteristic of Franchisee's local area and subject to Franchisor's testing and prior written approval. Franchisee is at all times free to charge prices entirely of its own choosing. Franchisor may recommend or suggest prices to be charged by Franchisee for a menu item sold or offered, but such is not binding upon Franchisee in any manner.

(g) Order pies made by only a Franchisor approved vendor. In the event the pies provided by the Franchisor's approved vendor do not adhere to the quality and brand standards as the Franchisee expects, the Franchisee shall notify the FAB and the Franchisor in writing of deficiency of quality and brand standards. In the event the FAB agrees with the complaint, and the Franchisor cannot return the pies to same quality and brand standards within sixty (60) days, either

the FAB or the Franchisee may request an alternate vendor to source pies. Franchisor agrees to approve any reasonable alternate vendor. Such approval shall not be unreasonably withheld.

(h) Not deviate from the formulas or recipes specified or approved by Franchisor.

(i) Maintain sufficient inventories and employ adequate and qualified personnel to operate the Restaurant so as to meet the expectations of customers who patronize the Restaurant.

(j) Require employees to conform to the dress code designated in the Operating Manuals. Franchisee bears sole liability for the hiring, firing and personnel decisions, and the terms and conditions of employment, for Franchisee's personnel and staff. Franchisor and Franchisee acknowledge and agree that Franchisor shall not, and shall have no right or authority to, control the employees of the Licensed Location or Franchisee's employees. Franchisor shall have no right or authority with respect to the hiring, termination, discipline, work schedules, pay rates or pay methods of employees of the Licensed Location or of Franchisee. Franchisee acknowledges and agrees that all employees of the Licensed Location and of Franchisee shall be the exclusive employees of Franchisee and shall not be employees of Franchisor nor joint employees of Franchisee and Franchisor. Franchisor neither dictates nor controls labor or employment matters for franchisees and their employees and Franchisor is not responsible for the safety and security of the Licensed Location's employees or customers.

(k) Display at the Licensed Location signs using the Village Inn mark as approved by Franchisor, and not display at or about the Licensed Location or anywhere else signs or advertisements of any kind which Franchisor has not approved in writing.

(l) Maximize Gross Sales at the Licensed Location.

10.3. Franchisee must exclusively use an approved electronic point-of-sale system to record all sales during the operation of your Restaurant, the components of which may be identified in the Manual. Prior to the opening of your restaurant, you will be required to acquire and to exclusively use an approved cash register/computer system during the operation of the Restaurant. You will be required to maintain the POS System in good working order at all times, and to upgrade or update the POS System during the term of your Franchise Agreement as we may require from time to time. Franchisee will, at its sole expense, lease or purchase all computer hardware, computer peripherals and software, including antivirus and data security software, that may be required by Village Inn from time to time, including the Franchisee's point-of-sale system and other equipment and devices as required by Village Inn. Franchisee will, upon notice from Village Inn, update the computers and software to the standards and specifications set forth in the then-current Standard Operating Procedures/Training Manual(s). Additionally, Franchisee must implement and maintain an approved Payment Card Industry (PCI) compliance program for the Restaurant. Franchisor may suggest third party PCI compliance vendors occasionally, but Franchisee is free to submit alternative PCI compliance vendors to Franchisor for approval or seek approval to perform Franchisee's own PCI compliance, and Franchisee is in all cases solely responsible for Franchisee's and the Restaurant's PCI compliance programs. Franchisor may in its sole discretion require Franchisee to install a particular type of firewall (hardware and/or software)

operations, Franchisee agrees to immediately notify Franchisor of the change, and shall (i) within sixty (60) days thereafter, either replace such individual(s) with another person(s) who has/have been approved by Franchisor and successfully completed the required training, or reinstate the previous individual(s) to his/her/their prior operational responsibilities; or (ii) reassign personnel or responsibilities such that there will always be direct on-premises supervision of the Licensed Location by no less than two (2) Franchisor-approved and trained managers.

11.3. Franchisee shall be responsible, during the term of this Agreement, for training Franchisee's employees in the standards, methods, and techniques required for the satisfactory performance of their duties and in compliance with the System.

12. TRAINING

12.1. Franchisee agrees that, no later than four weeks prior to the commencement of operations at the Licensed Location, Franchisee, the Director of Operations, and at least two (2) managers responsible for the day-to-day operations of the Restaurant must have successfully completed Franchisor's management training program. Furthermore, a new individual who later replaces any trained person must successfully complete the management training program within sixty (60) days of taking over managerial responsibilities. Franchisor's sole judgment shall determine whether an individual has successfully completed a training program. Franchisee expressly agrees that the opening date of the Restaurant will not be set nor will the Restaurant open until Franchisor is satisfied that Franchisee and its Director of Operations and managerial employees have been adequately trained with respect to the operation of a Village Inn Restaurant.

12.2. The management training program will include instruction and field training at Franchisor's designated training facilities and restaurants. Training will last for such duration as Franchisor determines to be necessary based upon the trainee's performance, prior training, and experience.

12.3. Periodically during the term of this Agreement, but not more frequently than once a year, Franchisor may require Franchisee and its managers, at Franchisee's cost and expense, to attend and successfully complete refresher or additional training courses at such locations and times as Franchisor may determine. Franchisor shall impose no tuition charge for such required training programs, but Franchisee shall be responsible for all expenses incurred by Franchisee or its employees in connection with the training program. Such costs include, by way of example and not limitation, travel, lodging and meals, wages, insurance, employee benefits, training materials, and other related and incidental expenses.

12.4. Franchisee, its managers, or other personnel may also attend, on a space-available basis, any specified training program offered but not required by Franchisor. Franchisee shall pay all costs and expenses in connection with its personnel attending such programs, including, but not limited to, any tuition charged by Franchisor and the expenses described in Section 12.3.

12.5. If the Restaurant is the first Restaurant opened by Franchisee or its affiliates, for a minimum of 18 business days during the pre- and post-opening period of the Restaurant, Franchisor will furnish to Franchisee, at Franchisee's premises and at Franchisee's expense, a new restaurant opening assistance team consisting of at least 10 team members for the purpose of

facilitating the opening of the Restaurant. Franchisee will pay Franchisor for all Travel Expenses and the prorated Salaries and Benefits (based on the number of days each Opening Team member has worked at Franchisee's Restaurant) for each member of the Opening Team. Two (2) weeks prior to the date that the Opening Team arrives at the Restaurant, Franchisee will pay to Franchisor 50% of the estimated Travel Expenses (as determined by us) and 50% of the prorated Salaries and Benefits for the Opening Team. Upon completion of the Opening Team's assistance, we will send you an invoice for the actual amount of remaining Travel Expenses and prorated Salaries and Benefits still owed by you. Franchisee will pay this invoice within thirty (30) days after receipt. If this Agreement is for the second or a subsequent Restaurant to be opened by Franchisee, then you will be responsible for furnishing the Opening Team to assist with the opening of the Restaurant. The number of Opening Team members (if any) provided by us for the opening of the second or a subsequent Restaurant will be determined by us, in our sole discretion, and if applicable, you will pay us the then-current Per Diem Training Fee for each Opening Team member who provides opening assistance at the Restaurant, and will reimburse us for the Travel Expenses and Salaries and Benefits of the Opening Team members provided by us for the opening of your Restaurant. Franchisee will pay the amounts owed to us pursuant to this provision within ten (10) days after receipt of an invoice indicating the amount owed. ~~Franchisee will reimburse to Franchisor the costs of its opening assistance team members, including travel, lodging, meals, prorated salaries and benefits, and other expenses incurred, but Franchisor will not charge Franchisee for its team members' salaries.~~ Franchisor may reduce or eliminate its new restaurant opening assistance to Franchisee if Franchisee or its affiliates have previously opened and are operating Restaurants.

13. INSPECTION

13.1. In order to maintain integrity of the Village Inn brand and System and to help achieve customer satisfaction, Franchisee authorizes Franchisor or its representatives to enter the Licensed Location from time to time during business hours, with or without notice, to inspect the premises and its furnishings, fixtures, and equipment; confer with Franchisee's employees; and examine and inspect the operation in all respects, including Franchisee's accounting records, materials, recipes, and formulas, and all public health or other governmental reports. Franchisee agrees to fully cooperate with Franchisor or its designated representative in conducting such inspections, including instructing its employees to provide prompt, accurate, and confidential responses to questions.

13.2. Franchisor's right of inspection shall include (i) videotaping or photographing the operations of the Restaurant, (ii) removing unsatisfactory or non-compliant items; and (iii) obtaining representative samples of foods and other products or materials for testing and analysis.

13.3. If, as a result of such inspection, Franchisee shall be found to be in non-compliance with the System or Franchisor's Standards and Policies, methods, techniques, procedures, policies, rules, or requirements, Franchisee agrees to correct all areas of non-compliance within thirty (30) days after receipt of written notice from Franchisor.

affiliate of Franchisor pursuant to an Area Development Agreement or other territorial agreement; and (b) Franchisee expressly agrees that: (i) the time, geographical and product limitations set forth in this provision are reasonable and necessary to protect Franchisor and its franchisees if this Agreement expires or is terminated by either party for any reason; (ii) this covenant not to compete is necessary to protect Franchisor's intellectual property and proprietary rights and give Franchisor the opportunity to resell and/or develop a new Village Inn Restaurant at or in the area near the Licensed Location; and (iii) the one-year time period described in this Section 17 will not begin to run until the covered person or entity is in compliance with this Agreement, and will be tolled during any intervening period of non-compliance.

17.2. Franchisee agrees that the provisions of this Article are and have been a primary inducement to Franchisor to enter into this Agreement, and in the event of a breach, Franchisor will be irreparably injured and without adequate remedy at law. Therefore, should Franchisee breach or threaten or attempt to breach any of these provisions, Franchisor shall be entitled, in addition to other remedies which it may have at law or in equity (including the right to terminate this Agreement), to a preliminary and/or permanent injunction, and a decree for specific performance of the terms in this Article without the necessity of showing actual or threatened damage, and without being required to furnish a bond or other security.

17.3. As a forum for dispute resolution for Article 17 to determine the validity or enforceability of this Article, the parties shall nominate each two (2) members to form a committee, which will consist of two employees of the Franchisor and two (2) members of the FAB. Any decision with respect to the validity of Article 17 requires three (3) affirmative votes to render a decision in favor of the Franchisee. The parties agree the decision is binding. In the event the parties cannot come to a majority decision with respect to a favorable outcome to the Franchisee, the parties shall appoint a third party arbitrator to adjudicate the matter in accordance with Section 25.

17.4. For purposes of Articles 16, 17, and 18, "Franchisee" shall include Franchisee, its directors, officers, partners (general or limited), and members, shareholders, or other owners of interest in Franchisee and each such person's spouse, parent, or child.

18. TRANSFERS

18.1. This Agreement is fully transferable by Franchisor and any transferee of Franchisor or other legal successor to Franchisor's interests in this Agreement.

18.2. Neither Franchisee nor any direct or indirect owner of any interest in Franchisee shall (whether voluntarily or by operation of law) directly or indirectly sell, pledge, transfer, or assign any rights under this Agreement or any interest in Franchisee or any entity that owns Franchisee, or a substantial portion of the assets of the Restaurant ("Transfer"), unless the transferor obtains Franchisor's prior written consent. Any attempted transfer without Franchisor's prior written consent will constitute a breach of this Agreement. Furthermore, any purported Transfer without Franchisor's prior written consent will convey no rights to or interest in this Agreement, the Franchised Business or the Licensed Location. Franchisor may withhold its consent on any reasonable grounds or may impose reasonable conditions including, but not limited to, the following:

whether asserted by a purchaser of any such security or by a governmental agency. Franchisor shall have the right (but not the obligation) to defend such Proceedings and/or to participate in the defense of any matter to which it is named as a party, with counsel of its choosing, all of whose fees and expenses will be subject to indemnification hereunder.

18.6 This Article shall survive the expiration or termination of this Agreement.

19. RIGHT OF FIRST REFUSAL

Franchisee and its owners (including Legatees in connection with sales under Section 18.4, above) expressly grant to Franchisor the Right of First Refusal to purchase Franchisee's rights and interests in this Agreement and the Licensed Location in the event of a proposed sale or transfer of this Agreement and Franchisee's Restaurant, or transfer which results in a change of control of Franchisee of fifty-one percent (51%) or more, whether in a single transaction or as the result of several transactions. Franchisee shall, at a minimum, submit a written bona fide offer from the third-party purchaser/transferee, and the terms of this Right of First Refusal shall be the same as those submitted in writing to Franchisee by the bona fide third-party purchaser/transferee, except that Franchisor shall have the right to substitute cash for any other consideration offered. Franchisor shall have thirty (30) days within which to exercise this Right of First Refusal following Franchisee's delivery to Franchisor of the executed written offer containing the essential terms and conditions to which Franchisee and the proposed bona fide purchaser/transferee have committed to be bound toward a contractual agreement. Franchisor reserves the right to request (i) Franchisee's and the bona fide purchaser's/transferee's intent, understanding, or commitment regarding the transaction; (ii) clarification of certain terms and conditions stated in the written offer; and (iii) other information which Franchisor deems, in its sole judgment, to be necessary to make its decision, or which have not been addressed in the written offer, and if such terms are undetermined between Franchisee and the bona fide third party/transferee, the thirty (30) day Right of First Refusal shall be extended for the number of days in which such term remains undetermined until an agreement is reached between Franchisee and the bona fide purchaser/transferee in writing and provided to Franchisor. If Franchisor chooses not to exercise its Right of First Refusal, Franchisee shall be free to proceed with the proposed sale or transfer, subject to Franchisor's written consents and the terms and conditions set forth elsewhere in this Agreement, and provided that Franchisee's sale or transfer substantially conforms to the terms and conditions of the written offer. The terms regarding this Right of First Refusal shall apply with each proposed sale or transfer, and any material change in the terms of any offer prior to the closing shall constitute a new offer and shall be subject to Franchisor's Right of First Refusal as set forth in this Article.

20. INSURANCE AND INDEMNIFICATION

20.1. Franchisee shall, during the term of this Agreement, obtain, pay for, and maintain minimum insurance as ~~may be~~ required by Franchisor from time to time, including commercial general liability insurance for bodily injury and property damage; products liability and contractual liability coverage; workers' compensation; and all coverage required by Franchisee's landlord. Property insurance must be carried on buildings and contents, along with insurance to cover loss of income and extra expenses following a loss that results in the shutdown of the Restaurant. Franchisee must also carry automobile liability insurance to include hired and non-owned automobile liability coverage.

20.2. Franchisee shall include Franchisor, and such additional parties as Franchisor may designate, as Additional Insureds on liability insurance policies, and loss payee on any property insurance on property in which Franchisor may have an interest. All policies required by this Article shall be endorsed to require a thirty (30) day notice to Franchisor of any pending cancellation or proposed modification of insurance coverage. Certificates of Insurance or certified copies of property and liability insurance policies, or such other evidence of coverage as may be requested by Franchisor, shall be provided to Franchisor upon request during the entire term of this Agreement.

20.3. In the event that the Restaurant incurs any casualty, property damage, or loss, Franchisee shall use all commercially reasonable efforts to restore the Restaurant as soon as possible to full operational capacity, in accordance with Franchisor's specifications, and in satisfaction of Franchisee's obligations under this Agreement, including but not limited to Franchisee's obligations under Section 10.2. Franchisee shall be relieved of paying Royalties during the restoration period, however, the Franchisor shall receive the same percentage as the Royalty of any business interruption proceeds received by the Franchisee.

20.4 All required insurance shall be obtained through reputable and responsible insurance companies acceptable to Franchisor. All policies shall extend to and provide indemnity for all obligations assumed by Franchisee under this Agreement and all other matters for which Franchisee is required to indemnify Franchisor.

20.5 If Franchisee at any time fails or refuses to maintain any insurance required by this Agreement or to furnish satisfactory evidence of effective coverage, Franchisor, at its option and in addition to its other rights and remedies, may obtain such insurance on behalf of Franchisee, and Franchisee shall pay to Franchisor on demand all costs incurred by Franchisor in connection with obtaining the insurance. Franchisee must cooperate fully with Franchisor in its efforts (should it undertake to do so) to obtain such insurance.

20.6 In addition to any insurance obligation which Franchisee may have under this Agreement, Franchisee agrees to defend, at Franchisee's cost, with attorneys reasonably acceptable to Franchisor, indemnify, and hold harmless the Franchisor Indemnitees from and against all Losses and Expenses incurred in connection with any Proceeding or by or against the Franchisor Indemnitees or any settlement (whether or not a formal proceeding or action has been instituted), arising out of, resulting from, related to, or connected with the operation of Franchisee's business pursuant to this Agreement, unless such was the result of the gross negligence or willful misconduct of a Franchisor Indemnitee. The obligation to defend, indemnify, and hold harmless shall survive the expiration or termination of this Agreement and includes any loss in excess of Franchisee's insurance coverage.

21. DECLARATION OF DEFAULT

21.1. Franchisor will have the sole and absolute right to terminate this Agreement at any time prior to the opening of the Restaurant at the Licensed Location if Franchisor determines that: (a) any financial, personal, or other information provided by Franchisee to Franchisor is materially false, misleading, incomplete, or inaccurate; or (b) Franchisee has failed to materially comply with

the pre-opening obligations set forth in this Agreement or as prescribed by Franchisor's Standards and Policies.

21.2. Franchisee acknowledges that Franchisor requires strict compliance with the System and all of the terms and conditions of this Agreement for the protection of Franchisor and all other operators of Village Inn Restaurants. Franchisor may declare a default, without giving Franchisee the opportunity to cure, on the happening of any of the following events:

- (a) Franchisee filing or consenting to the filing of any petition for bankruptcy, reorganization, or other relief under any bankruptcy statute;
- (b) Franchisee being adjudicated bankrupt or insolvent;
- (c) Franchisee making any assignment or similar composition or agreement for the benefit of creditors;
- (d) Franchisee having its interests herein fall under execution unless, within the time permitted by law, Franchisee takes necessary steps to obtain a stay of execution and furnishes the requisite undertaking;
- (e) Franchisee or any of Franchisee's direct or indirect owners makes a Transfer in violation of Article 18 of this Agreement;
- (f) A receiver has been appointed for all or substantially all of Franchisee's assets or business and is not discharged or the appointment set aside within thirty (30) days of the appointment;
- (g) Any portion of the Restaurant or equipment, furnishing, or fixture located therein, or any interest which Franchisee may have in the Restaurant, equipment, furnishing, or fixture is taken in foreclosure of any mortgage, deed of trust, lien, or security interest, or if Franchisee loses the right to occupy the Licensed Location for any reason;
- (h) Franchisee, through its officers, directors, or any authorized employee or agent, knowingly makes any material misrepresentation or omits any material fact of any information provided to Franchisor;
- (i) Franchisee or any of its owners is convicted of or pleads guilty to a ~~felony~~ criminal charge that, in the discretion of Franchisor, adversely affects Franchisor's reputation, the Village Inn System, or the Restaurant; or
- (j) Franchisee defaults a third time in a twelve month period (regardless of whether the specific default had previously occurred), despite that Franchisee had defaulted but timely cured his/her/its performance on previous occasions.

21.3. In the event that Franchisee fails to pay any money due Franchisor pursuant to this Agreement or any other agreement existing between Franchisee or its affiliates and Franchisor or its affiliates, Franchisee shall be in default, and Franchisor shall be entitled to pursue its remedies

under Article 22 of this Agreement if Franchisee does not cure the default within seven (7) days after written notice from Franchisor of the default.

21.4. Franchisor may pursue its remedies under Article 22 of this Agreement if Franchisee violates any other term or condition of this Agreement or the System and fails to cure the default within fifteen (15) days after receipt of written notice from Franchisor of the default. If the cure cannot be reasonably remedied within such period, Franchisee must at least commence the cure within the fifteen (15) day period and thereafter diligently and fully cure the default. For purposes of this Agreement, an alleged breach of this Agreement will be deemed cured only when Franchisee and Franchisor agree in writing. Further, this section is not applicable for a default under Section 21.2(j).

21.5. The provisions of this Article may be subject to statutes or regulations applicable to the Licensed Location which limit the grounds upon which a franchisee may be terminated or require additional prior written notice of default and opportunity to cure.

21.6. All cure periods under this Agreement and under any other agreement between Franchisee or its affiliates and Franchisor or its affiliates shall be deemed to run concurrently and not sequentially.

21.7. Subject to the consent of Franchisor, which will not be unreasonably withheld or delayed, Franchisee shall not be in default under this Agreement if Franchisee terminates operations at the Licensed Location, provided all of the following conditions are timely and completely fulfilled:

(a) Franchisee demonstrates to Franchisor a commercially reasonable business case demonstrating the profitability and desirability of closing the Restaurant at the Licensed Location and opening a replacement Restaurant within the ~~Franchised Area~~ territory, if applicable (determined with respect to the initial Licensed Location);

(b) Until Franchisee's replacement Restaurant is opened, Franchisee pays to Franchisor, as and when due, all weekly Royalty payments due under Article 5, above, and all marketing fees as required by Article 6, above, computed based upon the average Gross Sales from the Licensed Location over the 36-month period immediately preceding the closing of the Restaurant at the Licensed Location (or if 36 months have not been completed, the average annualized Gross Sales for the period from the opening of the Restaurant through the date of the Event of Default);

(c) Within six (6) months of such termination, Franchisee identifies a new Licensed Location, and such new Licensed Location is approved by Franchisor consistent with Franchisor's normal procedures and standards for approving locations of its franchised restaurants;

(d) Thereafter, Franchisee complies with the applicable provisions of Article 9, above, concerning the construction of a Restaurant at the new Licensed Location consistent with Franchisor's plans and specifications for franchised restaurants; and

(e) Franchisee opens the new Restaurant in accordance with the System and this Agreement no later than fifteen (15) months following the date of closing of the Restaurant at the initial Licensed Location.

22. FRANCHISOR'S RIGHTS UPON DEFAULT BY FRANCHISEE

22.1 In the event of a default by Franchisee which is not cured within the time allowed (if any), Franchisor shall have the right to pursue any or all of the following remedies:

(a) ~~In the event the default by the Franchisee was determined to be in bad faith,~~
Terminate this Agreement and all other agreements existing between Franchisor or its affiliates and Franchisee or its affiliates.

(b) Obtain from Franchisee and/or any guarantor (i) all unpaid Royalties, Marketing Fees and other amounts due to Franchisor or its affiliates; (ii) all costs and expenses (including attorneys' fees) incurred by Franchisor arising from Franchisee's default; and (iii) in the event of a unilateral closure of the Restaurant by Franchisee, Early Termination Damages calculated as follows:

(1) Compute the average monthly Royalties and Marketing Fee due for any consecutive twelve (12) month period within the forty-eight (48) months immediately preceding the closure date of the Restaurant, or, if the Restaurant has been open for less than twelve (12) months, the average monthly Royalties and Marketing Fee due since the opening of the Restaurant ("Monthly Average"); and

(2) Multiply the Monthly Average by the number of months remaining in the Term.

(3) The Early Termination Damages shall be considered damages and not a penalty, are not in lieu of other damages, and Franchisee's payment of these damages shall not constitute a release of any other obligation owed to Franchisor. Franchisor, Franchisee, each individual signing on behalf of Franchisee, and each guarantor guaranteeing Franchisee's obligations hereunder, hereby acknowledge and agree that Franchisor's losses due to Franchisee's unilateral closure of the Restaurant and/or termination of this Agreement would be highly difficult or impossible to calculate with reasonable certainty and, therefore, have agreed at the outset of this Agreement that the Early Termination Damages, and the formula for calculating these damages, constitutes a reasonable, good faith forecast of Franchisor's estimated losses and damages due to the premature closure of the Restaurant and/or termination of this Agreement.

(c) Apply to a court and receive injunctive relief in order to prevent the continuance of any existing default, or the occurrence of any threatened default of this Agreement or any related agreement between Franchisee and Franchisor, without the necessity of showing actual or threatened damage, and without being required to furnish a bond or other security.

(d) Apply to a court to have a receiver appointed to take possession of the Licensed Location and to implement any or all of Franchisor's remedies under this Agreement. Furthermore, all costs of such receivership, including any bond required to be furnished by Franchisor, shall be paid by Franchisee.

22.2 If Franchisee fails to comply with a written notice of termination sent by Franchisor, Franchisee shall be liable to Franchisor for damages resulting from such infringement, including, without limitation, and in addition to any fee paid or payable under this Agreement, all profits which Franchisee derived from the post-termination operation of the Restaurant and all attorney fees Franchisor incurs as a result of Franchisee's failure to comply with a written notice of termination.

22.3 Notwithstanding any other provision of this Agreement, in the event that Franchisee is in violation of any health code or in the event of any unsanitary condition or condition which has jeopardized or may jeopardize the health or safety of patrons of the Restaurant, Franchisor may require Franchisee to close the Restaurant immediately upon notice until the condition giving rise to such closure has been resolved to the satisfaction of Franchisor and applicable governmental authorities. In the event such condition is not resolved within ten (10) days from the notice to close (or if such condition requires longer than ten (10) days to cure, then such longer period as determined by Franchisor, after consultation with Franchisee, to be necessary to cure such condition so long as during such period Franchisee takes all commercially reasonable efforts to diligently prosecute such cure to completion), this Agreement shall terminate with no further opportunity for Franchisee to cure.

22.4 Any specific right or remedy set forth in this Agreement - legal, equitable, or otherwise - shall not be exclusive, but shall be cumulative with all other rights and remedies set forth in this Article or allowed by this Agreement or by law.

23. ASSIGNMENT OF FRANCHISEE'S INTEREST AND LOCATION

23.1. If Franchisee leases the real property at the Licensed Location from a third party, the lease shall be submitted to Franchisor for approval prior to execution. Contemporaneously with the execution of such lease, Franchisee, the lessor of the Licensed Location, and Franchisor must enter into the option for assignment of lease attached hereto as Appendix B. If the lease is not satisfactory to Franchisor, or if Appendix B is not executed contemporaneously with the lease, Franchisor shall have the right to terminate this Agreement. Upon approval of such lease by Franchisor, no amendment, assignment, or sublease shall be made or entered into by Franchisee without Franchisor's prior written approval.

23.2. At Franchisor's request, Franchisee shall promptly execute a written Assignment consistent with this Article 23 for purposes of recording. In addition, Franchisee shall provide to Franchisor from time to time, upon request, a written Consent executed by any mortgagee with respect to the Licensed Location, if owned by Franchisee, or executed by Franchisee's landlord, if Franchisee leases the Licensed Location, consenting to the provisions of this Article 23 (which includes, but is not limited to, the option for assignment of lease attached hereto as Appendix B).

24.2. If after notice, Franchisee shall fail or refuse to comply with the requirements of Section 24.1, then Franchisor shall have the right, in addition to all other remedies at law or in equity, to enter upon the premises, without liability and with or without court order or legal proceedings, and take all actions it deems necessary or appropriate, at Franchisor's sole and absolute discretion, for Franchisee to be in compliance, at Franchisee's expense, which Franchisee shall pay on demand.

24.3. The provisions in this Article shall survive the expiration or termination of this Agreement.

25. ARBITRATION

~~Except~~

Except as otherwise provided herein, any dispute, claim or controversy arising out of or relating to this Agreement, the breach hereof, the rights and obligations of the parties hereto or the relationship between the parties, or the entry, making, interpretation, or performance of either party under this Agreement ("Dispute"), which cannot be resolved by mediation or is not subject to mediation under the terms of this Agreement, shall be settled by binding arbitration administered by the American Arbitration Association ("AAA") before a single arbitrator in accordance with its Commercial Arbitration Rules as modified below, and pursuant to the Federal Arbitration Act, 9 U.S.C. §1 et seq.

a. Except to the extent that the United States Trademark Act of 1946, as amended (15 U.S.C. § 1051 et seq.), the laws of the State where the Franchised Business is located govern all rights and obligations of the parties under this Agreement without regard to conflict of law, and any arbitration shall take place before a sole arbitrator in the County of the State where the Franchised Business is located. The parties agree that the arbitrator shall be an attorney licensed to practice law in the United States and must have a minimum of five (5) years of experience in franchise law. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. The arbitrator shall, in the award, allocate all of the costs and expenses of the arbitration, including the fees of the arbitrator and the reasonable attorneys' fees of the prevailing party, against the party who did not prevail. This agreement to arbitrate shall survive termination or expiration of this Agreement. The parties agree that any arbitration shall be solely between them (including any affiliates) and shall not include as a party, by consolidation, joinder, or in any other manner, any other person or entity, unless both parties to this Agreement consent in writing. Both parties shall have the absolute right to refuse such consent. The parties expressly waive any right to bring or participate in any class or other consolidated, joined or multi-party arbitration claim or proceeding, whether or not permissible under the AAA Commercial Arbitration Rules, including any claim brought on their behalf by an association of which it, he or she is a member. At the request of either party, the arbitration shall be conducted in a manner that maintains the confidentiality of the proceedings.

b. The arbitrator will issue a reasoned award, with findings of fact and conclusions of law. Actions to enforce an express obligation to pay monies may be brought under the Expedited Procedures of the AAA's Commercial Arbitration Rules. Discovery shall be conducted according to the AAA Commercial Arbitration Rules.

c. Prior to the commencement of an arbitration proceeding, a party must notify the other party of its intent to commence arbitration by providing written notice to the other party that describes the facts and subject matter of the Dispute at least sixty (60) days prior to commencing arbitration with the AAA. During the sixty (60) days after a written notice of intent to arbitrate is received by either party, the parties must first mediate the Dispute with a mutually agreed upon private mediator. At the request of any party, the mediation will be confidential. The mediation shall be conducted in the County of the State where the Franchised Business is located, unless the parties mutually agree to a different location. The parties to the mediation will share equally in its costs and expenses, except those costs and expenses incurred separately by each party, including counsel fees and expenses. The mediation process will be deemed “Completed” when the parties agree that it has been completed, the mediator declares that any impasse exists, or sixty (60) days have elapsed since the date of the initiating party’s notice to the other party that it is initiating the mediation process, whichever occurs first.

d. Notwithstanding anything contained in this Agreement to the contrary, the provisions of the Dispute Resolution set forth in Article 25 of this Agreement do not apply to a Dispute where: (i) we bring an action for an express obligation to pay monies, declaratory relief, preliminary or permanent equitable relief, any action for damage to our goodwill, the Confidential Information, the Proprietary Marks or for fraudulent conduct by you; or (ii) the delay resulting from the Dispute Resolution process set forth in this Agreement may endanger or adversely affect the public (for example, unhealthy, unsafe or unsanitary conditions would continue to exist), or may cause irreparable harm to Franchisor or its affiliates. For such Disputes, we may bring an action in any federal or state court having jurisdiction, whether for monetary damages, temporary and permanent injunctive relief or specific performance in addition to, and not exclusive of, any other remedies available to us. You hereby consent to and waive any objection or defense and agree not to contest venue, forum non conveniens or jurisdiction of such court. THE PARTIES AGREE THAT ALL DISPUTES SUBMITTED TO THE COURT PURSUANT TO THIS SECTION SHALL BE TRIED TO THE COURT SITTING WITHOUT A JURY, NOTWITHSTANDING ANY STATE OR FEDERAL CONSTITUTIONAL OR STATUTORY RIGHTS OR PROVISIONS

e. Disputes concerning the validity or scope of arbitration, including whether the Dispute is subject to arbitration, are beyond the authority of the arbitrator and will be determined by a court of competent jurisdiction pursuant to the Federal Arbitration Act, 9 U.S.C. §1 et seq., as amended from time to time.

f. To the extent Law permits, any Dispute arising out of or relating to this Agreement, whether in arbitration or in court, will be conducted only on an individual basis and not in a class, consolidated or representative action. Notwithstanding any other provision of this Agreement or the AAA Rules, Disputes regarding the interpretation, applicability, or enforceability of this class waiver may be resolved only by a court and not by an arbitrator. If this waiver of class or consolidated actions is deemed invalid or unenforceable, neither party is entitled to arbitration.

~~25.1. as provided in Section 25.2, below, any dispute, breach, controversy, or claim arising out of or relating to this Agreement, including, but not limited to, any claim that this Agreement, in whole or in part, is invalid, illegal, or otherwise voidable or void (“Dispute”), shall~~

be submitted to arbitration in accordance with the commercial arbitration rules of the American Arbitration Association relating to commercial arbitration, subject to the following:

(a) — ~~The arbitrator's award shall be in writing, contain findings of fact and conclusions of law, and set forth the arbitrator's rationale for the award based upon such findings of fact and conclusions of law.~~

(b) — ~~All proposed arbitrators shall be attorneys or current or former judges licensed to practice law in the state where the arbitration will take place, and have no less than 10 years' experience in business law, including substantial experience involving franchise matters.~~

(c) — ~~The arbitration shall be conducted on an individual and not a consolidated or class-wide basis.~~

(d) — ~~The arbitrator shall have the authority to award equitable relief, including, but not limited to, specific performance and injunctive relief. However, except as permitted by this Agreement, the arbitrator shall have no authority to award punitive, exemplary, consequential or multiple damages. See also Section 29.7, below.~~

(e) — ~~Judgment upon an arbitration award may be entered in any court having competent jurisdiction and shall be binding, final, and non-appealable.~~

(f) — ~~In the event that either party fails to appear at any properly noticed arbitration proceeding, an award may be entered against such party by default or otherwise.~~

(g) — ~~The arbitration shall take place in Minneapolis, Minnesota, unless the franchise law in the state where the Restaurant is located requires arbitration in such state, in which case the arbitration shall be held in the largest city in such state.~~

(h) — ~~The arbitration shall have no collateral estoppel effect.~~

25.2. — ~~This Article shall not apply to claims relating to Franchisor's trademarks, service marks, patents, or copyrights; claims related to any lease or sublease of real property between the parties or their related entities; claims or actions for an express obligation to pay monies, declaratory relief, for damage to Franchisor's goodwill, fraudulent conduct by Franchisee; and/or requests for temporary restraining orders, preliminary injunctions, or other procedures in a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent injury pending resolution by arbitration of the actual dispute between the parties. Without limiting the scope of the previous sentence, nothing in this Agreement shall be construed as limiting or precluding Franchisor from bringing any action, at any time, in any court of competent jurisdiction, for injunctive or other extraordinary relief as Franchisor deems necessary or appropriate to compel Franchisee to comply with its obligations respecting the use, display, or removal of the Marks or to protect the Marks as required under this Agreement. Franchisee agrees that such action or any action for injunction, specific performance, or other equitable relief pertaining to the terms of this Agreement shall not require the posting of any bond, but if a bond shall nevertheless be required by a court of competent jurisdiction, the parties agree that the sum of One Hundred Dollars (\$100.00) shall be a sufficient amount. This covenant shall~~

~~be independent, severable, and enforceable, and in addition to all other rights or remedies which Franchisor may have.~~

~~25.3. If a court of competent jurisdiction determines that these provisions are unlawful in any way, such court shall modify or interpret them to the minimum extent necessary to have them comply with the law. All issues relating to arbitrability or the enforcement of the agreement to arbitrate contained herein shall be governed by the United States Arbitration Act (9 U.S.C. §1, *et seq.*) and the federal common law of arbitration.~~

~~These arbitration provisions shall be deemed to be self-executing and shall remain in full force and effect after expiration or termination of this Agreement.~~

26. RELATIONSHIP OF PARTIES

26.1. This Agreement does not create any agency, employment, joint venture, partnership, or fiduciary relationship between the parties. The business to be operated by Franchisee pursuant to this Agreement or any other of Franchisee's businesses is separate and apart from any which may be operated by Franchisor. Franchisee is an independent contractor and is not authorized to make any contract, agreement, warranty, or representation on behalf of Franchisor, or to create any obligation, express or implied, on behalf of Franchisor. Franchisee shall not make any contract, agreement, warranty, or representation on behalf of Franchisor or commit any act which may adversely affect any right or be detrimental to the good name and reputation of Franchisor, Village Inn Restaurants, or other franchisees of Franchisor or its affiliates. Franchisee shall indemnify, defend (with attorneys reasonably acceptable to Franchisor), and hold harmless Franchisor against all Losses and Expenses and Proceedings arising from Franchisee's breach of this provision.

26.2. Franchisee shall identify itself in all dealings with customers, vendors, public officials, employees, and others as the owner of the Licensed Location under a franchise granted by Franchisor. Should it ever be asserted that Franchisor is the employer, joint employer or co-employer of any of Franchisee's or Franchisee's affiliate's employees, Franchisee irrevocably agrees to timely respond to such assertions, including by providing the contents of Subsection 10.2(j) of the Agreement. If such assertions occur in the context of any private or government investigation, action, proceeding, arbitration, or other legal setting, Franchisee irrevocably agrees to provide honest, truthful, and accurate information about the nature of the relationship between the parties, including (if necessary) appearing at any venue requested by Franchisor to testify about such issues (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits to provide honest, truthful, and accurate information regarding any allegation that Franchisor is the employer, joint employer or co-employer of any of Franchisee's or Franchisee's affiliates' employees).

26.3. Franchisee shall place such other notices of independent ownership on forms, business cards, checks, stationery, advertising, and other materials as Franchisor may require from time to time. Franchisee may file and renew (if required) the name, "Village Inn," under a certificate of Business Under Fictitious name (or equivalent) in accordance with the then applicable laws of the jurisdiction of the Licensed Location. However, such registration must indicate the corporate or legal name followed by "doing business as Village Inn Restaurant."

Franchisee shall not use the words “Village Inn,” “VI BrandCo”, or “Franchisor,” in whole or in part, or in any derivative form, in its legal or corporate name.

27. FRANCHISEE ORGANIZATION

Franchisee represents, warrants, and covenants that all direct, indirect, legal, or beneficial ownership interests (“Interests”) in Franchisee are as set forth on Appendix A attached hereto and incorporated herein by reference, that no Interest has been pledged or hypothecated, and no change will be made in such Interests other than as permitted by this Agreement. Franchisee agrees to furnish to Franchisor such evidence as Franchisor may request from time to time, for the purpose of assuring Franchisor that the Interests of Franchisee remain as represented herein.

28. CONDEMNATION AND CASUALTY

28.1. Franchisee shall immediately notify Franchisor in writing of any proposed taking of any portion of the Licensed Location by a governmental branch or agency, or other empowered authority. To the extent that the taking is such that Franchisee cannot efficiently and economically operate a Village Inn Restaurant on the remainder of the premises, as determined by Franchisor, then Franchisee shall be allowed to (i) relocate the Restaurant, within one (1) year of the taking, to a new location within the ~~Franchised Area~~ territory, if applicable, subject to approval by Franchisor, including but not limited to any remodel plans fee; or (ii) terminate this Agreement as of the effective date of the taking. In the event the Restaurant is relocated as provided in (i) above, all terms and conditions of this Agreement will govern that location without change or modification, including all references to the ~~Franchised Area~~ territory, if applicable, meaning the ~~Franchised Area~~ territory, if applicable, defined with respect to the original Licensed Location.

28.2. If the Licensed Location is damaged by fire or other casualty, Franchisee shall promptly repair the damage in accordance with Franchisor’s specifications and reopen the Restaurant as soon as reasonably practicable.

28.3. Nothing in this Article shall be construed as extending the term of this Agreement due to the closure of the Restaurant as the result of a public taking or casualty loss.

29. OTHER PROVISIONS

29.1. If any of the provisions of this Agreement violate or contravene any law, it shall be deemed severable and the remainder shall be in full force and effect unless such provision pertains to the payment of fees, the Marks, or trade secrets, in which case this Agreement shall terminate at Franchisor’s option upon written notice to Franchisee. The failure of either party to exercise or enforce, at any time, or for any period of time, any of the provisions of this Agreement, shall not be construed as a waiver of such provision or the right of such party to exercise or enforce it at a later date. Furthermore, Franchisor’s acceptance of Royalty or any other agreed or lawful charge shall not be deemed a waiver of any breach by Franchisee of any provision of this Agreement, regardless of Franchisor’s knowledge of such breach at the time of acceptance and any legend, protest, or notice to the contrary placed on the check or transmittal letter for such fee or charge.

29.2. This Agreement supersedes all oral and prior written agreements, representations, and arrangements between the parties regarding the Village Inn franchise for the Licensed

Location. All rights which the parties may have had under such prior written or oral agreements, if any, are canceled. Furthermore, there are no agreements between the parties superseding any of the provisions of this Agreement. No modifications of this Agreement shall be effective except those in writing hereafter made and signed by both parties.

29.3. The parties agree that there are no representations or warranties other than those set forth herein. Franchisee acknowledges that no officer, employee, independent contractor, or agent of Franchisor has any authority to make any representation or promise not contained in this Agreement, and Franchisee agrees that it has executed this Agreement without reliance upon any other representation or promise.

29.4. Subject to applicable state or federal statute, Franchisor and Franchisee agree that any legal action (whether for arbitration, damages, injunctive, equitable, or other relief, including, but not limited to, rescission) to enforce any liability or obligation of the other arising from this Agreement or otherwise must be commenced within the later of (i) one year after the date of discovery of the facts resulting in such alleged liability or obligation or (ii) two years after the date of the first act or omission giving rise to such alleged liability or obligation, **except** such limitations shall not apply in the event of Franchisor's collection of any unpaid Royalties, Marketing Fee, Early Termination Damages and/or any other amount due to Franchisor or Franchisor's affiliate(s).

29.5. If any proceeding is brought by or against Franchisor for the purpose of enforcing, interpreting, or preventing the breach of this Agreement, whether by arbitration, judicial, or quasi-judicial action or otherwise, the prevailing party shall be awarded reasonable attorneys' fees, costs, and expenses in addition to all other relief. In any proceeding involving more than one claim where neither party prevails on all of the claims, the presiding authority (judge, arbitrator, etc.) shall apportion the costs, expenses, and reasonable attorneys' fees between the parties. The term, "attorneys' fees," means all related legal fees incurred, including, without limitation, legal fees incurred prior to, in preparation for, or in contemplation of the filing of any written demand or claim, action, hearing, or proceeding, and in all appellate proceedings, and all paralegal fees.

29.6. Except as specifically provided elsewhere in this Agreement, this Franchise Agreement shall be governed by the Lanham Act and the laws of the state in which the Restaurant is located, irrespective of any conflict of laws. The parties agree that any dispute not subject to arbitration under Article 25 shall be litigated in the laws of the State where the Franchised Business is located~~any state or federal district court in Hennepin County, Minnesota, unless the franchise laws in the state where the Restaurant is located prohibit such agreement and require that the dispute be heard solely in its state, in which event the dispute shall be heard in the largest city in that state.~~ Nothing in this Section 29.6 is intended by the parties to subject this Agreement to any franchise, business opportunity, antitrust, consumer protection, or similar law, rule, or regulation to which this Agreement would not otherwise be subject. Further, the parties agree that any state law or regulation applicable to the offer or sale of franchises or the franchise relationship will not apply unless the jurisdictional provisions are independently met.

29.7. **Except as otherwise provided in this Agreement, the parties waive, to the fullest extent permitted by law, any right or claim to any punitive, exemplary, or multiple damages against the other and agree that, in the event of a dispute between them, each shall be limited to the recovery of actual damages sustained by it and any claim to liquidated**

**ADDENDUM TO VI BRANDCO, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA**

The VI BrandCo, LLC Franchise Agreement between _____ (“Franchise Owner” or “You”) and VI BrandCo, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Franchise Agreement (the “Addendum”):

CALIFORNIA LAW MODIFICATIONS

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code §1671, certain liquidated damages clauses are unenforceable.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires binding arbitration. The arbitration will occur in ~~the State where the Franchised Business is located Minneapolis, Minnesota~~ with the cost being borne by the parties as determined by the arbitrator. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i)

**ADDENDUM TO VI BRANDCO, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

The VI BrandCo, LLC Franchise Agreement between _____ (“Franchise Owner” or “You”) and VI BrandCo, LLC (“Franchisor”) dated _____ (the “Franchise Agreement”) shall be amended by the addition of the following language, which shall be considered an integral part of the Franchise Agreement (the “Addendum”):

MARYLAND LAW MODIFICATIONS

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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.

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

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

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

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

- 7. Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
- 8. Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
- 9. Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
- 10. Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
- 11. Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
- 12. Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
- 13. Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
- 14. Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

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

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

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____, 20____.

**ADDENDUM TO VI BRANDCO, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON**

The VI BrandCo, LLC Franchise Agreement between _____
 (“Franchise Owner” or “You”) and VI BrandCo, LLC (“Franchisor”) dated _____
 (the “Franchise Agreement”) shall be amended by the addition of the following language, which
 shall be considered an integral part of the Franchise Agreement (the “Addendum”):

WASHINGTON LAW MODIFICATIONS

1. ~~The Director of the Washington Department of Financial Institutions requires that certain provisions contained in franchise documents be amended to be consistent with Washington law, including the Washington Franchise Investment Protection Act, WA Rev. Code §§ 19.100.010 to 19.100.940 (1991). To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:~~

- a. ~~In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.~~
- b. ~~RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.~~
- c. ~~In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.~~
- d. ~~A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.~~
- e. ~~Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.~~
- f. ~~Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.~~
- g. ~~RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~

~~2. 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.~~

~~The undersigned does hereby acknowledge receipt of this Addendum.~~

VI BrandCo, LLC (“FRANCHISOR”)

By: _____
Title: _____
Date: _____

(“FRANCHISE OWNER”)

By: _____
Title: _____
Date: _____

Exhibit A-2

**Asset Purchase Agreement (For Sale of a Corporate store to a franchisee) with Promissory
Note and Security agreement and Guaranty (if applicable)**

Exhibit A-3
Sublease

Exhibit C

Franchisees of Village Inn Restaurants

The following is a list of franchisees as of November 30, ~~2024~~2025:

Franchise Company	Owners	Address	City	State	Zip	Phone
Sunny Side Up North LLC	Doug Foster	1130 E Northern Lights Blvd	Anchorage	AK	99508	9072796012
Sherwood Hospitality Group, LLC	Paul Walker,James Walker	3364 N College Ave	Fayetteville	AR	72703	4795211880
Sherwood Hospitality Group, LLC	Paul Walker,James Walker	2300 SE Walton Blvd	Bentonville	AR	72712	4794640777
Sherwood Hospitality Group, LLC	Paul Walker,James Walker	7620 Rogers Ave	Fort Smith	AR	72903	4794527007
WALKER-DSC/CAPQ, LLC	Paul Walker,James Walker	4040 East Bell Road	Phoenix	AZ	85032	6027650458
WALKER-DSC/CAPQ, LLC	Paul Walker,James Walker	10010 West McDowell Road	Avondale	AZ	85323	6234780895
WALKER-DSC/CAPQ, LLC	Paul Walker,James Walker	2780 E. Germann Rd.	Chandler	AZ	85286	4808558250
WALKER-DSC/CAPQ, LLC	James Walker,Paul Walker	1863 S. Signal Butte Road	Mesa	AZ	85209	4803574444
WALKER-DSC/CAPQ, LLC	Paul Walker,James Walker	9560 E. 22nd Street	Tucson	AZ	85716	5208868100
Family Restaurants INC	Mark Hampton	1910 North Ave	Grand Junction	CO	81501	9702435467
ARCHCO of Greeley - Centerplace LLC	Dana Deuel,Brian Bau,Linda Bau	4318 Centerplace Drive	Greeley	CO	80634	9703535187
ARCHCO of Loveland LLC	Brian Bau,Linda Bau,Dana Deuel	1225 W Eisenhower Blvd	Loveland	CO	80537	
WALKER-DSC/CAPQ, LLC	Paul Walker,James Walker	535 Garden of the Gods Rd.	Colorado Springs	CO	80907	7195985331
Family Restaurants INC	Mark Hampton	102 W 6th St	Glenwood Springs	CO	81601	9709459275
ARCHCO of Sterling LLC	Brian Bau,Linda Bau,Dana Deuel	203 N Fourth St	Sterling	CO	80751	9705224882
WALKER-DSC/CAPQ, LLC	James Walker,Paul Walker	15200 East Iliff Ave.	Aurora	CO	80014	3037508288
ARCHCO of La Junta LLC	Brian Bau,Linda Bau,Dana Deuel	5 Wal-Mart Wy-use PO Box	La Junta	CO	81050	7193841084

Verlander Enterprises, LLC	James Welsh (Jim), John M. Verlander (Mike)	2929 N Mesa St.	El Paso	TX	79902	9155440229
Verlander Enterprises, LLC	John M. Verlander (Mike), James Welsh (Jim)	3464 Joe Battle Blvd	El Paso	TX	79938	
WALKER-DSC/CAPQ, LLC	James Walker, Paul Walker	5941 South State St.	Murray	UT	84107	8012681292
WALKER-DSC/CAPQ, LLC	Paul Walker, James Walker	933 South University Avenue	Provo	UT	84606	8013733037
WALKER-DSC/CAPQ, LLC	James Walker, Paul Walker	4824 W 3500 S	West Valley City	UT	84120	8019692288
WALKER-DSC/CAPQ, LLC	Paul Walker, James Walker	11454 South District Drive	South Jordan	UT	84095	8014955990
Dow Sherwood Corporation	James Walker, Paul Walker	313 Independence Blvd	Virginia Beach	VA	23462	7574995557
Quintana Investments, Inc.	Anthony Quintana, Deborah Quintana	31711 Pacific Hwy S	Federal Way	WA	98003	
ARCHCO of Cheyenne LLC	Brian Bau, Linda Bau, Dana Deuel	411 E 16th St	Cheyenne	WY	82001	
Lindsey Miller and Edward Ryan Arthur	Lindsey Miller, Edward 'Ryan' Arthur	1840 E Richards St	Douglas	WY	82633	3073585600

Former Franchisees

The following is a list of franchisees who had a Village Inn Restaurant terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the 2025⁵⁴ fiscal year, or who have not communicated with us within 10 weeks of this disclosure document's issuance date:

Company Name	Owner Names	City	State	Phone
WALKER-DSC/CAPQ, LLC	James Walker, Paul Walker	Tampa	FL	813-488-5036
WALKER-DSC/CAPQ, LLC	Paul Walker	Tampa	FL	813-488-5036
WALKER-DSC/CAPQ, LLC	Paul Walker	Tampa	FL	813-488-5036
WALKER-DSC/CAPQ, LLC	Paul Walker	Tampa	FL	813-488-5036
TBD	Lloyd 'Danny' Lehan	Saint Petersburg	FL	(727) 385-8917

The following is a list of franchisees who had a Village Inn Restaurant transfer under the Franchise Agreement during the ~~2024~~2025 fiscal year:

Company Name	Owner Names	City	State	Email
Wanigan Corporation	John Oberstar,Johnny Snidarich,Lyle Johansen	Eveleth,Stacey,Virginia	MN	2189941070,2189941724,6512496808
Wyoming Restaurants Incorporated	John Oberstar,Johnny Snidarich,Lyle Johansen	Eveleth,Stacey,Virginia	MN	2189941070,2189941724,6512496808
VI Riverview LLC	Lloyd 'Danny' Lehan	Saint Petersburg	FL	(727) 385-8917

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

Item 5 is supplemented by the addition of the following language:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

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.

The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

**WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,
THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

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

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

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

~~In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.~~

~~RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.~~

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

~~A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.~~

~~Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.~~

~~Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted~~

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

~~RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~

~~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.~~

RECEIPT

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

In Iowa and New York, VI BrandCo, LLC must give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. In Michigan, VI BrandCo, LLC give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If VI BrandCo, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement, or a material omission, we may have committed a violation of federal or state law which you should report to the Federal Trade Commission, Washington, D.C. 20580 or the appropriate state agency listed in Exhibit F.

The name(s), address(es) and telephone number(s) of the franchise seller(s) is(are):

_____.

Date of Issuance: March 27~~8~~, 202~~6~~~~5~~, as amended October 10, 2025.

The name and address of our registered agent authorized to receive service of process is shown in Exhibit G.

I have received a Village Inn Franchise Disclosure Document dated March 27~~8~~, 202~~6~~~~5~~, as amended October 10, 2025. This Disclosure Document includes the following Exhibits:

Exhibit A	Franchise Agreement
Exhibit A-2	<u>Asset Purchase Agreement (For Sale of a Corporate Store to a franchisee) with Promissory Note and Security Agreement and Guaranty (if applicable)</u>
Exhibit A-3	<u>Sublease</u>
Exhibit B	Intentionally Omitted
Exhibit C	Franchisees of Village Inn Restaurants/Franchisees That Have Left the System
Exhibit D-1	Financial Statements
Exhibit D-2	Guarantee of Performance
Exhibit E	ACH Fund Transfer Authorization
Exhibit F	State Administrators
Exhibit G	Agents for Service of Process
Exhibit H	State Addenda to Disclosure Document

PROSPECTIVE FRANCHISEE:

PROSPECTIVE FRANCHISEE:

Print Name: _____

Print Name: _____

Date: _____

Date: _____

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- Exhibit H State Addenda to Disclosure Document

PROSPECTIVE FRANCHISEE:

PROSPECTIVE FRANCHISEE:

Print Name: _____

Print Name: _____