

Appendix 1:

Analysis of contract terms of 14 leading franchise systems

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Introduction: This appendix details the requesters' review of the contract terms of 14 leading franchise systems, which document the prevalence of one-sided provisions favoring franchisors across the systems. Below, there is excerpted contract language for each of the key contract provisions discussed in Section III of the Request for Investigation for each system that has each provision.

Methodology: The requesters reviewed the franchise agreements of the top 10 business format franchisors, by unit count. To ensure representation of significantly franchised industries not represented in the top 10, the requesters added franchise agreements for any of the top 50 franchise systems that did not make the top 10 but were either first or second in unit count among the five sectors where franchised units make the largest contribution to employment, according to the International Franchise Association. This resulted in a set of 14 franchise systems:

- 7-Eleven
- Ameriprise Financial Services
- Applebee's Neighborhood Grill & Bar
- Burger King
- Comfort Inn
- Dunkin' Donuts
- Great Clips
- Holiday Inn
- Jackson Hewitt Tax Service
- Jazzercise
- McDonald's
- Pizza Hut
- Subway
- Taco Bell

Collectively, these 14 chains comprise a total of over 94,000 franchised units, representing nearly 14 percent of the franchised units in the country.¹

¹ The 14 systems had 94,293 franchised units, according to their 2014 Franchise Disclosure Documents. This works out to 13.9 percent of the country's 679,945 franchisee-owned business-format franchise units, with that unit count according to an International Franchise Association study, *The Economic Impact of Franchised Business*, February 2011, p. I-20. <http://www.buildingopportunity.com/download/Part1.pdf>

A. Termination provisions: All 14 franchise agreements in the contract analysis contain a group of provisions that, taken together, allow franchisors to terminate franchisees virtually at will.

Specifically, all 14 contracts contain:

1. Catchall provisions that essentially allow the franchisor to terminate the franchisee for any violation of the franchise agreement. Most of the agreements include notice provisions, before termination, and two (McDonald's and Jackson Hewitt) specify that repeated violations are required in order for the franchisor to terminate. Others have no such limits on the franchisor's ability to terminate.
2. Provisions allowing termination for failure to comply with operating standards, manuals, policies and procedures.
3. Provisions allowing franchisors to modify, update or change unilaterally its manuals or policies and procedures during the term of the agreement.
4. The unrestricted right to inspect franchisee premises – usually unannounced.

In addition, 13 systems – all except Burger King – contain:

5. Provisions barring disparagement of the franchisor or franchisee conduct that reflects badly on the franchisor and the franchisor's brand.

1. Language for all 14 systems’ catchall provisions essentially allowing the franchisor to terminate the franchisee for any violation of the franchise agreement:

7-Eleven

[Termination with 45-day notice & opportunity to cure if] *you do not comply with any agreement to which you and we or our Affiliate are a party or with a master lease pertaining to the Store or 7-Eleven Equipment if a copy of the pertinent provisions of such agreement or lease has been provided to you, or with the usual and normal terms of any lease transaction we may enter into with respect to the Store or 7-Eleven Equipment...*² [Termination with 30 day-notice with opportunity to cure if:] *you otherwise commit a default under this Agreement which is susceptible of being cured or a default under any amendment which is capable of being cured and for which the amendment does not specify a notice and cure provision.*³

Ameriprise Financial Services

*...upon any other default by Independent Advisor, Ameriprise Financial may terminate this Agreement by giving written notice of termination...stating the nature of default to Independent Advisor at least thirty (30) days prior to the effective date of termination... Defaults which are susceptible of cure hereunder include the following illustrative events...If Independent Advisor fails to substantially comply with any of the requirements imposed by this Agreement.*⁴

Applebee’s Neighborhood Grill & Bar

*If Franchisee defaults in the performance or observance of any of its other obligations hereunder, such defaults continues for a period of sixty (60) days after written notice to Franchisee specifying such default, Franchisor shall have the right to terminate this Agreement upon thirty (30) days of written notice to Franchisee...*⁵

Burger King

*The following are material facts of default and shall be good cause for termination...Failure by Franchisee to comply with any other provisions of this Agreement or any other agreement with BKC relating to the Franchised Restaurant.*⁶

Comfort Inn

*If you default in your material obligations under this Agreement, we may terminate this Agreement, effective on the date stated in our notice (or the earliest date permitted by applicable law) as follows: ... (b) Other Breach. If you do not cure fully any other breach of your obligations or warranties under this Agreement, within 30 days of our written notice of default to you.*⁷

² 7-Eleven Franchise Agreement, ¶26(a)(1)(b), exhibit to the Franchise Disclosure Document 2014.

³ 7-Eleven Franchise Agreement, ¶26(a)(2)(o), exhibit to the Franchise Disclosure Document 2014.

⁴ Ameriprise Financial Services Franchise Agreement, ¶17.C(1), exhibit to the Franchise Disclosure Document 2014.

⁵ Applebee’s Neighborhood Grill & Bar Franchise Agreement, ¶19.1, exhibit to the Franchise Disclosure Document 2014.

⁶ Burger King Franchise Agreement, ¶18(A)(26), exhibit to the Franchise Disclosure Document 2014.

⁷ Comfort Inn Franchise Agreement, ¶10(b)(1)(b), exhibit to the Franchise Disclosure Document 2014.

Dunkin' Donuts

*If you commit a default referenced in section 14.2 [which covers to non-curable defaults, which are enumerated in sections 14.0.2 to 14.0.6 of the franchise agreement] or if you fail to timely cure any default that may be cured, we may terminate this Agreement.*⁸

Great Clips

*Great Clips will have the right, but not the obligation, to cancel this Agreement if...Franchisee is in breach of this Agreement...⁹ Termination upon Notice: Great Clips will have the absolute right and privilege, unless expressly prohibited by applicable law, to terminate this Agreement by providing 30 days written notice to franchisee, if (a) franchisee engages in repeated and/or continuous breaches of any provision of this Franchise Agreement or any other Franchise Agreement between the parties; or (b) franchisee commits a material breach of the Franchise Agreement which Great Clips determines cannot be cured due to the nature of the breach.*¹⁰

Holiday Inn

*In accordance with notice from Licensor to Licensee, this License will terminate (without any further notice unless required by law), provided that: (a) the notice is mailed at least 30 days (or longer, if required by law) in advance of the termination date; and (b) the notice reasonably identifies one or more breaches of the Licensee's obligations; and (c) the breach(es) are not fully remedied within the time period specified in the notice.*¹¹

Jackson Hewitt Tax Service

*We may immediately terminate this Agreement upon the occurrence of any of the following: ... you fail on three (3) separate occasions during any Reporting Year to comply with any one or more provisions of this Agreement, any Collateral Agreement or any Manual provision, regardless of whether these failures were corrected after notice..¹² [or] ...you fail to comply with any other material provision of this Agreement, any Collateral Agreement, any Manual provision applicable to the Territory, or any law or regulation pertaining to the Franchised Business within the Territory, and you do not rectify the violation within five (5) days after written notice is delivered.*¹³

Jazzercise

This Agreement shall terminate upon Franchisee's failure to cure any of the following, each of which is deemed to be "good cause": ...noncompliance with any requirement in this

⁸ Dunkin' Donuts Franchise Agreement, ¶14.6, exhibit to the Franchise Disclosure Document 2014.

⁹ Great Clips Franchise Agreement, ¶5.2(e), exhibit to the Franchise Disclosure Document 2014.

¹⁰ Great Clips Franchise Agreement, ¶16.2, exhibit to the Franchise Disclosure Document 2014.

¹¹ Holiday Inn Franchise Agreement, ¶12(B)(1), exhibit to the Franchise Disclosure Document 2014.

¹² Jackson Hewitt Tax Service Franchise Agreement, ¶19.2(k), exhibit to the Franchise Disclosure Document 2014.

¹³ Jackson Hewitt Tax Service Franchise Agreement, ¶19.2(u), exhibit to the Franchise Disclosure Document 2014.

*Agreement not listed in Subsection B above within thirty (30) days after notice thereof is delivered to Franchisee...*¹⁴

McDonald's

*If Franchisee fail in the performance of any of the terms and conditions of this Franchise (other than the performance of the terms and conditions listed in paragraph 18), Franchisee shall be guilty of a breach of this Franchise which shall not (except in the case of repeated breaches of the same or of different terms and conditions of this Franchise) constitute grounds for termination of this Franchise...*¹⁵

Pizza Hut

*[Pizza Hut] may, subject to the notice and cure provisions described below, terminate this Agreement if...Franchisee breaches any term, convent, duty or condition of this Agreement...*¹⁶

Subway

*If we give you ninety (90) days written notice, we may, at our option and without prejudice to any of our other rights or remedies provided under this Agreement, terminate this agreement if: (i) you do not substantially perform all of the terms and conditions of this Agreement not otherwise covered in Subparagraph 8.a...¹⁷ or (v) you fail to comply with your duties under this Agreement or the Operations Manual.*¹⁸

Taco Bell

*The Company shall have the right to terminate this Agreement immediately upon written notice to the franchisee: ...If the Franchisee defaults in the performance or observance of any of its other obligations hereunder or under any other franchise agreement with the Company, and such default continues for e period of thirty (30) days after written notice to the Franchisee, the Company may at any time thereafter terminate this Agreement as well as any other such franchise agreement upon written notice to the Franchisee.*¹⁹

¹⁴ Jazzercise (Class Owner) Franchise Agreement, ¶13(C)(1), exhibit to the Franchise Disclosure Document 2014.

¹⁵ McDonald's Franchise Agreement, ¶19, exhibit to the Franchise Disclosure Document 2014.

¹⁶ Pizza Hut Franchise Agreement, ¶18.2, exhibit to the Franchise Disclosure Document 2014.

¹⁷ Subway Franchise Agreement, ¶8.b.i, exhibit to the Franchise Disclosure Document 2014.

¹⁸ Subway Franchise Agreement, ¶8.b.v, exhibit to the Franchise Disclosure Document 2014.

¹⁹ Taco Bell Franchise Agreement, ¶15.0, exhibit to the Franchise Disclosure Document 2014.

2. Language for all 14 systems’ provisions allowing termination for failure to comply with operating standards, manuals, policies and procedures:

7-Eleven

[Franchisor may terminate with 30 days notice with right to cure if] *you do not comply with the 7-Eleven Foodservice Standards that we establish from time to time (including the requirement to wear uniforms).*²⁰ FA ¶16 defines the Foodservice Standards to include compliance with all relevant laws, regulation & codes, including the FDA Model Food Code – and also including “*quality standards or other reasonable operating standards that we may establish from time to time.*”²¹

Ameriprise Financial Services

*As provided in the Manuals, Independent Advisor agrees to...meet such minimum standards as Ameriprise Financial may establish from time to time in the Manuals...*²²

*To promote the highest standards of operation under the System, Ameriprise Financial has prepared Confidential Operations and Compliance Manuals ("Manual" or "Manuals")...which include, but are not limited to, manuals, bulletins, and other written policies and procedures setting forth the minimum standards including, but not limited to, Client Satisfaction, Compliance and the Code of Conduct.*²³

*[U]pon any other default by Independent Advisor, Ameriprise Financial may terminate this Agreement by giving written notice of termination...stating the nature of default to Independent Advisor at least thirty (30) days prior to the effective date of termination...Defaults which are susceptible of cure hereunder include the following illustrative events...If Independent Advisor fails to substantially comply with any of the requirements imposed by this Agreement.*²⁴

Applebee’s Neighborhood Grill & Bar

*Franchisee hereby acknowledges receipt and loan of a copy of the Manuals heretofore or hereinafter furnished to Franchisee, and agrees to faithfully, completely, and continuously perform, fulfill, observe and follow all instructions, requirements, standards, specifications, systems, and procedures contained therein, including...those relating to employee uniforms and dress, accounting, bookkeeping, record retention, and other business systems, procedures and operations...*²⁵

If Franchisee defaults in the performance or observance of any of its other obligations hereunder, such defaults continues for a period of sixty (60) days after written notice to

²⁰ 7-Eleven Franchise Agreement, ¶26(a)(2)(f), exhibit to the Franchise Disclosure Document 2014.

²¹ 7-Eleven Franchise Agreement, ¶16(a) to (e), exhibit to the Franchise Disclosure Document 2014.

²² Ameriprise Financial Services Franchise Agreement, ¶5(D)(3), exhibit to the Franchise Disclosure Document 2014.

²³ Ameriprise Financial Services Franchise Agreement, ¶9(A), exhibit to the Franchise Disclosure Document 2014.

²⁴ Ameriprise Financial Services Franchise Agreement, ¶17.C(1), exhibit to the Franchise Disclosure Document 2014.

²⁵ Applebee's Neighborhood Grill & Bar Franchise Agreement, ¶5.5, exhibit to the Franchise Disclosure Document 2014.

*Franchisee specifying such default, Franchisor shall have the right to terminate this Agreement upon thirty (30) days of written notice to Franchisee...*²⁶

Burger King

*The following are material facts of default and shall be good cause for termination: (1) Franchisee fails to operate the Franchised Restaurant in accordance with the operating standards and specifications established from time to time by BKC as to service, cleanliness, health and sanitation...*²⁷

Comfort Inn

*You will during the term...[c]omply with the requirements of this Agreement and the Rules and Regulations, which you acknowledge we may modify and/or update in our sole discretion from time to time...*²⁸

*If you default in your material obligations under this Agreement, we may terminate this Agreement, effective on the date stated in our notice (or the earliest date permitted by applicable law) as follows: ... Other Breach. If you do not fully cure any other breach of your obligations or warranties under this Agreement, within 30 days of our written notice of default to you.*²⁹

Dunkin' Donuts

*As franchisor, we have the right to establish "Standards" for various aspects of the System that include the location, physical characteristics and quality of operating systems of restaurants and other concepts; the products that are sold...and all other things affecting the experience of consumers who patronize our system.*³⁰

[A franchisee will be at default if they:] *breach an obligation under this Agreement.*³¹

Great Clips

*Good cause for termination of this Agreement by Great Clips also includes: (a) Franchisee's failure to comply with the System and standards of uniformity and quality established by Great Clips.*³²

²⁶ Applebee's Neighborhood Grill & Bar Franchise Agreement, ¶19.1, exhibit to the Franchise Disclosure Document 2014.

²⁷ Burger King Franchise Agreement, ¶18(A)(1), exhibit to the Franchise Disclosure Document 2014.

²⁸ Comfort Inn Franchise Agreement, ¶6(a), exhibit to the Franchise Disclosure Document 2014.

²⁹ Comfort Inn Franchise Agreement, ¶10(b)(1)(b), exhibit to the Franchise Disclosure Document 2014.

³⁰ Dunkin' Donuts Franchise Agreement, ¶2.2, exhibit to the Franchise Disclosure Document 2014.

³¹ Dunkin' Donuts Franchise Agreement, ¶14.0.1, exhibit to the Franchise Disclosure Document 2014.

³² Great Clips Franchise Agreement, ¶16.3, exhibit to the Franchise Disclosure Document 2014.

Holiday Inn

Throughout the entire License Term, Licensee will at its sole cost and expense...strictly comply in all respects with the Standards (as they may from time to time be modified or revised by Licensor) and with all other policies, procedures and requirements of Licensor which may be from time to time communicated to Licensee...³³

...In accordance with notice from Licensor to Licensee, this License will terminate (without any further notice unless required by law), provided that: (a) the notice is mailed at least 30 days (or longer, if required by law) in advance of the termination date; and (b) the notice reasonably identifies one or more breaches of the Licensee's obligations; and (c) the breach(es) are not fully remedied within the time period specified in the notice.³⁴

Jackson Hewitt Tax Service

We may immediately terminate this Agreement upon the occurrence of any of the following: ...you fail to meet the Performance Standards set forth in this Agreement...³⁵

Jazzercise

This Agreement shall immediately terminate on delivery of notice of termination to Franchisee by Franchisor upon the occurrence of any of the following events, each of which is deemed to be an incurable breach of this Agreement and each of which is deemed to be "good cause. If Franchisee: ... repeatedly fails to comply with one or more requirements of the Jazzercise Dance Fitness Program, including, without limitation, the requirement to maintain Franchisor's fitness image and the requirement to utilize Franchisor's then-current names, logos and marketing materials as required by Franchisor from time to time, whether or not corrected after notice, to pay on a timely basis any fees payable hereunder, or otherwise fails to comply with this Agreement or the Franchise Zone and the quality standards therein, whether or not such failures to comply are corrected after notice is delivered to Franchisee and whether or not such failures to relate to the same or different requirements of this Agreement...³⁶

McDonald's

The parties agree that the happening of any of the following events shall constitute a material breach of this Franchise and...[McDonald's] may terminate this Franchise upon the happening of any of the following events:...franchisee shall fail to maintain and operate the Restaurant in a good, clean, wholesome manner and in compliance with the standards prescribed by the McDonald's System.³⁷

³³ Holiday Inn Franchise Agreement, ¶3(A)(5), exhibit to the Franchise Disclosure Document 2014.

³⁴ Holiday Inn Franchise Agreement, ¶12(B)(1), exhibit to the Franchise Disclosure Document 2014.

³⁵ Jackson Hewitt Tax Service Franchise Agreement, ¶19.2(h), exhibit to the Franchise Disclosure Document 2014.

³⁶ Jazzercise (Class Owner) Franchise Agreement, ¶FA, 13(B)(9), exhibit to the Franchise Disclosure Document 2014.

³⁷ McDonald's Franchise Agreement, ¶18(a), exhibit to the Franchise Disclosure Document 2014.

Pizza Hut

In the Manual, [Pizza Hut] has promulgated the standards of operation for each type of System Restaurant...At all times throughout the Term, Franchisee will comply with all standards then-current...³⁸

[Pizza Hut] may, subject to the notice and cure provisions described below, terminate this Agreement if...Franchisee breaches any term, covenant, duty or condition of this Agreement...³⁹

Subway

You will operate the Restaurant in accordance with our Operations Manual, which contains mandatory and suggested specifications, standards and operating procedures...You will adhere to quality control standards in the Operations Manual or elsewhere with respect to the character or quality of the products you sell or the services you perform in association with the Marks.⁴⁰

If we give you ninety (90) days written notice, we may, at our option and without prejudice to any of our other rights or remedies provided under this Agreement, terminate this agreement if: ... (v) you fail to comply with your duties under this Agreement or the Operations Manual.⁴¹

Taco Bell

The Franchisee hereby acknowledges receipt and loan of a copy of the Company's Franchise Operations Manual, and shall faithfully, completely and continuously perform, fulfill, observe and follow all instructions, requirements, standards, specifications, systems and procedures contained therein; ... By this reference, the Company's Franchise Operations Manual, as presently constituted and as it may hereafter and as it may hereafter be amended and supplemented by the Company from time to time (the "Manual") is incorporated in and made part of this Agreement.⁴²

The Franchisee understands, acknowledges and agrees that strict conformity with the System, including the standards, specifications, systems, procedures, requirements and instructions contained in this Agreement and in the Manual, is vitally important to the success not only of the Company, but to the collective success of all Taco Bell franchisees, including the Franchisee, by reason of the benefits all franchisees and the company will derive from chain uniformity in food products, Identity, quality, appearance, facilities and service among all TACO BELL RESTAURANTS. Any failure to adhere to the standards,

³⁸ Pizza Hut Franchise Agreement, ¶6.2, exhibit to the Franchise Disclosure Document 2014.

³⁹ Pizza Hut Franchise Agreement, ¶18.2, exhibit to the Franchise Disclosure Document 2014.

⁴⁰ Subway Franchise Agreement, ¶5.b.ii, exhibit to the Franchise Disclosure Document 2014.

⁴¹ Subway Franchise Agreement, ¶8.b.v, exhibit to the Franchise Disclosure Document 2014.

⁴² Taco Bell Franchise Agreement, ¶3.2, exhibit to the Franchise Disclosure Document 2014.

*specifications, requirements or instructions contained in this Agreement or in the Manual shall constitute a material breach of this Agreement.*⁴³

*The Company shall have the right to terminate this Agreement immediately upon written notice to the franchisee: ...If the Franchisee defaults in the performance or observance of any of its other obligations hereunder or under any other franchise agreement with the Company, and such default continues for a period of thirty (30) days after written notice to the Franchisee, the Company may at any time thereafter terminate this Agreement as well as any other such franchise agreement upon written notice to the Franchisee.*⁴⁴

⁴³ Taco Bell Franchise Agreement, ¶3.4, exhibit to the Franchise Disclosure Document 2014.

⁴⁴ Taco Bell Franchise Agreement, ¶15.0, exhibit to the Franchise Disclosure Document 2014.

3. Language for all 14 systems’ provisions allowing franchisors to modify, update or change unilaterally their manuals or policies & procedures during the term of the agreement:

7-Eleven

*You agree that the 7-Eleven System is subject to modification based on changes in technology, competitive circumstances, customer expectations, and other market variables. Those changes to the 7-Eleven System may include changes in operating standards, products, programs, services, methods, forms, policies and procedures; changes in the design and appearance of the building, signage and equipment; changes to the 7-Eleven Operations Manual; and changes to the Service Mark and Related Trademarks.*⁴⁵

Ameriprise Financial Services

*To comply with regulatory requirements, Ameriprise Financial may make reasonable interpretation and revise the contents of the Manuals from time-to-time. For business changed to the Manuals, Ameriprise Financial will provide Independent Advisor with reasonable notice. Such revisions may include the introduction of new fee and revisions to any of the fees set forth in the Manuals, this Agreement, or the Franchise Disclosure Document (including the Association Fee). Ameriprise Financial further agrees to provide Independent Advisor with 60 days’ written notice of any nonregulatory changes which reduce the GDC (Gross Dealer Concession) Payout Rate as defined in such Manuals. Independent Advisor agrees to comply with the revised Manuals...*⁴⁶

Applebee’s Neighborhood Grill & Bar

*Franchisor shall have the right, at any time and from time to time, in the good faith exercise of its reasonable business judgment, consistent with the overall best interests of the System generally, having due regard for the financial burden which may be placed upon its franchisees, to revise, amend, delete from and add to the System and the material contained in the Manuals...*⁴⁷

Burger King

*Franchisee acknowledges and agrees that prompt adoption of and adherence to the BURGER KING System, including all of the provisions of the MOD Manual, as amended from time to time, are reasonable, necessary and essential to the image and success of all BURGER KING Restaurants... Franchisee agrees that changes in the standards, specifications and procedures may become necessary and desirable from time to time and agrees to accept and comply with such modifications, revisions and additions to the MOD Manual which BKC in the good faith exercise of its judgment believes to be desirable and reasonably necessary.*⁴⁸

⁴⁵ 7-Eleven Franchise Agreement, ¶1(a)(4), exhibit to the Franchise Disclosure Document 2014.

⁴⁶ Ameriprise Financial Services Franchise Agreement, ¶9.E, exhibit to the Franchise Disclosure Document 2014.

⁴⁷ Applebee’s Neighborhood Grill & Bar Franchise Agreement, ¶5.7, exhibit to the Franchise Disclosure Document 2014.

⁴⁸ Burger King Franchise Agreement, ¶5(A), exhibit to the Franchise Disclosure Document 2014.

Comfort Inn

You will during the term ... Comply with the requirements of this Agreement and the Rules and Regulations, which you acknowledge we may modify and/or update in our sole discretion from time to time...⁴⁹ "Rules and Regulations" means our then current brand rules and regulations as updated and/or modified by us in our discretion from time to time (and any supplements) and brand guidelines (including any manuals or policies that we may make available, which may contain, among other things, our standards and requirements for constructing, equipping, furnishing, supplying operating, maintaining and marketing the Hotel. The Rules and Regulations are expressly incorporated herein by reference and made a part of this Agreement...⁵⁰

Dunkin' Donuts

As franchisor, we have the right to establish "Standards" for various aspects of the System that include the location, physical characteristics and quality of operating systems of restaurants and other concepts; the products that are sold; the qualifications of suppliers; the qualifications, organization and training of franchisees and their personnel; the timely marketing of products and our brand, including execution of marketing windows; and all other things affecting the experience of consumers who patronize our System. We make those Standards available to you in our Manuals and in other forms of communication, which we may update from time to time.⁵¹

We can change the terms of, and add to, the operations manuals whenever we believe it is appropriate. A copy of the table of contents of each operations manual as of the date of this Disclosure Document is attached as Appendix IV.⁵²

Great Clips

Franchisee shall implement changes in operational requirements or add additional technology tools when prescribed, even if additional investment or expenditures are required...⁵³ ...Franchisee shall at all times operate the Salon in compliance with the System standards, authorized services, operating systems, and other aspects of the System prescribed by Great Clips in the Operations Manual, GREAT CLIPS® University, the GREAT CLIPS® Website, email communications, training videos, DVDs and other materials or communications as revised periodically by Great Clips...⁵⁴

Holiday Inn

LICENSEE'S RESPONSIBILITIES: A. Operational and Other Requirements: Throughout the entire License Term, Licensee will at its sole cost and expense: (3) provide efficient, courteous and high-quality service to the public including, without limitation, maintaining

⁴⁹ Comfort Inn Franchise Agreement, ¶6(a), exhibit to the Franchise Disclosure Document 2014.

⁵⁰ Comfort Inn Franchise Agreement, ¶1(k), exhibit to the Franchise Disclosure Document 2014.

⁵¹ Dunkin' Donuts Franchise Agreement, ¶2.2, exhibit to the Franchise Disclosure Document 2014.

⁵² Dunkin' Donuts Franchise Disclosure Document 2014, Item 11.

⁵³ Great Clips Franchise Agreement, ¶8.6, exhibit to the Franchise Disclosure Document 2014.

⁵⁴ Great Clips Franchise Agreement, ¶9.2, exhibit to the Franchise Disclosure Document 2014.

minimum product and service quality standards and scores for quality assurance programs established and maintained by Licensor, as such programs may be modified by Licensor from time to time...⁵⁵ (5) strictly comply in all respects with the Standards (as they may from time to time be modified or revised by Licensor) and with all other policies, procedures and requirements of Licensor which may be from time to time communicated to Licensee (which communication may be, at Licensor's option, in hard paper copy or digital, electronic or computerized form and Licensee must pay any costs to retrieve, review, use or access such digital, electronic or computerized communication)...⁵⁶ (7) strictly comply with Licensor's requirements as to: ... (g) maintenance, repair, appearance and condition of, and customer service at, the Hotel, including, without limitation, participation in all guest complaint programs and quality assurance programs established and maintained by Licensor, as such programs may be modified by Licensor from time to time...⁵⁷ (10) adopt all improvements or changes to the System as may be from time to time designated by Licensor...⁵⁸

Licensee's Hotel and all other hotels operated under the System will be subject to the Standards, as they may from time to time be modified or revised by Licensor, including limited exceptions from compliance which may be made based on local conditions, type of hotel or special circumstances.⁵⁹

Jackson Hewitt Tax Service

The Manual contains the mandatory standards, specifications and requirements of the franchised system that we prescribe from time to time to ensure the quality and uniformity of the services offered under the Marks. The entire contents of the Manual plus our mandatory specifications, procedures and rules prescribed from time to time will constitute provisions of this Agreement just as if they were written on these pages... We have the right to modify the Manual to maintain the quality and uniformity of the Operating System, to change, modify, delete, supplement or enhance our Operating System or any of our procedures, or to change, maintain or enhance the Operating System or the Marks or to enhance the reputation, efficiency, and quality of the system or the goodwill associated with our Marks, or to adapt the system to new conditions, materials, technology, legal requirements or recommended industry practices, or better serve the public, or to meet competition, even if these changes and improvements require you to incur expenses or additional labor.⁶⁰

Jazzercise

Franchisor will provide to Franchisee for use during the term of this Agreement access to Franchisor's proprietary operating requirements which are available electronically on the portion of Franchisor's website designated for franchisees and which Franchisor may amend from time to time, containing mandatory specifications, standards, operating procedure sand

⁵⁵ Holiday Inn Franchise Agreement, ¶3(A)(3), exhibit to the Franchise Disclosure Document 2014.

⁵⁶ Holiday Inn Franchise Agreement, ¶3(A)(5), exhibit to the Franchise Disclosure Document 2014.

⁵⁷ Holiday Inn Franchise Agreement, ¶3(A)(7)(g), exhibit to the Franchise Disclosure Document 2014.

⁵⁸ Holiday Inn Franchise Agreement, ¶3(A)(10), exhibit to the Franchise Disclosure Document 2014.

⁵⁹ Holiday Inn Franchise Agreement, ¶4(E), exhibit to the Franchise Disclosure Document 2014.

⁶⁰ Jackson Hewitt Tax Service Franchise Agreement, ¶10.1 and ¶10.2, exhibit to the Franchise Disclosure Document 2014.

rules for the System ("Franchise Zone")...Franchisee acknowledges and agrees that the Franchise Zone may be modified from time to time to reflect changes in the standards of authorized services or the System. All modifications to the Franchise Zone shall be binding upon Franchisee upon being uploaded to Franchisor's website...⁶¹ Franchisee acknowledges that the System must continue to evolve in order to reflect changing markets and to meet new and changing business demands, and that accordingly variations and additions to the System may be required from time to time in order to preserve and enhance the public image of the System. Accordingly, Franchisee agrees that Franchisor may, from time to time, open notice, add to, subtract, from or otherwise modify or change Franchisee's obligations under the System, including, without limitation, changes reflecting Franchisor's adoption and use of new or modified Marks, services and equipment. Franchisee agrees promptly to accept and implement all such additions, modification, and changes at Franchisee's sole cost and expense (e.g. changing signs, destroying or recalling advertising and promotional items).⁶²

McDonald's

The provisions of this Franchise shall be interpreted to give effect to the intent of the parties stated in this paragraph so that the Restaurant shall be operated in conformity to the McDonald's System through strict adherence to McDonald's standards and policies as they exist now and as they may be from time to time modified.⁶³

Franchisee agrees to promptly adopt and use exclusively the formulas, methods, and policies contained in the business manuals, now and as they may be modified from time to time. ... Such manuals, as modified from time to time, and the policies contained therein, are incorporated in this Franchise by reference.⁶⁴

Pizza Hut

In the Manual, [Pizza Hut] has promulgated standards of operation for each type of System Restaurant. [Pizza Hut]has also promulgated standards of usage for the Pizza Hut Marks, and other standards intended to ensure the consistency of the System Restaurant Concepts. Pizza Hut may, from time to time, add to, delete, or change standards. Franchisee will comply with any change in the standards within the time frameset by Pizza Hut. At all times throughout the Term, Franchisee will comply with all standards then current.⁶⁵

Subway

You will operate the Restaurant in accordance with our Operations Manual, which contains mandatory and suggested specifications, standards and operating procedures and may be updated as a result of experience or changes in the law or marketplace...The Operations

⁶¹ Jazzercise (Class Owner) Franchise Agreement, ¶3(c), exhibit to the Franchise Disclosure Document 2014.

⁶² Jazzercise (Class Owner) Franchise Agreement, ¶4(I), exhibit to the Franchise Disclosure Document 2014.

⁶³ McDonald's Franchise Agreement, ¶1(d), exhibit to the Franchise Disclosure Document 2014.

⁶⁴ McDonald's Franchise Agreement, ¶4, exhibit to the Franchise Disclosure Document 2014.

⁶⁵ Pizza Hut Franchise Agreement, ¶6.2, exhibit to the Franchise Disclosure Document 2014.

*Manual, as amended, is intended to further the purposes of this Agreement and is specifically incorporated into this Agreement.*⁶⁶

Taco Bell

*The Franchisee hereby acknowledges receipt and loan of the Company's Franchise Operations Manual, and shall faithfully, completely and continuously perform, fulfill, observe and follow all instructions, requirements, standards, specifications, systems procedures contained therein...⁶⁷ The Company shall have the right at any time and from time to time, in the good faith exercise of its reasonable business judgment, consistent with the overall best interests of TACO BELL RESTAURANTS generally, to revise, amend, delete from and add to the System and the material contained in the Manual. The Franchisee shall promptly comply with all such revisions, amendments, deletions and additions.*⁶⁸

⁶⁶ Subway Franchise Agreement, ¶5.b.ii, exhibit to the Franchise Disclosure Document 2014.

⁶⁷ Taco Bell Franchise Agreement, ¶3.2, exhibit to the Franchise Disclosure Document 2014.

⁶⁸ Taco Bell Franchise Agreement, ¶3.3, exhibit to the Franchise Disclosure Document 2014.

4. Language for all 14 systems’ unrestricted right to inspect franchisee premises – usually unannounced:

7-Eleven

*We have the right, at our option, to enter the Store and conduct Audits (1) during hours that the Store is required to be open upon seventy-two (72) hours notice.*⁶⁹

*We will have the right to enter the store premises at any time during the times in which the Store is required to be open for the purpose of conducting inspections to determine whether the Store is in compliance with 7-Eleven Foodservice Standards.*⁷⁰

Ameriprise Financial Services

*Independent Advisor agrees to permit Ameriprise Financial, the Registered Principals, Regional Risk Supervisors, Ameriprise Financial’s agents and employees, and governmental and regulatory agencies required to have access by law (collectively, the "Inspectors") to enter upon the Premises at any time, with or without notice to independent Advisor, during normal business hours for the purpose of conducting inspections to confirm compliance with the terms of this Agreement, the Manuals and applicable rules and regulations...*⁷¹

Applebee’s Neighborhood Grill & Bar

*Franchisor shall have the right, at any time and from time to time, to have its representatives enter the Restaurant premises without notice for the purpose of inspection the condition thereof and the operation of the Restaurant in order to determine whether Franchisee is in compliance with the standards, specifications, requirements and instructions contained in the Agreement and in the Manuals, and for any other reasonable purpose connected with the operation of the Restaurant.*⁷²

Burger King

*BKC shall have the unrestricted right to enter the Franchised Restaurant to conduct such activities as it deems necessary to ascertain Franchisee’s compliance with this Agreement. The inspections may be conducted without prior notice at any time when Franchisee or one of his employees is at the Franchised Restaurant. The inspections will be performed in a manner which minimizes interference with the operation of the Franchised Restaurant.*⁷³

Comfort Inn

You will during the Term ...Allow us (or our authorized representatives) to enter the Hotel at any reasonable time to evaluate your compliance with this Agreement and the Rules and Regulations. During such visit, you will assist us (or our authorized representatives) in such manner as is required for us (or our authorized representatives) to conduct our evaluation

⁶⁹ 7-Eleven Franchise Agreement, ¶14, exhibit to the Franchise Disclosure Document 2014.

⁷⁰ 7-Eleven Franchise Agreement, ¶16(d), exhibit to the Franchise Disclosure Document 2014.

⁷¹ Ameriprise Financial Services Franchise Agreement, ¶15.C, exhibit to the Franchise Disclosure Document 2014.

⁷² Applebee’s Neighborhood Grill & Bar Franchise Agreement, ¶14.1, exhibit to the Franchise Disclosure Document 2014.

⁷³ Burger King Franchise Agreement, ¶5(J), exhibit to the Franchise Disclosure Document 2014.

*and, subject to availability, provide us (or our authorized representatives) with one free Sleeping Room for one night.*⁷⁴

Dunkin’ Donuts

*You agree that our employees and agents have the right to enter the Restaurant and Premises without notice during business hours to determine your compliance with Standards and this Agreement. During the course of any such inspection, we may photograph or video any part of the Restaurant We may select ingredients, products, supplies, equipment and other items from the Restaurant to evaluate whether they comply with our Standards. We may require you to immediately remove non-conforming items at your expense, and we may remove them at your expense if you do not remove them upon request.*⁷⁵

Great Clips

*For the purpose of making periodic evaluations to ascertain if the provisions of this Agreement are being observed by Franchisee, Great Clips or its authorized representative shall have the right to enter the Salon, announced or unannounced, at all reasonable times to: observe the operation of the Salon; inspect and evaluate Franchisee’s products and services; inspect and evaluate the facility, fixtures and equipment; and take photographs and videotapes of other interior and exterior of the Salon.*⁷⁶

Holiday Inn

*Throughout the entire License Term, Licensee will at its sole cost and expense ... permit inspection of the Hotel by Licensor’s representatives at any time and give them free lodging for such time as may be reasonably necessary to complete their inspections...*⁷⁷

Jackson Hewitt Tax Service

*We have the right, but not the obligation, during business hours, without prior notice, to audit and inspect your Locations, all other places associated with the Franchised Business, and your business and financial records and information.*⁷⁸

Jazzercise

*Franchisor and its representatives shall have the right, at any time, with or without notice, to monitor and observe the conduct of the Jazzercise Dance Fitness Program for the purpose of determining compliance with the requirements of this Agreement, or conducting quality assurance audits which may include customer surveys, and for any other propose connected with the System.*⁷⁹

⁷⁴ Comfort Inn Franchise Agreement, ¶6(h), exhibit to the Franchise Disclosure Document 2014.

⁷⁵ Dunkin’ Donuts Franchise Agreement, ¶7.2, exhibit to the Franchise Disclosure Document 2014.

⁷⁶ Great Clips Franchise Agreement, ¶7.4, exhibit to the Franchise Disclosure Document 2014.

⁷⁷ Holiday Inn Franchise Agreement, ¶3(A)(12), exhibit to the Franchise Disclosure Document 2014.

⁷⁸ Jackson Hewitt Tax Service Franchise Agreement, ¶15.1, exhibit to the Franchise Disclosure Document 2014.

⁷⁹ Jazzercise (Class Owner) Franchise Agreement, ¶10(A), exhibit to the Franchise Disclosure Document 2014.

McDonald’s

*McDonald’s shall have the right to inspect the Restaurant at all reasonable times to ensure that Franchisee’s operation thereof is in compliance with the standards and policies of the McDonald’s System.*⁸⁰

Pizza Hut

[Pizza Hut’s] authorized representatives may enter upon the premises of Franchisees System Restaurants at any time during the System Restaurant’s normal business hours, and at any other reasonable time, for the purpose of determining whether the business is being conducted in accordance with [Pizza Hut’s] standards, the Manual and the terms of this Agreement...⁸¹ [Pizza Hut] may, upon written notice to Franchisee, terminate this Agreement without affording Franchisee any opportunity to cure the default upon the occurrence of any of the following events or conditions:...If Franchisee does not allow [Pizza Hut] or its employees or agents access to any System Restaurant or to any of the Franchisee’s records, or if Franchisee otherwise impairs [Pizza Hut’s] rights of inspection and audit under this Agreement...⁸²

Subway

You will allow our representatives, our development agents, and their representatives to conduct an audit or to review your business operations and records, including POS reports, without prior notice during regular business hours...⁸³

Taco Bell

*The Company shall have the right at any time and from time to time without notice to have its representatives enter the Restaurant premises for the purpose of inspecting the condition thereof and the operation of the Restaurant for compliance with the standards, specifications, requirements and instructions contained in this Agreement and in the Manual, and for any other reasonable purpose connected with the operation of the Restaurant.*⁸⁴

⁸⁰ McDonald’s Franchise Agreement, ¶12, exhibit to the Franchise Disclosure Document 2014.

⁸¹ Pizza Hut Franchise Agreement, ¶6.4, exhibit to the Franchise Disclosure Document 2014.

⁸² Pizza Hut Franchise Agreement, ¶18.1.C, exhibit to the Franchise Disclosure Document 2014.

⁸³ Subway Franchise Agreement, ¶ 5.h, exhibit to the Franchise Disclosure Document 2014.

⁸⁴ Taco Bell Franchise Agreement, ¶9.0, exhibit to the Franchise Disclosure Document 2014.

5. Language for 13 provisions barring disparagement of the franchisor or franchisee conduct that reflects badly on the franchisor and the franchisor’s brand:

7-Eleven

*(d) In addition to other prohibitions in this Agreement, you may not, at any time... (4) commit any other act which may adversely affect or be detrimental to us, other 7-Eleven franchisees, or any of our rights in or to the Service mark, other trade indicia, including the Related Trademarks, or any copyright or Trade Secret that we own or license, the 7-Eleven Image, or the 7-Eleven System.*⁸⁵

*[Termination with 30 days notice/opportunity to cure if] you otherwise commit a default under this Agreement which is susceptible of being cured or a default under any amendment which is capable of being cured and for which the amendment does not specify a notice and cure provision.*⁸⁶

Ameriprise Financial Services

Independent Advisor will use best efforts to uphold the reputation and goodwill of Ameriprise Financial, and its affiliates...⁸⁷ Upon the occurrence of any of the following events of default, Ameriprise Financial may, at its option, terminate this Agreement...⁸⁸ If Independent Advisor misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or otherwise materially impairs the goodwill associated therewith or Ameriprise Financial’s rights therein...⁸⁹ If Independent Advisor is alleged to have violated federal or state civil or common law that Ameriprise Financial believes is reasonably likely to have an adverse impact on the System, the Proprietary Marks, the goodwill associated therewith, or Ameriprise Financial’s interest therein...⁹⁰ In recognition of and in consideration for these and other benefits, to protect the confidentiality of Ameriprise Financial’s Client information and to protect Ameriprise Financial’s goodwill, Independent Advisor covenants that...he or she will not disparage, during the term of this Agreement or thereafter, Ameriprise Financial, its affiliates, employees, advisors, and Products & Services.⁹¹

Applebee’s Neighborhood Grill & Bar

Franchisee shall adopt and use each of the Marks only in a manner expressly approved by Franchisor, and shall not use any of the Marks in connection with any statement or material which may, in the judgment of Franchisor, be in bad taste or inconsistent with Franchisor’s public image, or tend to bring disparagement, ridicule or scorn upon Franchisor, any of the Marks, or the goodwill associated therewith...⁹²

⁸⁵ 7-Eleven Franchise Agreement, ¶23(b)(6)(d)(4), exhibit to the Franchise Disclosure Document 2014.

⁸⁶ 7-Eleven Franchise Agreement, ¶26(a)(2)(o), exhibit to the Franchise Disclosure Document 2014.

⁸⁷ Ameriprise Financial Services Franchise Agreement, ¶5.h, exhibit to the Franchise Disclosure Document 2014.

⁸⁸ Ameriprise Financial Services Franchise Agreement, ¶17.B, exhibit to the Franchise Disclosure Document 2014.

⁸⁹ Ameriprise Financial Services Franchise Agreement, ¶17.B.12, exhibit to the Franchise Disclosure Document 2014.

⁹⁰ Ameriprise Financial Services Franchise Agreement, ¶17.B.17, exhibit to the Franchise Disclosure Document 2014.

⁹¹ Ameriprise Financial Services Franchise Agreement, ¶19.B(3), exhibit to the Franchise Disclosure Document 2014.

⁹² Applebee's Neighborhood Grill & Bar Franchise Agreement, ¶18.5, exhibit to the Franchise Disclosure Document 2014.

*If Franchisee defaults in the performance or observance of any of its other obligations hereunder, such defaults continues for a period of sixty (60) days after written notice to Franchisee specifying such default, Franchisor shall have the right to terminated this Agreement upon thirty (30) days of written notice to Franchisee.*⁹³

Comfort Inn

*You will during the Term ... Establish and maintain a high ethical and moral standard in connection with your operation of the Hotel and not allow or sponsor any activity at the Hotel that could reasonably be determined to negatively impact the Brand Mark, the Choice Marks, our System, the Other Choice Brand Hotels or our business reputations; operate the Hotel in a professional manner that meets or exceeds the generally accepted standards of performance of leading hotel operators in the industry...*⁹⁴

*If you default in your material obligations under this Agreement, we may terminate this Agreement, effective on the date stated in our notice (or the earliest date permitted by applicable law) as follows: ... (b) Other Breach. If you do not fully cure any other breach of your obligations or warranties under this Agreement, within 30 days of our written notice of default to you.*⁹⁵

Dunkin' Donuts

During the term of this Agreement, neither you nor any shareholder, member, partner, officer, director or guarantor of yours, or any person or entity who is in active concert or participation with you or who has a direct or indirect beneficial interest in the franchised business may...perform any act injurious or prejudicial to the goodwill associated with the Proprietary Marks or System...⁹⁶ [A franchisee will be at default if they] breach an obligation under this Agreement...⁹⁷

Great Clips

*Immediate Termination: Great Clips will have the absolute right and privilege, unless prohibited by applicable law, to immediately terminate this agreement if: (a) any act or practice by Franchisee impairs or imminently threatens to impair the goodwill associated with the Marks or System...⁹⁸ Franchisee shall at no time engage in deceptive, misleading or unethical practices or conduct which may have a negative impact on the reputation and goodwill of Great Clips or any other franchisee operating under the Great Clips System.*⁹⁹

Holiday Inn

This License may be terminated by Licensor immediately (or at the earliest time permitted

⁹³ Applebee's Neighborhood Grill & Bar Franchise Agreement, ¶19.1, exhibit to the Franchise Disclosure Document 2014.

⁹⁴ Comfort Inn Franchise Agreement, ¶6(c), exhibit to the Franchise Disclosure Document 2014.

⁹⁵ Comfort Inn Franchise Agreement, ¶10 (b)(1)(b), exhibit to the Franchise Disclosure Document 2014.

⁹⁶ Dunkin' Donuts Franchise Agreement, ¶10.1, exhibit to the Franchise Disclosure Document 2014.

⁹⁷ Dunkin' Donuts Franchise Agreement, ¶14.0.1, exhibit to the Franchise Disclosure Document 2014.

⁹⁸ Great Clips Franchise Agreement, ¶16.1(a), exhibit to the Franchise Disclosure Document 2014.

⁹⁹ Great Clips Franchise Agreement, ¶21.6, exhibit to the Franchise Disclosure Document 2014.

*by applicable law) if ...Licensee knowingly fails to comply with the requirements of the License and/or This License may be terminated by Licensor immediately (or at the earliest time permitted by applicable law) if...the Standards on safety, security, or privacy for its guests at the Hotel, or on the reputation of the management, employees or operation of the Hotel, and such failure may significantly adversely reflect upon or affect the Hotel, the System or Licensor, its parents, subsidiaries and affiliates in any way;*¹⁰⁰

*[Licensee is required to] in all respects use Licensee's best efforts to reflect credit upon and create favorable public response to the name "Holiday Inn" ...*¹⁰¹

*(1) In accordance with notice from Licensor to Licensee, this License will terminate (without any further notice unless required by law), provided that: (a) the notice is mailed at least 30 days (or longer, if required by law) in advance of the termination date; and (b) the notice reasonably identifies one or more breaches of the Licensee's obligations; and (c) the breach(es) are not fully remedied within the time period specified in the notice.*¹⁰²

Jackson Hewitt Tax Service

*We may immediately terminate this Agreement upon the occurrence of any of the following: ...you or your Owner commit any act within or without the Franchised Business that would tend, in our judgment to reflect poorly on the goodwill of our name or any of our Marks, Operating System, or the Network, and you fail to cease this activity or cure this breach within five (5) days after delivery of notice;*¹⁰³

Jazzercise

*This Agreement shall immediately terminate on delivery of notices of termination to Franchisee by Franchisor upon the occurrence of any of the following events, each of which is deemed to be an incurable breach of this Agreement and each of which is deemed to be "good cause." If Franchisee: ... engages in conduct which in Franchisor's sole judgment reflects materially and unfavorably upon the operation and reputation of the Jazzercise Dance Fitness Program, the System or Franchisor's business or program...*¹⁰⁴

McDonald's

*The parties agree that the happening of any of the following events shall constitute a material breach of this Franchise and...[McDonald's] may terminate this Franchise upon the happening of any of the following events...Franchisee engages in public conduct which reflects materially and unfavorably upon the operation of the Restaurant, the reputation of the McDonald's System, or the goodwill associated with the McDonald's trademarks.*¹⁰⁵

¹⁰⁰ Holiday Inn Franchise Agreement, ¶12(C)(9), exhibit to the Franchise Disclosure Document 2014.

¹⁰¹ Holiday Inn Franchise Agreement, ¶3(A)(16), exhibit to the Franchise Disclosure Document 2014.

¹⁰² Holiday Inn Franchise Agreement, ¶12(B)(1), exhibit to the Franchise Disclosure Document 2014.

¹⁰³ Jackson Hewitt Tax Service Franchise Agreement, ¶19.2(t), exhibit to the Franchise Disclosure Document 2014.

¹⁰⁴ Jazzercise (Class Owner) Franchise Agreement, ¶13(B)(5), exhibit to the Franchise Disclosure Document 2014.

¹⁰⁵ McDonald's Franchise Agreement, ¶18(o), exhibit to the Franchise Disclosure Document 2014.

Pizza Hut

Franchisee must exercise caution in your use of the Pizza Hut Marks to ensure that the Pizza Hut Marks (and the goodwill associated with them) are not jeopardized in any manner. Franchisee may not use the Pizza Hut Marks in any manner or in connection with any statement or material that is (in [Pizza Hut's] reasonable judgment) in bad taste or inconsistent with [Pizza Hut's] public image, or that could tend to involve [Pizza Hut] in a matter of political or public controversy, or tend to bring disparagement, ridicule, or scorn upon [Pizza Hut], the Pizza Hut Marks, or the goodwill associated with the Pizza Hut Marks.¹⁰⁶

[Pizza Hut] may, subject to the notice and cure provisions described below, terminate this Agreement if...Franchisee breaches any term, covenant, duty or condition of this Agreement...¹⁰⁷

Subway

If we give you ten (10) days' written notice, we may, at our option and without prejudice to any of our other rights or remedies provided under this Agreement, terminate this Agreement if...(v) you use the Restaurant or the Restaurant location for any unauthorized use that we believe is injurious or prejudicial to the System, the Marks or goodwill...¹⁰⁸

You will use the Marks in connection with the Restaurant only as we permit and as provided in this agreement or in the Operations Manual. You will not use the Marks in a manner that degrades, diminishes, or detracts from the goodwill associated with the Marks, nor will you use the Marks in a manner which, in our sole opinion, is scandalous, immoral, or satirical.¹⁰⁹

Taco Bell

The Franchisee shall not use the Trademarks or refer to the Company or the System in connection with any statement or material, or do or fail to do anything else, which may, in the judgment of the Company, be in bad taste or inconsistent with the Company's public image, or tend to bring disparagement, ridicule or scorn upon the Company, the System, the products or services of the System, or the Trademarks or the goodwill associated therewith...¹¹⁰

The Company shall have the right to terminate this Agreement immediately upon written notice to the franchisee... If the Franchisee defaults in the performance or observance of any of its other obligations hereunder or under any other franchise agreement with the Company, and such default continues for a period of thirty (30) days after written notice to the

¹⁰⁶ Pizza Hut Franchise Agreement, ¶3.4, exhibit to the Franchise Disclosure Document 2014.

¹⁰⁷ Pizza Hut Franchise Agreement, ¶18.2, exhibit to the Franchise Disclosure Document 2014.

¹⁰⁸ Subway Franchise Agreement, ¶8.a.v, exhibit to the Franchise Disclosure Document 2014.

¹⁰⁹ Subway Franchise Agreement, ¶5.m.i, exhibit to the Franchise Disclosure Document 2014.

¹¹⁰ Taco Bell Franchise Agreement, ¶14.5, exhibit to the Franchise Disclosure Document 2014

Franchisee, the Company may at any time thereafter terminate this Agreement as well as any other such franchise agreement upon written notice to the Franchisee.¹¹¹

¹¹¹ Taco Bell Franchise Agreement, ¶15.0, exhibit to the Franchise Disclosure Document 2014.

B. Renewal provisions: All of the 14 franchise agreements analyzed either provide no renewal rights or significantly limit franchisees' renewal rights. Specifically:

1. Five agreements specify that the franchise has no renewal rights at all.
2. The remaining nine specify that any renewal may be on materially different terms than the franchisee's current contract.
3. In addition, six require a general release of the franchisor before renewal.

1. Language for five provisions specifying that the franchise has no renewal rights:

Comfort Inn

*No provision for renewal after the 20 year term expires.*¹¹²

Holiday Inn

*This License is not renewable, and Licensee acknowledges and agrees that this License confers upon Licensee absolutely no rights of license renewal following the expiration of the License Term.*¹¹³

McDonald's

*Franchisee acknowledges that: (a) The term of this Franchise is set forth in paragraph 2(b) hereof with no promise or representation as to the renewal of this Franchise or the grant of a new franchise.*¹¹⁴ [The statement that the franchisee has no renewal rights is reasserted in Exhibit L of the Franchise Disclosure Document, the "Rewrite/(New Term) Policy:] *A McDonald's franchise is granted for a limited period of time, with no right to renew or extend.*¹¹⁵

Pizza Hut

[The "term" of the agreements] *means the period during which the rights granted by this Agreement are in effect, which starts on the date of this Agreement, and (unless terminated early as allowed by Section 18) ends on the day before the 20th anniversary of this Agreement, with no rights of renewal.*¹¹⁶

Taco Bell

*Upon and after expiration of the Term (a) the Franchisee shall have no expectation or right to continue, extend, renew, or otherwise replace the license granted in Section 1 of this Agreement or to continue to operate the Restaurant...*¹¹⁷

¹¹² Comfort Inn Franchise Disclosure Document 2014, Item 17. Pg. 78.

¹¹³ Holiday Inn Franchise Agreement, ¶12(A), exhibit to the Franchise Disclosure Document 2014.

¹¹⁴ McDonald's Franchise Agreement, ¶ 28(a), exhibit to the Franchise Disclosure Document 2014.

¹¹⁵ McDonald's Franchise Disclosure Document 2014, Exhibit L- Rewrite/(New Term) Policy.

¹¹⁶ Pizza Hut Franchise Agreement, ¶1.23, exhibit to the Franchise Disclosure Document 2014.

¹¹⁷ Taco Bell Franchise Agreement, ¶2.0, exhibit to the Franchise Disclosure Document 2014.

2. Language for nine provisions stating that renewal may be on materially different terms from current contract:

7-Eleven

*On the Expiration Date of this Agreement you may, at your option, renew your rights under this Agreement for one (1) term equal to the number of years of the initial term provided for in our then-current Store Franchise Agreement if all of the following conditions have been met: ... (h) You sign and deliver to us ... a mutual termination of this agreement and general release of claims, in a form substantially similar to Exhibit H to this Agreement.*¹¹⁸

Ameriprise Financial Services

*[Renewal conditions:] Independent Advisor has, at Ameriprise Financial's option, executed Ameriprise Financial's then-current form of the Franchise Agreement for such renewal terms are provided by this Agreement, which shall supersede this Agreement and which may include terms that differ from the terms of this Agreement.*¹¹⁹

Applebee's Neighborhood Grill & Bar

*At the expiration of the term hereof, Franchisee shall have an option to operate the Restaurant for four (4) successive terms of five (5) years (unless the franchise agreement with respect to that additional term is sooner terminated in accordance with its provisions), provided that immediately prior to each such five (5) year term (a) Franchisee satisfies the requirements which Franchisor then-imposes on its new franchisees...and (c) Franchisee executes the form of the franchise agreement which Franchisor is then using with respect to new restaurants in the System, with the amount of royalty and advertising fees payable at the rates then-prevailing under the franchise agreements which Franchisor is then using for new restaurants within the System...*¹²⁰

Burger King

*Franchisee shall execute the then current form of Successor Franchise Agreement, which may differ as to Royalty and Advertising Contributions, as well as other terms and conditions. Franchisee shall, upon execution of the Successor Franchise Agreement, pay to BKC the then current Franchise Fee.*¹²¹

Dunkin' Donuts

You must execute and deliver to us, within 14 days (or any longer period required by law) after delivery to you, the then-current form of Franchise Agreement being offered to new franchisees at the time of renewal, including all exhibits and our other then-current ancillary

¹¹⁸ 7-Eleven Franchise Agreement, ¶24(h), exhibit to the Franchise Disclosure Document 2014.

¹¹⁹ Ameriprise Financial Services Franchise Agreement, ¶2.B(4), exhibit to the Franchise Disclosure Document 2014.

¹²⁰ Applebee's Neighborhood Grill & Bar Franchise Agreement, ¶1.3, exhibit to the Franchise Disclosure Document 2014.

¹²¹ Burger King Franchise Agreement, ¶17(E), exhibit to the Franchise Disclosure Document 2014.

*agreements. The terms and conditions and fee structures in the then-current Franchise Agreement may differ from this Agreement...*¹²²

Great Clips

*The then-current Franchise Agreement required to be executed by Franchisee at the time of renewal may contain terms materially different from those contained in this Agreement...*¹²³

Jackson Hewitt Tax Service

*At the end of the Term, and at the end of the term of each renewal franchise agreement, we will offer you the opportunity to sign a new franchise agreement for a term of ten (10) years if you meet the criteria contained in this Section 8, and follow the renewal procedures therein...*¹²⁴ *To execute a new franchise agreement, you must sign our then current form of franchise agreement and all other agreements that we require new franchisees to sign, including the release referenced in Section 8.2 above. The new franchise agreement may contain terms that are materially different than those contained in this Agreement.*¹²⁵

Jazzercise

*Subject to compliance with each and every one of the conditions set forth below, Franchisee shall have the option to renew the right to operate the Jazzercise Dance Fitness Program for one (1) additional, consecutive period of five (5) years, unless this Agreement is signed in connection with a renewal term or is entered into because Franchisee is moving to a different state. ... Franchisee must sign Franchisors then current form of Franchise Agreement which may contain terms that are materially different from those set forth in this Agreement...*¹²⁶

Subway

*The term of this Agreement is twenty (20) years from the date of this Agreement and will automatically renew for additional twenty (20) year periods unless either party chooses not to renew and sends written notice to the other at least six(6) months before the expiration of any twenty (20)year period. Upon renewal you will operate the Restaurant under the terms of this Agreement, except that your royalty rate will increase to ten percent (10%).However, if you choose to sign our then-current Franchise Agreement (which may contain terms or conditions that differ from this Agreement) before the twenty (20) year period ends, your royalty rate will remain at eight percent (8%).*¹²⁷

¹²² Dunkin' Donuts Franchise Agreement, ¶2.4(b)(iii), exhibit to the Franchise Disclosure Document 2014.

¹²³ Great Clips Franchise Agreement, ¶3.3(f), exhibit to the Franchise Disclosure Document 2014.

¹²⁴ Jackson Hewitt Tax Service Franchise Agreement, ¶8.1, exhibit to the Franchise Disclosure Document 2014.

¹²⁵ Jackson Hewitt Tax Service Franchise Agreement, ¶8.4, exhibit to the Franchise Disclosure Document 2014.

¹²⁶ Jazzercise (Class Owner) Franchise Agreement, ¶1(E)(2)(a), exhibit to the Franchise Disclosure Document 2014.

¹²⁷ Subway Franchise Agreement, ¶7, exhibit to the Franchise Disclosure Document 2014.

3. Language for six franchise agreements that include provisions requiring a general release of claims on the franchisor in order to qualify for renewal:

7-Eleven

[On expiration franchisee may renew for 1 term of same length as initial term if franchisee signs] *a mutual termination of this Agreement and general release of claims...*¹²⁸

Burger King

*Franchisee shall have, exercisable on the expiration date of the Term of this Agreement, an option to obtain a successor BURGER KING Restaurant Franchise Agreement ("Successor Franchise Agreement") for a term of twenty (20) years, provided that ... B. Franchisee, at the time of the Notice and at the time of the expiration of the Term of this Agreement, is not in default of and has substantially complied with the terms and conditions of this Agreement and all other franchise agreements or other agreements with BKC that Franchisee, Operating Partner may be a party to consistently and throughout its Term, including but not limited to the following ... Execution by Franchisee of a general release of BKC in a form satisfactory to BKC.*¹²⁹

Dunkin' Donuts

*You have an option to renew the franchise upon the expiration of the Term...if, and only if... You execute and deliver a termination of franchise agreement and mutual general release, in the form we prescribe from time to time that releases all claims that we may have against each other, and our respective parents, affiliates, and subsidiaries, and their respective officers, directors, shareholders and employees in both their corporate and individual capacities; provided, however, that each parties' indemnification obligations for claims arising in connection with this Agreement shall survive termination of this agreement and shall not be subject to the general release...*¹³⁰

Great Clips

*Upon the expiration of this Agreement, Franchisee must satisfy each of the following conditions to renew the license granted to franchisee ... Franchisee and each of Franchisee's shareholders or equity owners with a 10% or greater interest in this Agreement shall sign a General Release and the then-current GREAT CLIPS® Franchise Agreement prior to the date that the term of this Agreement expires.*¹³¹

Jackson Hewitt Tax Service

Before the expiration of this Agreement, you may request a new franchise agreement if: ...you and your Owners agree to execute a general release of any and all claims (known and

¹²⁸ 7-Eleven Franchise Agreement, ¶26(h), exhibit to the Franchise Disclosure Document 2014.

¹²⁹ Burger King Franchise Agreement, ¶17(B)(5), exhibit to the Franchise Disclosure Document 2014.

¹³⁰ Dunkin' Donuts Franchise Agreement, ¶2.4(b)(vi), exhibit to the Franchise Disclosure Document 2014.

¹³¹ Great Clips Franchise Agreement, ¶3.3(f), exhibit to the Franchise Disclosure Document 2014.

*unknown) for the benefit of us, our current and former Affiliates, and our respective officers, directors, employees and agents.*¹³²

Jazzercise

*Subject to compliance with each and every one of the conditions set forth below, Franchisee shall have the option to renew the right to operate the Jazzercise Dance Fitness Program for one (1) additional, consecutive period of five (5) years, unless this Agreement is signed in connection with a renewal term or is entered into because Franchisee is moving to a different state...(e) Franchisee shall execute and deliver a general release in a form acceptable to Franchisor of any and all claims against Franchisor, and its affiliates and associates, officers, directors, managers, shareholders, members, employees, agents and representatives...*¹³³

¹³² Jackson Hewitt Tax Service Franchise Agreement, ¶8.2(g), exhibit to the Franchise Disclosure Document 2014.

¹³³ Jazzercise (Class Owner) Franchise Agreement, ¶1(E)(2)(e), exhibit to the Franchise Disclosure Document 2014.

C. Noncompetition provisions: Limits on renewal rights are problematic, in part, because of the prevalence of noncompetition clauses in franchise agreements. Eleven of the 14 agreements include some restrictions on the ability of terminated or nonrenewed franchisees to compete with their former franchisors:

1. Nine bar franchisees from competing in the same line of business or in the same physical location as their former unit for some period of time, ranging from one to three years, after the franchise agreement expires or is terminated.
2. Two have other restrictions on competitive activity for former franchisees.

1. Language for the nine provisions barring franchisees from competing in the same line of business and/or in the same location or area as their former unit for some period of time:

7-Eleven

*Except as otherwise permitted by us in writing, for a continuous uninterrupted period commencing on the expiration, termination, or transfer of all of your interest in this Agreement and continuing for one (1) year thereafter, you agree not to, for yourself, or through, on behalf of or in conjunction with any other person, partnership, corporation, limited liability company or other entity or association, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist, make loans to or lease to, a Competitive Business which is, or is intended to be located at the site of the Store or at the site of any former 7-Eleven Store within two (2) years of it last being operated as a 7-Eleven Store...*¹³⁴

Burger King

*Franchisee further covenants and agrees that for a period of one (1) year after any sale, assignment, transfer, termination or expiration of this Agreement, Franchisee will not own, operate or have any interest in any fast-food business, except other franchised BURGER KING Restaurants, either at or within two (2) miles of the Franchised Restaurant. The restrictive covenant shall remain an individual obligation of each individual Franchisee under this Agreement, and shall not be effected in anyway by the transfer or assignment of this Agreement to a Corporation or LLC in accordance with Section 15.D of this Agreement...*¹³⁵

Dunkin' Donuts

*For the first twenty-four months following the expiration or termination of this Agreement or transfer of an interest in the franchised business (the "Post-Term Period"), neither you nor any shareholder, member, partner, officer, director or guarantor of yours, or any person or entity who is in active concert or participation with you or who has a direct or indirect beneficial interest in the franchised business, may have any direct or indirect interest in, perform any activities for, provide any assistance to or receive any financial or other benefit from any business or venture (other than an ownership interest in real property) that sells products that are the same as or substantially similar to those sold in Dunkin' Donuts restaurants and located within five (5) miles from the Restaurant or any other Dunkin' Donuts restaurant that is open or under development.*¹³⁶

Great Clips

...Franchisee and its spouse, shall not without Great Clips' prior written consent (which may be withheld arbitrarily), directly or indirectly engage or participate in, consult with, or assist in any way, or participate in or share the earnings or profits of, or lease property to any other business or activity that competes with the GREAT CLIPS business, including any retail haircare or personal grooming business, beauty school, barber school, cosmetology school, or any business selling hair products: (a) during the term of this Agreement, at any location or over the internet: (b) for one year after the expiration or termination of this Agreement for any reason anywhere within five miles of the Authorized location or of any

¹³⁴ 7-Eleven Franchise Agreement, ¶ 5 (d)(2), exhibit to the Franchise Disclosure Document 2014.

¹³⁵ Burger King Franchise Agreement, ¶19, exhibit to the Franchise Disclosure Document 2014.

¹³⁶ Dunkin' Donuts Franchise Agreement, ¶10.2, exhibit to the Franchise Disclosure Document 2014.

GREAT CLIPS salon: and (c) for one year after franchisee has assigned its interest in this Agreement anywhere within five miles of the Authorized location or of any GREAT CLIPS salon.¹³⁷

Jackson Hewitt Tax Service

For a period of two (2) years after the earlier of (1) the effective date of termination for any reason, or (2) expiration of this Agreement, or (3) the date of the sale of the Franchised Business or a majority of its assets, neither you nor any of your Owners may directly or indirectly prepare or electronically file individual income tax returns, teach tax courses, facilitate Financial Products or own, engage in, operate, manage, purchase, invest in (except to purchase stock in a publicly traded company listed on a national stock exchange), franchise, lend money to, lease or sublease to, or agree to sell or sell all or a majority of the assets of the Franchised Business to any Competing Tax Business as defined herein, within the Territory or within an area ten (10) miles outside the boundaries of the Territory. We may assign this covenant to any transferee. The period of time during which the provisions of this Section 17.2 will be in effect will be extended by the length of time during which you or any of the Owners are in breach of the terms hereof.¹³⁸

Jazzercise

In addition, for one (1) year after the termination or expiration of this Agreement, Franchisee shall not carry on, be engaged in or advise in the establishment or operation of any business involving or related to dance fitness programs or similar businesses described in subsection (1) above except (a) pursuant to Franchise Agreements with Franchisor, (b) if Franchisee is not then a party to any other Franchise Agreement with Franchisor, only at a site that is at least five (5) miles from any Jazzercise Dance Fitness Program (including Franchisee's former Jazzercise Dance Fitness Program) that is operating or being developed, or (c) Franchisor previously granted its approval pursuant to subsection (1) above...¹³⁹

McDonald's

Franchisee shall not, for a period of eighteen (18) months after termination of this Franchise for any reason or the sale of the Restaurant, directly or indirectly, engage in or acquire any financial or beneficial interest (including any interest in corporations, partnerships, trusts, unincorporated associations, or joint ventures) in, or become a landlord of any restaurant business which is similar to the Restaurant within a ten-mile radius of the Restaurant.¹⁴⁰

Pizza Hut

For a period beginning on the termination or expiration of this Agreement and ending on the date specified below, neither Franchisee nor its Related Persons may engage, nor assist others to engage, directly or indirectly, individually or as a partner, joint venture, shareholder, officer, creditor, director, employee, or agent, in the production or sale (at wholesale or retail) of any pizza, pasta or other food items similar to Approved Products: (a)

¹³⁷ Great Clips Franchise Agreement, ¶19.2, exhibit to the Franchise Disclosure Document 2014.

¹³⁸ Jackson Hewitt Tax Service Franchise Agreement, ¶17.2, exhibit to the Franchise Disclosure Document 2014.

¹³⁹ Jazzercise (Class Owner) Franchise Agreement, ¶12(A)(2), exhibit to the Franchise Disclosure Document 2014.

¹⁴⁰ McDonald's Franchise Agreement, ¶11(b), exhibit to the Franchise Disclosure Document 2014.

*within a 25 mile radius of any Location; (b) anywhere within the county within which one or more Locations are situated; or (c) anywhere within 10 miles of a location in the United States at which [Pizza Hut] or any subsidiary, Affiliates or franchisee of [Pizza Hut] operates a System Restaurant on the date of termination or expiration of this Agreement...*¹⁴¹

Subway

*You will not have any direct or indirect Association with a Competitive Business located within three (3) miles of any location where a SUBWAY® restaurant operates or operated in the prior year for three (3) years after the termination, expiration or transfer of this Agreement in accordance with the definitions in Subparagraphs 5.d. If local law prohibits a post-term covenant not to compete for a duration of three (3) years, then the maximum time period allowed by local law will be imposed. You agree to pay us \$15,000 for each Competitive Business location plus eight percent (8%) of its gross sales during the three (3) year period, or \$100,000 (whichever is higher), as being a reasonable pre estimate of our damages. For each Competitive Business location for which we are unable to verify gross sales in timely manner, you will pay us \$100,000 as a good faith estimate of our damages.*¹⁴²

¹⁴¹ Pizza Hut Franchise Agreement, ¶12.3, exhibit to the Franchise Disclosure Document 2014.

¹⁴² Subway Franchise Agreement, ¶8(g), exhibit to the Franchise Disclosure Document 2014.

2. Language for the two provisions with other restrictions on competitive activity for former franchisees:

Ameriprise Financial Services

*For one year after the expiration or termination of this Agreement, Independent Advisor agrees to not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or entity: (a) encourage, induce, or attempt to encourage or induce any Client that Independent Advisor contacted, serviced or learned about while operating under this Agreement to terminate an agreement with Ameriprise Financial, Ameriprise Financial affiliates, Issuers, or any financial advisor business under the System; (b) encourage, induce or attempt to encourage or induce any Client that Independent Advisor contacted, serviced or learned about while operating under this Agreement, to terminate, surrender, redeem, or cancel any action related to Products & Services acquired or ordered from or through Ameriprise Financial, Ameriprise Financial's affiliates, Issuers, or any financial advisor business under the system, except as provided in the manuals or with Ameriprise Financial's written approval and consent; (c) solicit any Clients that Independent Advisor contacted, serviced or learned about while operating under this Agreement or the purpose of the Client opening an account other than an Ameriprise Financial account, purchasing investment, financial, or insurance products or services, purchasing any product or service, the type of which is offered by Ameriprise Financial, or purchasing any investment, financial or insurance products or services other than through Ameriprise Financial with Ameriprise Financial's written approval and consent; and/or (d) encourage, induce, or attempt to encourage or induce or otherwise solicit any person who is at that time employed by Ameriprise Financial or associated or affiliated with Ameriprise Financial as an Independent Advisor, independent contractor, or agent to terminate their employment, association or other affiliation with Ameriprise Financial...*¹⁴³

Taco Bell

*During the term of this Agreement the Franchisee shall not, without the prior express written consent of the Company, directly or indirectly, perform any services for, engage in or acquire any financial, beneficial or equity interest in, any business similar to that of the Restaurant. In the event this Agreement is terminated by the Company for breach by the Franchisee, the same restrictions shall apply for a period of one year following such termination, but only with respect to similar businesses operated within a ten mile radius of the Restaurant. For purposes of this subsection, a "similar business" is a restaurant business which prepares or sells Mexican style food products.*¹⁴⁴

¹⁴³ Ameriprise Financial Services Franchise Agreement, ¶19(B)(2)(a) to (d), exhibit to the Franchise Disclosure Document 2014.

¹⁴⁴ Taco Bell Franchise Agreement, ¶3.8, exhibit to the Franchise Disclosure Document 2014.

D. Restrictions on transfers and sales: Thirteen of the 14 franchise agreements analyzed – all except Comfort Inn – include either language providing for broad franchisor discretion over transfers and sales and/or one at least one of the following provisions that limit or interfere with a franchisee’s ability to sell or transfer a franchise:

1. Eight provide that the franchisor has broad discretion to deny transfers/sales.
2. Eleven require the franchisee to sign a general release of the franchisor before transfers/sales.
3. Ten provide that current franchisee violations can bar transfers/sales.
4. Three allow the franchisor to require the transferring franchisee to remodel before transfers/sales.
5. Two require that the franchisee retains some liability after transfers/sales.

1. Language for the eight provisions granting franchisors broad discretion to deny transfers/sales:

7-Eleven

Neither your interest under this Agreement nor all, or substantially all, of the Collateral may be transferred or assigned in any way, partially or completely, without our prior written consent... We may condition our consent on the satisfaction of all of the following conditions...¹⁴⁵ We will approve or disapprove a proposed transferee or assignee for training within sixty (60) days after we have received all information regarding the proposed transaction that we reasonably require. If approved, the transferee must, at our option, execute either the then-current form of 7-Eleven Store Franchise Agreement or an assumption of this Agreement (in either case providing for the then-current financial terms, including the Down Payment, 7-Eleven Charge, Franchisee Fee and all other current terms), complete the then-required training, and be otherwise determined in our sole opinion to meet all qualifications to become a 7-Eleven franchisee, including those general qualifications set forth in our then-current 7-Eleven Operations Manual.¹⁴⁶

Ameriprise Financial Services

Conditions for Consent of Transfer:...Ameriprise Financial may withhold its consent of any transfer...(3) for any other reasonable reason.

Moreover, without limiting the preceding, upon a transfer, Ameriprise Financial requires all of the following conditions of its approval:

(1) That all of Independent Advisor's accrued monetary obligations and all other outstanding obligations to Ameriprise Financial and its affiliates related to the Independent Financial Advisor Business have been satisfied; (2) That Independent Advisor is not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Independent Advisor and Ameriprise Financial or its affiliates; (3) That Independent Advisor agrees to have executed a general release, in a form satisfactory to Ameriprise Financial, of any and all claims against Ameriprise Financial and its affiliates, and their respective officers, directors, shareholders, and employees as more fully described in the Manuals; ... (6) That Independent Advisor remain liable for all of the obligations to Ameriprise Financial in connection with the Independent Financial Advisor Business which arose prior to the effective date of the transfer and execute any and all instruments reasonably requested by Ameriprise Financial to evidence such liability; ... (8) That the transfer is in good faith; and (9) That Independent Advisor pay a transfer fee as fully described in the Manuals, at Ameriprise Financial's request, to reimburse Ameriprise Financial for administration of reassigning clients. A transfer fee may also be required should Independent Advisor relinquish clients to Ameriprise Financial.¹⁴⁷

¹⁴⁵ 7-Eleven Franchise Agreement, ¶25(b)(1), exhibit to the Franchise Disclosure Document 2014.

¹⁴⁶ 7-Eleven Franchise Agreement, ¶25(b)(2), exhibit to the Franchise Disclosure Document 2014.

¹⁴⁷ Ameriprise Financial Services Franchise Agreement, ¶14.C, exhibit to the Franchise Disclosure Document 2014.

Applebee's Neighborhood Grill & Bar

In determining whether to grant or to withhold consent to a proposed Transfer, Franchisor shall consider all of the facts and circumstances which it views relevant in the particular instance, including, but not limited to, any of the following (i) work experience and aptitude of Proposed New Owner and/or proposed new management (a proposed transferee of a Principal Shareholder's Interest and/or a proposed transferee of this Agreement is referred to as "Proposed new Owner"; (ii) financial background and condition of Proposed New Owner, and actual and pro forma financial condition of Franchisee; (iii) character and reputation of Proposed New Owner; (iv) conflicting interests of Proposed New Owner; (v) the terms and conditions of Proposed New Owner's rights, if the proposed Transfer is a pledge; (vi) the adequacy of Franchisee's operation of any Restaurant and compliance with the System and this Agreement; and (vii) such other criteria and conditions as Franchisor shall then consider relevant in the case of an application for a new franchise to franchise to operate a restaurant unit within the System by an applicant that is not then currently doing so... For purposes of clarification, nothing in this Appendix B shall limit Franchisor's discretion in granting or withholding consent to a Transfer or to require the applicable parties to agree to certain terms as condition to obtaining consent to a Transfer.¹⁴⁸

Burger King

Conditions on the assignment may include but are not limited to the following...Prospective assignee must complete and be approved through BKC's standard franchisee selection process including satisfactorily demonstrating to BKC that he or she meets the financial, character, managerial, equity ownership and such other criteria and conditions as BKC shall then be applying in considering applications for new franchises.¹⁴⁹

Holiday Inn

Transfer by Licensee: Licensee understands and acknowledges that the rights and duties set forth in this License are personal to Licensee, and that Licensor has granted this License in reliance on the business skill, financial capacity, and personal character of Licensee (if Licensee is a natural person), and upon the owners, members, partners or stockholders of Licensee (if Licensee is a partnership, company, corporation or other legal entity (an "Entity")). Accordingly, neither Licensee nor any immediate or remote successor to any part of Licensee's interest in this License, nor any natural person or Entity which directly or indirectly owns an Equity Interest (as that term is defined below) in Licensee or the License, may sell, assign, transfer, convey, pledge, mortgage, encumber, or give away, any direct or indirect interest in the License or Equity Interest in Licensee, except as expressly provided in this License....¹⁵⁰

¹⁴⁸ Review and Consent with Respect to Transfers, Appendix B to Franchise Agreement, exhibit to the Applebee's Franchise Disclosure Document 2014, pg. f-51.

¹⁴⁹ Burger King Franchise Agreement, ¶15.E(3), exhibit to the Franchise Disclosure Document 2014.

¹⁵⁰ Holiday Inn Franchise Agreement, ¶10.B, exhibit to the Franchise Disclosure Document 2014.

(3) Any (i) transfer of Equity Interests in an Entity (other than a transfer expressly permitted hereunder) or (ii) transfer of all or a material part of the Hotel or Hotel site (if the Hotel or Hotel site is owned directly or indirectly by Licensee or by a natural person or Entity that owns any Equity Interest in Licensee) to a new owner who desires to continue to operate the Hotel as a Holiday Inn hotel brand, shall constitute a change of ownership requiring submittal of an application for a new license. (4) Licensor shall process such change of ownership application in accordance with Licensor's then current procedures, criteria and requirements regarding fees, upgrading of the Hotel, financial capacity and guaranty requirements, curing of outstanding defaults, operational abilities and capabilities, prior business dealings, market feasibility and other factors deemed relevant by Licensor. If such change of ownership application is approved by Licensor, the new owner and Licensor shall, upon termination of this License by Licensor and Licensee on Licensor's then current form, enter into a new license agreement. The new license agreement shall be on Licensor's then current form and contain Licensor's then current terms (except for duration, which shall reflect the new term agreed by Licensor as part of the approval of the change in ownership of the Hotel), and if required by Licensor, the new license agreement will contain specified upgrading and other requirements.¹⁵¹

Jazzercise

Franchisor may require fulfillment of any or all of the following conditions precedent to the granting of consent to any transfer, including a sale and assignment of Franchisee's rights under this Agreement to a bona fide purchaser as hereinafter described, subject to Franchisor's right of first refusal:...the proposed transferee shall be qualified according to Franchisor's then-current standards for new franchisees. ... Franchisor must grant its approval of assignee's character, personality, and such other standards as are currently employed by Franchisor in the appointment of new Franchisees...¹⁵²

McDonald's

In determining whether to grant or to withhold such consent, McDonald's shall consider of each prospective transferee, by way of illustration, the following: (i) work experience and aptitude, (ii) financial background, (iii) character, (iv) ability to personally devote full time and best efforts to managing the Restaurant, (v) residence in the locality of the Restaurant, (vi) equity interest in the Restaurant, (vii) conflicting interests, and (viii) such other criteria and conditions as McDonald's shall then apply in the case of an application for a new franchise to operate a McDonald's restaurant.¹⁵³

Pizza Hut

[Conditions for approving a transferee:] *The proposed transferee has demonstrated to [Pizza Hut's] satisfaction that the proposed transferee is, in all respects, acceptable to [Pizza Hut] (including if the proposed transferee is already a franchisee of [Pizza Hut], that it is in Good*

¹⁵¹ Holiday Inn Franchise Agreement, ¶10.H.(3-4), exhibit to the Franchise Disclosure Document 2014.

¹⁵² Jazzercise (Class Owner) Franchise Agreement, ¶15(B)(4)(d) and (e), exhibit to the Franchise Disclosure Document 2014.

¹⁵³ McDonald's Franchise Agreement, ¶15(d), exhibit to the Franchise Disclosure Document 2014.

Standing under its franchise agreements with [Pizza Hut]), and that the proposed transferee meets all of [Pizza Hut's] then current requirements for new franchisees (or of holder of an interest in a franchisee, as the case may be) including possession of good moral character and reputation, work experience, aptitude, financial background and condition, credit rating, absences of conflicting interests, and ability to comply fully with the terms of this Agreement.¹⁵⁴

¹⁵⁴ Pizza Hut Franchise Agreement, ¶14.4.C, exhibit to the Franchise Disclosure Document 2014.

2. Language for the 11 provisions requiring a general release of the franchisor for transfers/sales:

7-Eleven

[Conditions for the approval of a transfer (assignment):] *You execute, at our option, a mutual termination of this Agreement and general release of claim (in a form similar in all material respects to Exhibit H) or an assignment of this Agreement and general release of claims (in a form similar in all material respects to Exhibit H) and an indemnity for any claim by the transferee in any way arising out of or related to the transfer and arrangements or communications between you and the transferee...*¹⁵⁵

Ameriprise Financial Services

[Conditions for franchisor consent to transfer include that:] *Independent Advisor agrees to have executed a general release, in a form satisfactory to Ameriprise Financial, of any and all claims against Ameriprise Financial and its affiliates, and their respective officers, directors, shareholders, and employees as more fully described in the Manuals...*¹⁵⁶

Applebee's Neighborhood Grill & Bar

[Franchisor may require:] *Franchisee and Principal Shareholders, including the proposed Transferor(s), to execute a general release which releases Franchisor and its affiliates from all claims they may have had or then have against Franchisor and its affiliates...*¹⁵⁷

Burger King

*Conditions on the assignment may include but are not limited to the following...Execution by Franchisee seller of a general release of BKC and in a form satisfactory to BKC...*¹⁵⁸

Dunkin' Donuts

*...At the time of transfer, you and all of your shareholders, partners and members must execute a general release of us and our parent and affiliates, in our then-current standard form...*¹⁵⁹

Great Clips

*Franchisee and each of Franchise's shareholders or equity owners with a 10% or greater interest in this Agreement must sign a General Release in favor of Great Clips...¹⁶⁰ assignee and each of assignee's shareholders or equity owners with a 10% or greater interest in a corporate assignee must sign a General Release in favor of Great Clips...*¹⁶¹

¹⁵⁵ 7-Eleven Franchise Agreement, ¶25.(b)(1)(iii), exhibit to the Franchise Disclosure Document 2014.

¹⁵⁶ Ameriprise Financial Services Franchise Agreement, ¶14.C(3), exhibit to the Franchise Disclosure Document 2014.

¹⁵⁷ Review and Consent with Respect to Transfers, Appendix B to Franchise Agreement, exhibit to the Franchise Disclosure Document 2014.

¹⁵⁸ Burger King Franchise Agreement, ¶15.E(7), exhibit to the Franchise Disclosure Document 2014.

¹⁵⁹ Dunkin' Donuts Franchise Agreement, ¶13.1, exhibit to the Franchise Disclosure Document 2014.

¹⁶⁰ Great Clips Franchise Agreement, ¶14.4(a), exhibit to the Franchise Disclosure Document 2014.

¹⁶¹ Great Clips Franchise Agreement, ¶14.4(f), exhibit to the Franchise Disclosure Document 2014.

Jackson Hewitt Tax Service

[Requirements for the approval of a transfer:] ...you and your Owners (and the transferee and its owners, if any of them own other Jackson Hewitt Tax Service businesses) execute a general release of any and all claims (known and unknown) for the benefit of us, our current and former Affiliates, and our respective officers, directors, employees and agents.¹⁶²

Jazzercise

Franchisor may require fulfillment of any or all of the following conditions precedent to the granting of consent to any transfer, including a sale and assignment of Franchisee's rights under this Agreement to a bona fide purchaser as hereinafter described, subject to Franchisor's right of first refusal:...Franchisee shall have executed and delivered a general release in a form acceptable to Franchisor of any and all claims against Franchisor and its affiliates, associates, officers, directors, managers, shareholders, members, employees, agents and representatives.¹⁶³

Pizza Hut

[Pizza Hut] may withhold its consent to any proposed Transfer unless, in addition to the other requirements of this Section 14 and the requirements of Section 15, the following conditions are met, to [Pizza Hut's] satisfaction, before the effective date of the proposed Transfer...Franchisee and the transferor has each executed a general release, in a form prescribed, of all accrued claims against [Pizza Hut], its Affiliated, and their respective officers, directors and employees.¹⁶⁴

Subway

You may assign your rights under this Agreement to operate the Restaurant (but not this Agreement) to an operating entity provided...you deliver a general release described in Subparagraph 9.a., signed by you, the entity, and each shareholder or member of the entity...¹⁶⁵

Taco Bell

[The FA does not explicitly state that the franchisee has to execute a general release, however, there is the an exhibit with a general release as part of the assignment agreement as Exhibit B-2]... In consideration of Taco Bell Corp's consent to this Assignment, each of the undersigned hereby waives, releases, and forever discharges Taco Bell Corp, its officers, directors, employees, agents, attorneys and representatives, as well as any of its parents, subsidiaries or affiliates (collectively, the "Released Parties") from any and all claims, demands, liabilities or causes of action in law or in equity of whatsoever nature arising prior to and including the Effective Date hereof, known or unknown, suspected or unsuspected, which any or all of the undersigned now has or may hereafter have, by reason of any act,

¹⁶² Jackson Hewitt Tax Service Franchise Agreement, ¶23.1(i), exhibit to the Franchise Disclosure Document 2014.

¹⁶³ Jazzercise (Class Owner) Franchise Agreement, ¶15(B)(4)(g), exhibit to the Franchise Disclosure Document 2014.

¹⁶⁴ Pizza Hut Franchise Agreement, ¶14.4.B, exhibit to the Franchise Disclosure Document 2014.

¹⁶⁵ Subway Franchise Agreement, ¶9.b.vi, exhibit to the Franchise Disclosure Document 2014.

*omission, event, deed or course of action having taken place, or having been omitted, or on account of, or arising out of, or relating to, any franchise agreement or lease agreement or any other agreement between the undersigned and Taco Bell Corp, except as may be prohibited by law, including claims arising from representations in Taco Bell Corp's Franchise Disclosure Document, and any exhibits or amendments thereto.*¹⁶⁶

¹⁶⁶ Assignment of Franchise Agreement, Exhibit B-2 to Taco Bell Franchise Disclosure Document 2014.

3. Language for the 10 provisions stating that current franchisee contract violations allow the franchisor to block transfers/sales:

7-Eleven

*We may condition our consent [to assignment/transfer of the franchise] on the satisfaction of all of the following conditions...you are not in Material Breach of this Agreement.*¹⁶⁷

Ameriprise Financial Services

*Moreover, without limiting the preceding, upon a transfer, Ameriprise Financial requires all of the following conditions of its approval...[t]hat Independent Advisor is not in default of any provision of this Agreement, any amendment hereto or successor hereto, or any other agreement between Independent Advisor and Ameriprise Financial or its affiliates...*¹⁶⁸

Dunkin' Donuts

*We may withhold consent [to a proposed transfer] if a proposed transferee does not meet our then-current criteria, if you have not satisfied all of your outstanding obligations to us, [or] if the Restaurant and Premises are not in compliance with our Standards...*¹⁶⁹

Holiday Inn

*Licensor shall process such change of ownership application in accordance with Licensor's then current procedures, criteria and requirements regarding fees, upgrading of the Hotel, financial capacity and guaranty requirements, curing of outstanding defaults, operational abilities and capabilities, prior business dealings, market feasibility and other factors deemed relevant by Licensor...*¹⁷⁰

Jackson Hewitt Tax Service

*[Jackson Hewitt Tax Service will permit a transfer if franchise is] not in receipt of an uncured notice of default of any of the provision of this Agreement or any Collateral Agreements...*¹⁷¹

Jazzercise

Franchisor may require fulfillment of any or all of the following conditions precedent to the granting of consent to any transfer, including a sale and assignment of Franchisee's rights under this Agreement to a bona fide purchaser as hereinafter described, subject to Franchisor's right of first refusal: ... there shall be no existing default in the performance of

¹⁶⁷ 7-Eleven Franchise Agreement, ¶25(1)(v), exhibit to the Franchise Disclosure Document 2014.

¹⁶⁸ Ameriprise Financial Services Franchise Agreement, ¶14.C(2), exhibit to the Franchise Disclosure Document 2014.

¹⁶⁹ Dunkin' Donuts Franchise Agreement, ¶13.1, exhibit to the Franchise Disclosure Document 2014.

¹⁷⁰ Holiday Inn Franchise Agreement, ¶10(H)(4), exhibit to the Franchise Disclosure Document 2014.

¹⁷¹ Jackson Hewitt Tax Service Franchise Agreement, ¶ 22(a), exhibit to the Franchise Disclosure Document 2014.

Note: Section 22(a) refers to transfers without change of effective control, however, section 23.1 of the Franchise Agreement, which relates to transfers of effective control, indicates that provision included in Section 22 also apply to transfers of effective control.

*Franchisee’s obligations under this Agreement or under any other agreement with Franchisor or any of its affiliates;*¹⁷²

McDonald’s

*...any uncured breach of the terms of this Franchise (whether of paragraph 18 or 19) shall be sufficient reason for McDonald’s to withhold approval of its consent to any assignment or transfer of Franchisee’s interest in this Franchise provided for herein.*¹⁷³

Pizza Hut

*[Conditions for transfer include:]Franchisee is not in default under this Agreement or any other agreement with [Pizza Hut], and Franchisee and its Related Persons have satisfied all accrued monetary and other obligations to [Pizza Hut] and its Affiliates.*¹⁷⁴

Subway

*You may only transfer the Restaurant with this Agreement...provided...you pay in full all money you owe us and our Affiliates for all your SUBWAY® restaurants and are not otherwise in default under this Agreement...¹⁷⁵ [and] at or prior to the time of the transfer you bring the Restaurant into full compliance with our then-current standards set forth in the Operations Manual.*¹⁷⁶

Taco Bell

The Company shall require as a condition precedent to the granting of its consent [to a proposed transfer] (a) There shall be no existing default in the performance or observance of any of the Franchisee’s obligations under this Agreement or any other agreement with the Company and the Restaurant shall be in condition and appearance satisfactory to the Company and in accordance with its standards at that time...¹⁷⁷

¹⁷² Jazzercise (Class Owner) Franchise Agreement, ¶15(B)(4)(a), exhibit to the Franchise Disclosure Document 2014.

¹⁷³ McDonald's Franchise Agreement, ¶19, exhibit to the Franchise Disclosure Document 2014.

¹⁷⁴ Pizza Hut Franchise Agreement, ¶14.4.A, exhibit to the Franchise Disclosure Document 2014.

¹⁷⁵ Subway Franchise Agreement, ¶9.a.vi, exhibit to the Franchise Disclosure Document 2014.

¹⁷⁶ Subway Franchise Agreement, ¶9.a.x, exhibit to the Franchise Disclosure Document 2014.

¹⁷⁷ Taco Bell Franchise Agreement, ¶13.0(a), exhibit to the Franchise Disclosure Document 2014.

4. Language for the three provisions allowing the franchisor to require remodeling in order for the franchisor to approve transfers/sales:

Great Clips

*Great Clips shall not unreasonably withhold consent to the assignment provided that Franchisee and the assignee comply with the following conditions and all of the terms, conditions and requirements set forth in Great Clips then current expansion policies...Franchisee shall complete at Franchisee's expense reasonable refurbishing and repair of the Salon and its fixtures, furnishings, grounds and signage as Great Clips may prescribe to conform to the then-current System standards...*¹⁷⁸

Jazzercise

*Franchisor may require fulfillment of any or all of the following conditions precedent to the granting of consent to any transfer, including a sale and assignment of Franchisee's rights under this Agreement to a bona fide purchaser as hereinafter described, subject to Franchisor's right of first refusal: ... the physical premises of the Jazzercise Dance Fitness Program shall be in complete compliance with Franchisor's then-current standards...*¹⁷⁹

Taco Bell

*In considering a request for transfer...the Company shall require as a condition precedent to the granting of its consent that...the Restaurant shall be in condition and appearance satisfactory to the Company and in accordance with Its standards at that time...*¹⁸⁰

¹⁷⁸ Great Clips Franchise Agreement, ¶14.4(d), exhibit to the Franchise Disclosure Document 2014.

¹⁷⁹ Jazzercise (Class Owner) Franchise Agreement, ¶15(B)(4)(b), exhibit to the Franchise Disclosure Document 2014.

¹⁸⁰ Taco Bell Franchise Agreement, ¶13.0(a), exhibit to the Franchise Disclosure Document 2014.

5. Language for the two provisions specifying that the transferring franchisee retains some liability after transfers/sales:

Burger King

In the event of a transfer... “transferor” ... shall remain personally liable for all Royalty, Advertising Contribution and other payments which come due during the periods of time hereinafter described... [If transferee is paying transferor in installments, the liability persists for the longer of 12 months or until the installment payments are made. If transferee is paying transferor cash in full] Transferor’s liability shall continue for a period of twelve (12) months from the date of the transfer, and shall be limited to the amount of Royalty fees and Advertising fees which accrued during such period and are not paid by Transferee.¹⁸¹

McDonald’s

Franchisee and each transferor shall continue to remain personally liable for all affirmative obligations, covenants, and agreements contained herein for the full term of this Franchise or for such shorter period as McDonald’s may, in its sole discretion, determine.¹⁸²

¹⁸¹ Burger King Franchise Agreement, ¶15(G)(1-2), exhibit to the Franchise Disclosure Document 2014.

¹⁸² McDonald's Franchise Agreement, ¶15(d), exhibit to the Franchise Disclosure Document 2014.