

Holdings, Inc., Lee Equity Partners LLC, John D. Barr, Ken Calwell, Thomas H. Lee, Yoo Jin Kim, Benjamin Hochberg, John D. Schafer, Achi Yaffe, Janet Pirus, Victoria Blackwell, Gail Lawson, Dan Harmon, Scott Mullen, Jayson Tipp, Kevin King, Stephen Maeker, Steve Millard, Steve Figiola; Washington Superior Court, Clark County, Case No. 14-2-00904-0.

and

Mitch and Kristen Brink, Brink Holdings Inc., Angela Buchanan, Tim Forester, Z-Axis, Inc., Heather and Gary Nychyk, Bar N Pizza, LLC, John DeMattia, DeMattia LLC, a Texas Limited Liability Company, Harry and Terry Olson, Hot Pizza Inc., Steven Pyatt, Craig Braun, David Mraz, JIM LLC, Philip and Maria Ahn Wilson, Papa South, LLC, Steven and Holly Mead, Thomas Lance, PMG Tampa, LLC, Ilya and Chantal Rubin, Pie in the Sky LLC, Joanna and Glenn Patcha, Alchemy Foods LLC, Ian Hasinoff and Susan Lorimer, Eddrachillis LLC, Cole Kilen, Eye on the Pie LLC, Ann and Harvey Callegan, Just for Fun, LLC, Eugene and Joy Hill, Conn, Edward Turnbull, Turnbull Restaurant Group LP, Turnbull Restaurant Group GP, Conn, LLC, Loralie and Trey Bennett, Pizza Revolution of Fort Walton Beach LLC, Pizza Revolution of Panama City LLC, Pizza Revolution at Tyndall LLC, Steven Terry, Matthew and Cindy Terry, Alice and Douglas Worthington, Thomas Stephenson, Make Dough Enterprises Inc., Jared Richardson, Russell Crader, and Red Rust, LLC, v. Papa Murphy's International LLC, Papa Murphy's Company Stores, Inc., PMI Holdings Inc., Papa Murphy's Intermediate Inc., Murphy's Holdings, Inc., Lee Equity Partners LLC, John D. Barr, Ken Calwell, Thomas H. Lee, , Yoo Jin Kim, Benjamin Hochberg, John D. Schafer, Achi Yaffe, Janet Pirus, Victoria Blackwell, Gail Lawson, Dan Harmon, Scott Mullen, Jayson Tipp, Kevin King, Stephen Maeker, Steve Millard, Steve Figiola; Washington Superior Court, Clark County, Case No. 14-2-01743-3.

These two related actions were commenced in April 2014 and June 2014, respectively, by separate groups of current and former franchisees against us, certain members of our board of managers and executive team, and others in Washington Superior Court (Clark County), alleging misrepresentations involving financial performance representations in ITEM 19 of the franchise disclosure document the franchisees' local marketing obligations, among other things, and brought claims for violation of the Washington Franchise Investment Protection Act ("WFIPA"), fraud, negligent misrepresentation and breach of contract. These two actions were consolidated in September 2014 under Case Number 14-2-00904-0.

Each of the plaintiff groups entered into settlements with Papa Murphy's in which they dismissed all of their claims against defendants with prejudice and the action was dismissed in June 2020. The settlements are as follows: (1) one plaintiff group dismissed its claims against Papa Murphy's for no consideration; (2) two plaintiff groups agreed to pay amounts ranging from \$5,000 to \$8,000 to Papa Murphy's and remained in the system; (3) Papa Murphy's agreed to pay one plaintiff group's advertising costs for one year, agreed to allow the franchisee to develop an additional franchise, and agreed to return the franchisee's initial development fee of \$10,000; (4) another plaintiff group agreed to remain in the system in exchange for Papa Murphy's paying 3.8% of the franchisees' sales towards local advertising for a period of two years and extending the franchise agreement's term for an additional ten years; (5) Papa Murphy's settled with fifteen different plaintiff groups and paid amounts ranging from \$10,000 per group to \$4 million per group; (6) Papa Murphy's agreed to purchase one plaintiff group's nine Papa Murphy's stores at an agreed upon value of the stores' assets plus \$500,000; and (7) Papa Murphy's agreed to purchase seven plaintiff groups' Papa Murphy's stores at an agreed upon value of the stores' assets.

*Rob & Bud's Pizza, LLC v. Papa Murphy's International, Inc. and Papa Murphy's International, LLC*; United States District Court for the Western District of Washington, Case No. 5:15-cv-05090-TLB.

In spring 2015, Papa Murphy's sent a notice of default to plaintiff for alleged defaults under the plaintiff's franchise agreements. In response, on April 17, 2015, the plaintiff brought an action seeking a declaratory judgment and injunction preventing Papa Murphy's from terminating the franchises. The plaintiff subsequently added claims in the case alleging that Papa Murphy's tortiously interfered with the plaintiff's employees and negligence in how Papa Murphy's handled the plaintiff's customer database, and sought compensatory damages, punitive damages and costs in an unspecified amount. The plaintiff was also a plaintiff in the LMP case described above. The case was dismissed with prejudice as part of a settlement with plaintiff in this case and the LMP case under which Papa Murphy's purchased plaintiff's nine Papa Murphy's stores at an agreed upon value of the stores' assets plus \$500,000.

**PUBLIC AGENCY ACTIONS AGAINST  
MTY USA, AFFILIATES AND/OR THEIR PREDECESSORS**

**Concluded State Administrative Actions Involving SFF, L.L.C., successor in interest to SweetFrog Enterprises, L.L.C.**

*In the Matter of SweetFrog Enterprises, L.L.C. f.k.a. Imagination Enterprises, Inc., d/b/a Sweet Frog*, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2012-0055.

As a result of an inquiry into the franchise related activities of SweetFrog Enterprises, L.L.C., ("SFE") the Maryland Securities Commissioner ("Commissioner") concluded that grounds existed to allege that SFE violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of certain license agreements. SFE acknowledged that those license agreements constituted franchises as defined under the Maryland Franchise Law. SFE represented that it entered into license agreements with eight Maryland licensees during the time it was not registered to offer and sell franchises in Maryland. On August 29, 2012, the Commissioner and SFE agreed to enter into a consent order whereby SFE, without admitting or denying any violations of the law, agreed to: (i) immediately and permanently cease from the offer and sale of franchises in violation of the Maryland Franchise Law; (ii) file and diligently pursue an application for an initial franchise registration in Maryland relating to the license agreements it offered and sold to Maryland licensees; and (iii) to offer to rescind the license agreements of all Maryland licensees to whom it sold unregistered franchises. We are not aware of any licensees that accepted the rescission and have made a good faith effort to obtain that information.

**Concluded State Administrative Actions Involving Predecessor Blimpie Associates, Ltd.**

In May 1992, Blimpie Associates, Ltd. ("Blimpie") and Joseph Dornbush (formerly the President of Blimpie) (collectively "Respondents") responded to a claim by the New York Department of Law that it had sold franchises during a period of time when Blimpie's prospectus had not been updated by amendment. Without the admission of any wrongdoing, Respondents consented to the entry of an order in which Respondents agreed: (i) to entry of a judgment enjoining them from further violations of the New York Franchise Sales Act; and (ii) to pay the sum of \$18,000 to the State of New York as an additional allowance. Respondents paid the \$18,000 in May 1992 and executed the consent judgment on August 25, 1992.

**Concluded State Administrative Actions Involving Maui Wowi Franchising, Inc., predecessor in interest to Kahala Franchising, L.L.C.**

In the Matter of Maui Wowi Franchising, Inc., Before the Securities Commissioner of Maryland, Case No. 2005-0651.

On November 11, 2005, Maui Wowi Franchising, Inc., the predecessor franchisor of the Maui Wowi brand (“MWF”), entered into a Consent Order with the Securities Commissioner of Maryland (“Commissioner”) resulting from MWF inadvertently entering into four franchise agreements with Maryland residents after its registration in Maryland expired on June 9, 2004 (“Maryland Franchisees”). The Consent Order required MWF to cease and desist from the offer and sale of unregistered franchises in Maryland; to diligently pursue the completion of its then pending application; to register its Offering Circular in Maryland; to develop and implement new franchise law compliance procedures to ensure future compliance with the registration and disclosure provisions of Maryland Franchise Law; and to enroll an officer and a franchise compliance person in a franchise law compliance training program. Upon notification by the Commissioner, MWF sent to the Maryland Franchisees the registered Offering Circular, a copy of the Consent Order, and a letter notifying the Maryland Franchisees that they could rescind their franchise agreements. At this time, MWF is in full compliance with the Consent Order.

In the Matter of Maui Wowi Franchising, Inc., Before the Securities Commissioner of Maryland, Case No. 2007-0194.

On September 12, 2007, “MWF” entered into a Consent Order with the Maryland Commissioner resulting from MWF inadvertently entering into two franchise agreements with two Maryland residents (“Second Maryland Franchisees”) without delivering to them the appropriate Offering Circular. MWF was registered in the State of Maryland at the time of the offer and sale with an Offering Circular containing certain specific information required only by Maryland law. At the same time, MWF used a second form of Offering Circular in other states that did not contain all of the information required by Maryland law. Prior to the execution of the franchise agreements with the Second Maryland Franchisees, MWF accidentally delivered to them the Offering Circular that did not contain the Maryland-specific information. We subsequently reported these mistakes to the Commissioner. The Consent Order required MWF to cease and desist from the offer and sale of franchises in Maryland in violation of the Maryland Franchise Law; to diligently pursue the completion of its then pending application to register its Offering Circular in Maryland; to implement additional compliance measures to ensure future compliance with the Maryland Franchise Law; to employ an approved franchise law compliance training program or trainer to monitor MWF’s franchise activities in Maryland for two years; and to reimburse the Maryland Attorney General for its investigation and resolution costs in the total amount of \$2,500. Additionally, MWF was required to provide to the Second Maryland Franchisees the registered Offering Circular, a copy of the Consent Order, and a letter notifying the Second Maryland Franchisees that they have a right to rescind their franchise agreements. The Commissioner and MWF subsequently entered into an Amended Consent Order in which MWF elected to withdraw from the State of Maryland instead of employing a compliance monitor, with the agreement to employ a monitor if MWF was to re-register in the State of Maryland. MWF fully complied with the Amended Consent Order, and subsequently employed a compliance monitor and was granted registration in the State of Maryland.

**Concluded State Administrative Actions, Arbitration, and Litigation Involving BF Acquisition Holdings, L.L.C. and/or its predecessors**

*State of Maryland Determination; Case Number 2012-0073.*

In February 2012, the State of Maryland alleged that during the period January 1, 2009 to November 26, 2009, Triune, LLC ("Triune"): (i) did not retain signed acknowledgements of receipt reflecting the dates that its Franchise Disclosure Document was delivered to certain Maryland residents and non-residents; (ii) sold franchises to certain Maryland residents and non-residents without providing them with a copy of a 2009 Franchise Disclosure Document; (iii) sold 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 through November 30, 2025**

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. 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.

Other than these actions, no litigation is required to be disclosed in this Item.

#### **ITEM 4: BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

#### **ITEM 5: INITIAL FEES**

The Initial Franchise Fee for a single unit The Counter restaurant franchise is \$35,000. 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. The Initial Franchise Fee for a non-traditional restaurant is \$25,000. It is payable in full when you sign the Franchise Agreement and is non-refundable.

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.

The initial fees to be paid to us and/or our affiliate(s) before the franchisee’s business opens are indicated on the chart below and in the notes to the chart. The initial fees to be paid to us and/or our affiliate(s) before the franchisee’s business opens are the total of the Initial Franchise Fee, Grand Opening Marketing, lease review fee (if any), lease guarantee fee (if any), site review report fee, the cost of uniforms, logoed merchandise, marketing materials, and guest table and ordering supplies, and 50% of the estimated Opening Team Expenses, and ranges from \$41,000 to \$99,500 for a traditional location, and from \$40,000 to \$84,500 for a non-traditional location.

#### Opening Team Expenses

You will reimburse The Counter 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 The Counter 50% of the estimated Opening Team Expenses for your Restaurant, which The Counter 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, The Counter 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

You will pay to Franchisor the then-current Site Review Report Fee after Franchisor prepares a site review report and issue a “no brand standard 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.

There are no refunds of the Initial Franchise Fee under any circumstances. We may periodically reduce the Initial Franchise Fee in connection with limited time promotions, new concepts and/or operational programs. We may vary the terms of our franchises in connection with testing new marketing, branding and/or operational programs. These tests are generally conducted with experienced, existing franchisees and may include incentives and other rights which are not available to all franchisees. If you sign the Franchise Agreement in connection with a transfer or renewal, you will not pay the Initial Franchise Fee.

We may offer you the option to purchase a license to sell additional signature products in your The Counter restaurant and to use the signature products trademark(s) as signature products are developed. We estimate that the fees associated with acquiring license(s) to sell additional products will be between \$2,500 and \$5,000 although these license fees may be modified from time to time.

Category	Amount	Method of Payment	Due Date	To Whom Pmt. Is Made
Initial Franchise Fee – Traditional Location	\$35,000 (reduced to \$28,000 for Eligible Military and 501(c)(3))	Lump Sum	Signing of the Franchise Agreement	Us (Note 1)
Initial Franchise Fee – second Traditional Location	\$25,000 (reduced to \$20,000 for Eligible Military and 501(c)(3))	Lump Sum	Signing of the Franchise Agreement	Us (Note 1)
Initial Franchise Fee third – Traditional Location and each afterward	\$20,000 (reduced to \$16,000 for Eligible Military and 501(c)(3))	Lump Sum	Signing of the Franchise Agreement	Us (Note 1)
Initial Franchise Fee – Non-Traditional Location	\$25,000 (reduced to \$20,000 for Eligible Military and 501(c)(3))	Lump Sum	Signing of the Franchise Agreement	Us (Note 1)
Grand Opening Marketing	\$10,000 for a traditional store or \$5,000 for a non-traditional store (Note 4)	Lump Sum	Earlier of; prior to execution of a lease or prior to construction of premise	Us or our affiliate (Note 1)

Opening Team Expenses	\$10,000 to \$50,000 (1)	Two Installments	50% prior to Opening Team's arrival, balance after Opening Team's Arrival	Us or our affiliate
Site Review Report Fee	\$1,000 to \$5,000	Lump Sum	After Franchisor prepares a site review report and issue a "no brand standard objection" letter for the proposed site	Us or our affiliate
Lease Guarantee Fee (optional)	10% of the total amount guaranteed, up to a maximum payment of \$10,000 (if applicable) (Note 2)	Lump Sum	Signing of the lease guarantee agreement (if applicable)	MTY USA or its affiliate who guarantees the lease (Note 1)
Lease Review Fee (optional)	\$0 to \$2,500 (Note 3)	Lump Sum	When you request review by Kahala Management's real estate department	MTY USA or its affiliate (Note 1)
Uniforms, logoed merchandise, marketing materials, and guest table and ordering supplies	\$9,000 to \$12,000	Lump Sum	When invoiced	Neptune Equipment (Note 1)

Notes:

(1) There are no refunds under any circumstances. MTY USA does not offer any financing of the Initial Franchise Fee. We may periodically reduce the Initial Franchise Fee in connection with limited time promotions, new concepts and/or operational programs.

(2) If, after a request by you, MTY USA or any of its affiliates agree, in their sole and absolute discretion, to guarantee your lease with the applicable third party landlord for the, The Counter restaurant you are developing, you will pay MTY USA or its affiliate a lease guarantee fee in the amount of 10% of the total amount of the rental obligations being guaranteed under the lease upon the execution of the lease and associated guarantee with the third party landlord, up to a maximum payment of \$10,000. This fee is not refundable (See **Exhibit M: Lease Guaranty Acknowledgement**).

(3) If, prior to executing the lease, you request MTY USA or its affiliate's real estate department review your lease and provide suggested changes to you, a \$2,500 lease review fee shall be paid by you to MTY USA or its affiliate ("Lease Review Fee") upon your request to MTY USA real estate department. The Lease Review Fee is non-refundable. This is an optional service, with the determination of whether to utilize MTY USA or its affiliate's real estate department to be made in your sole discretion.

(4) 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 and we received your reimbursement request within six (6) months from the opening of your Franchised Business to the public. 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, 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 National Advertising Fund.

#### **ITEM 6: OTHER FEES**

All of the following continuing fees are payable under the Franchise Agreement:

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount	Due Date	Remarks
Royalty Fee and Surcharge for Traditional and Non-Traditional locations (Notes 1 and 9)	Royalty Fee is 6% of total weekly Gross Sales. Surcharge is a maximum of \$10 per week in addition to the Royalty Fee.  (Note 2)	Withdrawn electronically from your Depository Account each Tuesday  (Note 3)	"Gross Sales" include all revenue from the Franchised Business excluding sales tax and authorized refunds, credits and allowances.
Advertising Fees  (Note 1)	Up to 3% of weekly Gross Sales	Same as Royalty Fee (Note 3)	Currently, Advertising Fee is 1% of weekly Gross Sales, which goes to the Advertising Fund (Note 4).

Additional Persons Training Fee (Note 1)	\$1,750 per person (\$1000 per person for the In-Store portion of the Training Program, and \$750 per person for the New Owner Training portion of the Training Program)	2 weeks prior to beginning of training	The training of three individuals is included in the Initial Franchise Fee. The Additional Persons Training Fee is for any additional persons who attend the Training Program.
Additional Training Fee (Note 1)	\$250 per person per day	At time of training	Payable if we require or you request additional training after attending the Training Program.
Annual Meeting Registration Fee (Notes 1 and 5)	Up to \$1,000 plus incidental costs to attend	60-90 days prior to the Meeting	We will debit your Depository Account for this fee, which is non-refundable. This fee is charged to all franchisees whether or not they attend the Meeting.
Depository Account	\$3,000 (must be replenished on a regular basis)	Signing of Franchise Agreement	(Note 3)
Technology Fee	Standard Service \$100/hr (billed in 15 minute increments)	Payable by automatic debit together with and for the same period as the Royalty Fee.	These charges are for location specific programming solutions. We may modify the program at anytime.
Data Fees (Notes 1 and 6)	Up to \$250 per month (Subject to reasonable annual and/or service enhancement increases)	Same as Royalty	Fee for collecting or polling data from your POS System

Guest Loyalty The Counter Note (6)	\$65.00 per month	Payable by automatic debit together with and for the same period as the Royalty Fee.	<p>We pay all administrative and monthly fees associated with the loyalty platform for all locations, subject to reimbursement.</p> <p>Supply Costs and Shipping costs are based on the individual location usage and recent printing costs. (Current costs are \$192.30/500 Counter Points, \$106.84/500 Counter Points Card Holders, and \$40.97/75 Caddy Wraps).</p> <p>We may modify the program at any time.</p>
OLO Online Ordering	\$85.00 per month per location plus tax where applicable. Plus delivery fees	Payable by automatic debit together with and for the same period as Royalty Fee.	All locations must participate in the online ordering platform. We may modify the program at any time.
Food Safety Audit	Quarterly Food Inspection	As Incurred	\$155 per audit, billed to franchisee if the inspection is not passed with 90 score or above audit will continue every two weeks until 90 score is reach
Renewal Franchise Fee (Note 1)	50% of the then-current Initial Franchise Fee not including any discounts or reductions	Signing of new Franchise Agreement at renewal	Applicable if you are renewing your Franchise Agreement.
Transfer Franchise Fee – traditional and non-traditional locations (Note 1)	\$12,500	Prior to completion of transfer	Payable if you are purchasing your Franchised Business as a result of a full transfer. A full transfer is, including, but not limited to, a transfer of 50% or more ownership or control.
Relocation Fee (Note 1)	\$500	At signing of relocation amendment to	Payable if we approve the relocation of your store.