FRANCHISE DISCLOSURE DOCUMENT



BRIXX FRANCHISE SYSTEMS, LLC
a North Carolina Limited Liability Company
1810 E. 7th Street, Charlotte, NC 28204
Telephone: 904-536-8005
Web Page: http://www.brixxpizza.com
Email: franchise@brixxpizza.com

The franchisee will operate a retail restaurant which serves hand-crafted brick oven wood fired pizzas, as well as pastas, salads, sandwiches, and chicken wings in a casual sit-down format and operating system under the name of "Brixx®," "Brixx Wood Fired Pizza" and other service names. Our restaurants also offer full bar service of alcoholic and non-alcoholic beverages.

The total investment necessary to begin operation of a Brixx Wood Fired Pizza franchised business is $987,550 to $1,579,000. This includes $50,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of three Brixx Wood Fired Pizza franchised businesses under an Area Development Agreement is $1,047,550 to $1,639,000. This includes $110,000 that must be paid to the franchisor or its affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss availability of disclosures in different formats, contact the Franchise Administration Department at 1810 E. 7th Street, Charlotte, NC 28204, 904-536-8005.

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

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

Issuance Date: March 18, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit B.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Brixx business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Brixx franchisee?	Item 20 or Exhibit B lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

3. **Financial Condition.** The Franchisor's financial condition as reflected in the financial statements (see Item 21) calls into question the Franchisor's financial to provide services and support to you.

4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you.

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

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

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

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit

a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL. Any questions regarding the notice should be delivered to the Department of the Attorney General, Department of Licensing and Regulatory Affairs, Corporations, Securities and Commercial Licensing Bureau, 2501 Woodlake Circle, Okemos, MI 48864, Telephone: (517) 241-6470.

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FRANCHISE DISCLOSURE DOCUMENT

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

THE FRANCHISOR

For ease of reference in this Disclosure Document, Brixx Franchise Systems, LLC is referred to as "we," or "us" and the person who is considering the franchise is referred to as "you" or "your." If you operate through a corporation, partnership, or limited liability company, "you" also includes your shareholders, partners, and members. Use of the term "affiliate" means an entity's subsidiary or parent and an entity controlled by, controlling, or under common control with, another entity.

We conduct business under the names Brixx Franchise Systems, LLC, Brixx®, Brixx Wood Fired Pizza, Brixx Wood Fired Pizza + Craft Bar, and Brixx Restaurant. We are a North Carolina limited liability company organized on August 17, 2006. Our principal business address is 1810 E. 7th Street, Charlotte, North Carolina 28204. Our registered agent in North Carolina is Barbara B. Morgan located at 1810 E. 7th Street, Charlotte, NC 28204. We have been engaged in the business of providing franchises for Brixx restaurants ("Restaurants") since our organization. Since our inception, we have not operated any restaurants or offered franchises in any other line of business. We do not engage in other kinds of business.

We are a party to a license agreement with an unaffiliated, non-competitive entity called Yountville Partners, Inc., a California corporation ("Yountville"),1 which grants us the right to use and sublicense others to use, including franchisees, several trademarks on the Principal Register of the United States Patent and Trademark Office. This license agreement allows us to grant franchises throughout the United States, except for the San Francisco, California area. We, not Yountville, are responsible for supporting Brixx franchisees and innovating the Brixx System. Except for the trademarks, we own all other intellectual property used in the operation of Brixx Restaurants, including the Brixx System (as defined below). We have not offered franchises in other lines of business.

Exhibit A identifies the names and addresses of our agents for service of process in certain states that require we appoint them upon our registration there.

OUR PARENTS, PREDECESSORS, AND AFFILIATES

Our parent is New South Pizza, Inc., a North Carolina corporation ("New South"), which was incorporated on November 4, 1997. The administrative offices of New South are at 1810 E. 7th Street, Charlotte, North Carolina 28204. New South has operated restaurants since its incorporation in November 1997, and currently operates restaurants in North Carolina, South Carolina, and Virginia. New South has not offered franchises in any line of business. As part of a shared services agreement, we contract with New South to help us provide our obligations in certain areas including advertising, training, and operations.

[1] Yountville currently operates one non-competitive, fine dining restaurant under the name "Brix" in Napa, California. Yountville's Brix restaurant is not substantially similar to the restaurant offered for sale in this Disclosure Document.

We have no predecessors or affiliates.

THE FRANCHISE OFFERED

We have developed a casual restaurant format and operating system that focuses on serving hand-crafted pizzas cooked in a wood-burning brick oven, as well as pastas, salads, sandwiches, and chicken wings along with a variety of beers on draft. Our Restaurants also offer full bar service of alcoholic and non-alcoholic beverages. You will be able to offer take-out services and, will be required to use our designated third-party delivery services, including DoorDash and UberEats, and provide catering services.

Our operating system includes a recognized design, decor, color scheme, recipes, uniform standards, specifications, rules and procedures of operation, techniques, philosophies, and quality and uniformity of products and services offered ("Brixx System"). You are required to offer a standard menu of our products, which are offered for sale to the general public. You must operate the Restaurant according to the standards and specifications in those agreements and our confidential brand standards manual ("Brand Standards Manual").

We will grant you a license to use the service marks "Brixx®" and "Brixx Wood Fired Pizza + Craft Bar" and our trade names, trade dresses, other service marks, trademarks, copyrights, symbols, logos, characters, designs, illustrations, art works, titles and slogans ("Marks").

To purchase a franchise, you must sign our standard franchise agreement and other related documents. The form of franchise agreement for the first Restaurant you develop is contained in Exhibit F to this Disclosure Document. If you are qualified, we may offer you the option to develop multiple Restaurants within a certain geographic area under the terms of an Area Development Agreement. The form of Area Development Agreement you may sign is contained in Exhibit G to this Disclosure Document. The Area Development Agreement requires you to establish more than one Restaurant within a designated Development Area according to a development schedule, and to sign a separate Franchise Agreement for each Restaurant you establish. When you sign a Franchise Agreement for each location on your development schedule, you will sign the then-current version of the Franchise Agreement, which Franchise Agreement may be different than the form of Franchise Agreement included in this Franchise Disclosure Document. The Franchise Agreement for the first location is signed at the same time as the Area Development Agreement.

You must compete with other local, regional and national companies offering competitive products and services. Our competitors include other fast-casual pizza restaurants that sell high-end market meals, snacks, and beverages. The market for pizza restaurants is large and developed. You may face competition from larger, more established and better funded companies in some areas.

You must comply with all local, state and federal laws and regulations applicable to the operation of your business, including applicable health regulations. You will be required to obtain a food handlers or similar permit and business license in your state, and follow any Occupational Safety & Health Administration guidelines, Americans With Disabilities Act guidelines and any other laws and regulations which apply to restaurants specifically and businesses generally, including regulations governing the application of the Americans with Disabilities Act and the Affordable Care Act. The preparation and handling of food is federally regulated by the Pure Food and Drugs

Act of 1906; the Federal Food, Drug, and Cosmetic Act; and by rules and policies of the Food and Drug Administration. State requirements relating to food safety typically pertain to sanitation and food handling. Local inspectors may also enforce sanitation and food handling rules created on the state and/or local level. Many state and local authorities also regulate the sale of alcoholic beverages, and all Restaurants must be licensed for such sale. Since you accept credit cards as a method of payment at your Restaurant, you must comply with payment card infrastructure ("PCI") industry and government requirements. PCI security standards are technical and operational requirements designed to protect cardholder data. The standards apply to all organizations that store, process or transmit cardholder data and cover technical and operational payment system components involving cardholder data. The location, construction and operation of a Restaurant may also be affected by a variety of state and local zoning, impact fees, land use, planning, handicap access, minimum wage, and labor laws and regulations. We urge you to make inquiries, including seeking advice from an attorney, about such laws and regulations.

ITEM 2. BUSINESS EXPERIENCE

Board of Managers: Eric F. Horsley. Mr. Horsley has served on our Board of Managers since April 2024. Mr. Horsley previously served as our President from December 2022 to February 2024, on our board of managers from November 2020 to December 2022, as our President from January 2020 to November 2020, and as our Vice President of Operations from August 2006 to November 2020. Additionally, he is a founding shareholder and senior manager of New South in Charlotte, NC since its incorporation in 1997.

Board of Managers: Jeff Van Dyke. Mr. Van Dyke has served on our Board of Managers since April 2024. From December 2022 to March 2024 he was our Vice President of Operations. Mr. Van Dyke previously served on our board of managers from November 2020 to December 2022 and as our Vice President of Operations from August 2006 to November 2020. Additionally, he is a founding shareholder and senior manager of New South in Charlotte, NC since its incorporation in 1997.

Board of Managers, Treasurer & Secretary: Barbara B. Morgan. Ms. Morgan has served on our Board of Managers since April 2024. She has been our Treasurer since December 2022. Ms. Morgan previously served as our Controller and board member from November 2020 to December 2022, as our Treasurer from August 2006 until November 2020, as our Secretary from January 2020 to November 2020, and as our Assistant Secretary from August 2006 to January 2020. She has been employed with New South in Charlotte, NC as Treasurer and Assistant Secretary since its incorporation in 1997.

President: Scott Isaacs. Mr. Isaacs has served as our President since April 2024. Additionally, since April 2024 he has served as President of New South, which is headquartered in Charlotte. Mr. Isaacs served as our Senior Vice President of Operations from January 2023 to March 2024. From June 2021 to December 2022, Mr. Isaacs served as a Senior Vice President of Franchise Development for Grain and Berry, which is headquartered in Tampa, Florida. From July 2015 to July 2020, he served as the Senior Vice President of Business Operations for Tony Roma's, which is headquartered in Orlando, Florida.

Vice President of Sales and Development: Rocky Tradd. Mr. Tradd has served as our Vice President of Sales and Development since March 2024. From June 2021 to March 2024, Mr. Tradd served as Regional Vice President of International Operations for Twin Peaks, which is headquartered in Dallas, Texas. From July 2018 to May 2021, he served as Vice President of Operations for Romacorp Inc., which is headquartered in Orlando, Florida.

Senior Director of Construction: Richard Shinault. Mr. Shinault has served as our Senior Director of Construction since September 2025. From May 2025 to September 2025, he was a Senior Account Executive with Hormel Foods Corporation. From April 2024 to May 2025, Mr. Shinault served as our Vice President of Culinary and Purchasing. From May 2007 to April 2024, he served as the Director of Culinary and Purchasing for New South in Charlotte, NC. From December 2022 to June 2025, Mr. Shinault was also an owner of the Brixx franchise located in Asheville, NC.

Chief Financial Officer: Bill Edwards. Mr. Edwards has served as our Chief Financial Officer since May 2025. From April 2024 to May 2025, he served as our Vice President of Finance and Accounting. Since April 2023 he has also been the Director of Finance and Accounting for New South in Charlotte, NC. From May 2022 to April 2023 Mr. Edwards was the Controller at FDY, Inc. in Charlotte, NC. From September 2021 to May 2022 he was the Comptroller for Corcoran HM Properties in Charlotte, NC. From June 2020 to July 2021 he served as the Executive Producer for The Golf Shop Radio Network in Matthews, NC. From December 2018 to July 2020 he held various roles with ESPN Radio in Charlotte, NC.

ITEM 3. LITIGATION

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

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

You must pay an initial franchise fee of $50,000 for each Restaurant. The initial franchise fee is payable in one lump sum payment when you sign the Franchise Agreement and is nonrefundable.

However, we offer a discounted initial franchise fee of $30,000 if you develop two or more Restaurants under the terms of an Area Development Agreement. If you sign an Area Development Agreement, you will pay a development fee equal to $30,000 multiplied by the number of units covered by the Area Development Agreement after the first Restaurant. The development fee is paid when you sign the Area Development Agreement, is earned upon receipt, and is nonrefundable. Because the development fee includes the initial franchise fees for each Restaurant, no additional initial franchise fees will be due upon execution of each Franchise Agreement. An Area Development Agreement will apply to a minimum of two Restaurants and

a maximum of three Restaurants, unless you demonstrate to our satisfaction that you have the capacity and experience to develop more than three.

Number of Restaurants	Initial Franchise Fee Paid for First Restaurant	Additional Initial Franchise Fees Paid	Total Fees Paid
1	$50,000	0	$50,000
2	$50,000	$30,000 x 1 = $30,000	$80,000
3	$50,000	$30,000 x 2 = $60,000	$110,000

During our last fiscal year, we sold a corporate unit to a new franchisee and required payment of a transfer fee rather than the initial franchise fee. Otherwise, all fees in Item 5 were uniformly applied.

ITEM 6. OTHER FEES

OTHER FEES

Type of Fee [1]	Amount	Due Date	Remarks
Royalty Fee	5% of Gross Sales per week	Wednesday for the Gross Sales received in the previous week	See Note 2 for the definition of Gross Sales.
Minimum Local Advertising	On average, 2% of Gross Sales per month	Monthly; Measured yearly	This amount must be spent monthly by you in your Territory for advertising for your Restaurant. Refund depends on vendor policies. This amount is retained by you. We can require you to spend these funds on and participate in designated giveaways, discounts, advertising and marketing campaigns, promotions, and loyalty programs.
Brand Fund Fees	2% of Gross Sales per week	Wednesday for the Gross Sales received in the previous week	See Note 2 for the definition of Gross Sales.

Type of Fee [1]	Amount	Due Date	Remarks
Local Advertising Co-Op	Up to 2% of your Gross Sales per month	As determined by the Co-Op	We do not currently have any advertising associations ("Co-Ops"). You may in the future be required to join a local advertising Co-Op. If so, any expenditure you make through the Co-Op, up to 2% of your monthly Gross Sales, will be credited against your local advertising obligation. Voting will be calculated with one vote per Restaurant. If we own Restaurants in the market, we will have votes equal to the number of Restaurants we own in the market. Contributions would be non-refundable unless the Co-Op is dissolved with unused money. 2% of Gross Sales is the maximum fee that can be imposed by the Co-Op.
Technology Fee	Currently $0; may be implemented in future. The maximum fee will not exceed 1% of Gross Sales per week.	Payable on the first Wednesday of each month	We may use this fee for any technology-related purpose, and we may increase this fee at any time during the term. We reserve the right to alter, modify, substitute, add, or delete any technologies provided to you for the Technology Fee in our sole discretion.
Supplier Costs and Fees	As incurred	Upon demand	If we or our affiliate is approved to be the supplier of any productor service to you, you will be charged for your purchases from us.
Additional Training (our location)	Currently $150 per trainee per day. The maximum fee will not exceed $1,000 per trainee per day.	Upon commencement of training	Non-refundable. Subject to increase. Additional training at our location includes training of new managers or the training of additional managers (beyond the 4 included in the initial franchise fee) at the initial training. You are responsible for the expenses of your attendees to attend training, including travel, lodging, food, and wages.

Type of Fee [1]	Amount	Due Date	Remarks
Additional Training (your location)	Currently $225 per trainer per day, plus the expenses of the trainer. The maximum fee will not exceed $1,000 per trainer per day (plus the expenses of the trainer).	Upon commencement of assistance	Non-refundable. Subject to increase. You are responsible for the expenses of your attendees to attend training, including travel, lodging, food, and wages.
Replacement Copy of Brand Standards Manual	$100	10 days after billing	Cost of replacement copy. Non-refundable.
Approval of New Supplier, Good, or Service	$500 plus any costs and expenses over $500	Upon submission of sufficient background information on the supplier, good, or service	Non-refundable.
Gift Card and Loyalty Program	Will vary; our costs and expenses	Upon demand; can be paid by EFT	You must participate in the gift card program and loyalty program and work with our suppliers. In addition, we may incur expenses in administering the gift card or program and such expenses may be passed on to you. You will purchase the loyalty and gift cards and are required to use our approved supplier to process them, which will result in expenses to you based upon card activity. You must also honor loyalty points and rewards that are redeemed at your location, with no reimbursement due to you from us.
Transfer Fee	$5,000 per transfer	At time of approved transfer of the Franchise Agreement	Not payable in certain limited circumstances. Non-refundable.
Renewal Fee	The greater of 15% of the then-current initial franchise fee or $6,000	Upon signing of new Franchise Agreement	Non-refundable.
Relocation Expenses	Our costs and expenses	Upon demand	Under certain conditions we may approve the relocation of your Restaurant. You must obtain our prior approval. Relocation is at your sole expense. If we incur any costs and expenses in association with your relocation, you must reimburse us.

Type of Fee [1]	Amount	Due Date	Remarks
Audit	Cost of audit plus interest at the rate of the lower of 5% per annum or the highest interest rate allowed by law on underpayment	Upon demand	Cost of audit payable only if audit shows an underpayment of any amount owed to us of 2% or more. Non-refundable.
Late Fees	Lesser of 5% per month or the highest rate allowed by applicable law	When billed	Charged on all overdue amounts. Non-refundable.
Unapproved Advertising Fines	1st infraction: $250 2nd infraction: $500 3rd or additional infraction: $1,000 each	Upon notice of infraction. Will be collected by electronic funds transfer (EFT)	These fines would apply to any advertising materials or techniques used without following the procedures outlined in the Franchise Agreement and Brand Standards Manual. Any fine is in addition to other remedies under Franchise Agreement.
Violations of Standards	Up to $1,000 per occurrence	Upon notice of infraction. Will be collected by EFT	These fines would apply to any sale of unauthorized food used without following the procedures outlined in the Agreements, failure to timely provide required reports, any other violations of Brixx System standards, or any breach of the Franchise Agreement. Any fine is in addition to other remedies under Franchise Agreement.
Customer Complaint Reimbursement	Our costs and expenses	As incurred	We reserve the right to charge you our costs to respond and/or resolve a complaint your customers you do not satisfactorily resolve.
Costs and Attorneys' Fees	Our costs and expenses	As incurred	Prevailing party pays other parties reasonable attorney's fees, thus we may pay you and you may pay us. Also, you may pay us under the indemnification provision in the Franchise Agreement. Non-refundable.
Indemnification	Any and all types of damages, liabilities, losses, costs, and expenses we incur as a result of third parties claims or from your ownership and operations of the Restaurant.	As incurred	You, your owners, and your guarantors must indemnify us and related parties for a broad range of claims related to your actions, omissions, ownership, and operations of the Restaurant.

Type of Fee [1]	Amount	Due Date	Remarks
Continued Operation After Expiration	Greater of $1,000 or 150% of Royalties per month	Monthly	If we permit you to operate the Restaurant on a month-to-month basis after expiration of the Franchise Agreement, then you must pay to us in addition to all royalties and other fees due to us a monthly fee equal to the greater of $1,000 or 150% of the royalties due for the same month for every month of month-to-month operation after the expiration date, up to our then-current initial franchise fee.
Conferences and Conventions	The maximum fee is $1,000 per person per day.	As incurred	We reserve the right to charge you an attendance fee per person for conferences and conventions. You and/or your personnel may be required to attend.
Liquidated Damages	Determined by multiplying the combined monthly average of Royalties and Brand Fund Fees that are owed by you during the 12 months of operation preceding the effective date of termination multiplied by the lesser of: (i) 36, or (ii) the number of full months remaining in the term of the Franchise Agreement. Subject to a minimum of $60,000.	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the Franchise Agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.
Insurance Premium Reimbursement	Varies according to plan and provider	Upon demand	If you do not obtain the required insurance we may obtain it on your behalf and you must reimburse us.
Data Inspections and Reimbursement	Our costs and expenses	Upon demand.	If you repeatedly violate the required data privacy and security obligations under the Franchise Agreement, we reserve the right to charge you our costs and expenses to inspect your business. Additionally, you are responsible for our costs and expenses that arise from your non-compliance or a security breach caused by you or your personnel.

Type of Fee [1]	Amount	Due Date	Remarks
Legal Fees	Our costs and expenses	Upon demand.	If we incur legal expenses while providing assistance to you in legal compliance or negotiation circumstances, we may require you to reimburse us for the legal expenses we incur.
Quality Control Review Services	Our costs and expenses	As incurred.	If we implement a quality control program, you will pay your share of the costs and expenses of the program.
Inspections Costs	Our costs and expenses	As incurred.	If you request that we inspect your Restaurant.
Area Developer Extension Fee	$5,000 per extension	As incurred.	If you are approved to extend the time of your development schedule under an Area Developer Agreement, you will pay us this fee.
Non-Compliance Fee	$250 for first deviation, $500 for first repeat deviation, and $1,000 for second repeat deviation and each subsequent deviation	As incurred.	If you deviate from any contractual requirement, including any mandatory specification, standard, or operating procedure, you will pay us a Non-Compliance Fee to cover our administrative and management costs to address your violation.
Gift Card Liability	Value of unredeemed gift cards	As incurred.	If you purchase a Restaurant from an existing owner, you must assume the prior owner's gift card liability and honor all outstanding but unredeemed gift cards that were issued by that location and/or the prior owner. If your Franchise Agreement is terminated early, you will pay us the outstanding gift card liability.
Transfer Damages	15% of the price paid by the transferee or $25,000, whichever is greater.	Within 15 days of our demand.	Due only if you breach your transfer obligations to us. These are liquidated damages and not a penalty.

Note 1: All fees are imposed by, collected by, and are payable to us and are non-refundable. During our last fiscal year, we agreed to waive collection of royalties for 6 months for a franchisee that purchased a corporate unit. Otherwise, all fees were uniformly applied. We have the right to adjust flat fees for inflation.

Note 2: The term "Gross Sales" means all receipts (cash, cash equivalent, trade or credit) or revenues from all business conducted in connection with your Restaurant(s). Gift cards and certificates are included in Gross Sales when redeemed. Gross Sales will not be reduced by any thefts which are reimbursed or are not reported. Each charge or credit sale will be treated as a sale

for the full price in the week during which the sale is made, despite the time when you receive payment. Any sales that involve trades or barter of products and services will be included at the fair market value of the item or service given by you. Sales for which excessive discounts, offsets, credits or deductions have been applied will be added back to Gross Sales in our sole discretion. Gross Sales includes the total amount charged to the customer if the customer orders through a third-party delivery service such as DoorDash or UberEats, whether or not all is received by you. Gross Sales will not include: (i) Sales for which cash has been refunded or allowances made, if these sales shall have been previously included in Gross Sales; (ii) Discounts issued to customers in accordance with BRIXX brand standards; (iii) The amount of any sales tax imposed by any federal, state, or municipal or any governmental authority directly on sales and intended to be collected from customers, provided that the amount thereof is added to the selling price and actually paid by you to such governmental authority; (iv) The initial sale of a gift card or certificate; or (v) Proceeds from the sale of equipment or fixtures.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Table 7A. Single Restaurant [1]

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Franchise Fee	$50,000	$50,000	Lump sum	Upon execution of Franchise Agreement	Us
Real Estate and Improvements [2]	$500,000	$840,000	As agreed	As incurred	Landlord, vendors, and contractors
Initial Inventory	$12,000	$30,000	As agreed	As agreed	Approved supplier
Furniture & Fixtures	$55,000	$100,000	As agreed	As agreed	Outside supplier
Signage	$16,500	$30,000	As agreed	As agreed	Outside supplier
Other Equipment (ovens, ranges, refrigeration, make-tables, mixers)	$210,000	$285,000	As agreed	As agreed	Outside supplier
Required Hardware and Software [3]	$9,050	$13,000	Per Vendor's method	Prior to opening	Outside provider
Security Deposits Utility Deposits [4]	$1,000	$5,000	As agreed	Upon signing agreements	Outside provider
Insurance Premiums [5]	$1,500	$3,000	As agreed	As incurred	Outside provider
Professional Services Accountant, Lawyer [6]	$10,000	$15,000	As agreed	As incurred	Outside provider
Architect	$35,000	$50,000	As agreed	As incurred	Approved architect

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Grand Opening Promotions [7]	$5,000	$10,000	As agreed	Within 30 days of Restaurant opening	Outside provider
Utilities	$2,000	$3,000	Lump sum	As incurred	Outside provider
Permits and Licenses	$1,000	$2,000	Lump sum	Upon application	State and local government
Payroll (1 week of training)	$20,000	$24,000	Lump sum	As incurred	Employees
Training Salary [8]	$22,500	$26,000	Cash	As incurred	General Manager, 2 Assistant Managers, and Kitchen Manager for time training attended
Training Expenses	$12,000	$18,000	As incurred	As incurred	Airlines, hotels, restaurants
Liquor License [9]	Varies	Varies	Lump sum	As arranged	Licensing authorities
Additional Funds (3 months) [10]	$25,000	$75,000	Cash	As incurred	Various suppliers
TOTAL	$987,550	$1,579,000			

Note 1: The total figure is based on a franchise for one Restaurant, without an Area Development Agreement. Unless specified herein or in Item 5, all amounts due to us are non-refundable. Other refund policies will be set by the individual supplier or vendor and you should ask them before you engage them. Most items and services are typically non-refundable. We do not finance any part of your initial investment.

Note 2: You must purchase or lease a suitable location for your Restaurant(s). Our estimate in this category is based on your leasing the facility of the square footage we specify below. Your costs to lease and improve the property are difficult to quantify because there are factors that will impact what you pay and vary widely based on location, cost per square foot, renovation costs, required maintenance fees, terms of the lease, the total area of your space as well as construction and material costs. You should review these costs with a local contractor, commercial real estate agent and other professionals. Your landlord may refund your security deposit, but most will not refund rental payments. You should ask your leasing agent or landlord about their refund policy before you sign a lease agreement. We do not require you to purchase or build a facility to house the franchise. Your cost may increase over our projections should you choose to purchase or build. You should consider construction delays and their unpredictable cost before electing to build or purchase. You should seek professional advice if you choose to purchase or build. You will likely incur costs to renovate or remodel the space you lease. Your costs will vary depending on many factors, including the size, condition and location of the facility, local wage rates and the cost of

materials. The amounts provided in this Item 7 constitute our estimate of typical lease costs during the first year of your lease, and necessary improvements to the leased space for restaurant design and layout. Your space will vary depending on the location, but we estimate you will need approximately 3,500 square feet per Restaurant. Your Restaurant design, layout, and lease (if applicable) must be accepted by us. We provide our standard plans and specifications for the kitchen and serving areas and will assist you in the general design and layout, but you will have to pay your architect to customize the plans and specifications to your space and local zoning requirements. You are required to follow our decor specifications. Your improvements may include plumbing, electrical, sheet rock, framing, painting, wall coverings, drop ceiling, HVAC, lights, etc., all of which must be accepted by us. The high estimate assumes new dark shell space that has never been built out. These are expenses to improve the space to brand-specific standards. Operation of your franchise business must commence within twelve months from the date of the Franchise Agreement for your Restaurant.

Note 3: You must purchase and install our specified point-of-sale system, which is described in detail in Item 11. You must also obtain a Restaurant 365 license. We estimate the costs of the hardware, software, and implementation to be between $9,050 and $13,000. Additionally, you will need to pay the monthly subscription fees, which we estimate to be between $705 and $855 per month.

Note 4: Fee depends on lease agreement and utility company practices.

Note 5: Your premium will vary depending on the insurance carrier and its assessment of your risk factors. This estimate reflects one year of premiums.

Note 6: We recommend that you retain an attorney, an accountant and other consultants to help you to establish your Restaurant. Your cost will depend on the location of the Restaurant, the prevailing rates of local attorneys, accountants and consultants.

Note 7: You must spend up to $7,500 on grand opening advertising within 30 days of the date you open the Restaurant. You may choose to spend more money. Factors that may affect the actual amount you spend include the type of media used, the size of the area you advertise to, local media cost, location of the franchised business, time of year and customer demographics in the surrounding area.

Note 8: Training wages will be determined based upon the salary/hourly wage you negotiate with your staff, the number of staff you choose to hire and train during this period, and, if applicable, wage and employment laws in your jurisdiction. These numbers are merely estimates; we do not advise you regarding the salary you should pay your staff.

Note 9: The cost of obtaining a liquor license varies greatly depending on the licensing authority involved. In our experience, liquor licenses have been obtained for as little as $100 and as much as $25,000. Check your local state laws. This variation reflects the fact that some states issue only a limited number of new liquor licenses each year, or none at all, and you may therefore need to purchase an existing liquor license at its fair market value, which may be substantial.

Note 10: You may need these additional funds to operate the franchise during its three-month initial phase to cover miscellaneous operating expenses. The estimated additional funds are based

upon the experience of our affiliate, New South, with respect to operating Brixx Restaurants in North Carolina and Virginia. Those expenses may include, for example, maintenance, supplies, ongoing inventory, marketing, payroll, and other miscellaneous expenses. The estimate of additional funds does not include an owner's salary or draw. The total figure does not include any advertising fees or royalty fee, which are based on a percentage of Gross Sales. These estimates do not include any finance charges, interest or debt service obligations. Your cash reserves should be based on the total monthly cost of operating the Restaurant in your unique market conditions. You may need to have more or less money in your cash reserve. You may need to have additional working capital to cover for low sales or high operating costs. You should speak with a financial advisor to get a more accurate estimate of the amount you should have in reserve.

Table 7B: Right for Three Restaurants under Area Development Agreement [1]

Type of Expenditure	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee for Three Restaurants	$110,000	$110,000	As agreed	Upon execution	Us
Costs to Develop 1 Restaurant Less the Initial Franchise Fee (From Table 7A) [2]	$937,550	$1,529,000	Varies; See Table 7A	Varies; See Table 7A	Varies; See Table 7A
TOTAL	$1,047,550	$1,639,000			

Note 1: Table 7B is based on the development of one Restaurant and the purchase of area development rights for three Restaurants. This Table 7B assumes you are signing a Franchise Agreement for the right to open one location and an Area Development Agreement to open two additional locations. This Item 7 disclosure covers the cost from the date the Area Development Agreement is signed until the third month of operating for the first Restaurant.

Note 2: The costs to develop one restaurant are disclosed in Table 7A. We have excluded the initial franchise fee from Table 7A because the Development Fee for three Restaurants includes the initial franchise fee for the first Restaurant.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Requirements to Use Authorized and Approved Goods, Services, and Suppliers

You are obligated to operate your Restaurant according to the Brixx System. This Brixx System includes required or authorized products, services, and product categories and designated or approved suppliers of certain products and services. The Brixx System includes specifications for products, services, and suppliers, which we will provide to you in writing and may modify from time to time. We reserve the right to modify the Brixx System, approved or designated suppliers, and specifications from time to time in order to achieve our quality and uniformity goals. We may

revoke or deny our approval of a product, service, or a supplier if that product, service, or supplier fails to meet or adhere to our quality standards or other requirements, and we will not consult with you about that revocation or denial. All approvals or revocation of approvals shall be in writing from us. Upon receipt of written notice of any such revocation or denial, you must cease to use any such unapproved product or service and cease to purchase from any such unapproved supplier.

We have and may continue to develop for use in the Brixx System certain products, including products which are prepared from highly confidential recipes and which are our trade secrets. Because of the importance of quality and uniformity of production and the significance of such products in the Brixx System, it is to the mutual benefit of us and you that we closely control the production and distribution of such products. Accordingly, if such products become a part of the Brixx System, you must use only our confidential recipes and other proprietary products, and must purchase all of your requirements for such products solely from us or authorized suppliers we designate.

If you want to use an item or service that does not comply with the Brixx System or is to be purchased from a supplier that has not yet been approved by us, you must first provide sufficient information, specifications and samples of the item or service or from the prospective supplier for our review. Based on the information and samples you supply to us and your payment of a $500 fee (plus reimburse our costs and expenses that are over $500), we will conduct our review. We may impose limits on the number of approved items, services, and suppliers. After you request approval of an item, service, or supplier, we will notify you within 90 days of our approval or disapproval. Approval of a supplier may be conditioned on requirements relating to product quality, the frequency of delivery, standards of service and concentration of purchases and may be temporary, pending our further evaluation of the supplier. We are not required to consent to any particular item, service, or supplier. Our criteria for our approval are available upon request. If a supplier meets our criteria, you may contract with such supplier. If you wish to contract to purchase products or services from a supplier submitted by you for approval, the supplier must state in writing that you are an independent entity from us and that we are not liable for your debts. We must have the right to inspect the supplier's facilities. We may require a supplier to meet other requirements as a condition of keeping its approved supplier status, such as payment of reasonable continuing inspection fees and administrative costs. We may re-inspect the facilities, products and services of an approved supplier and revoke our approval if the supplier does not meet our standards. We will provide notice of any approval or revocation in writing.

We have not established any purchasing or distribution cooperative. We provide no material benefits to you based on your use of designated or approved suppliers.

Us or our Affiliates as Suppliers

We estimate, based on past franchise operations, that the purchase of products and services in accordance with our specifications or from required suppliers will represent approximately 90% to 95% of your overall purchases in connection with the establishment of your Restaurant, and approximately 90% to 95% of the total purchases of products and services needed to operate the Restaurant.

We do negotiate purchase agreements with approved suppliers for the benefit of the Brixx System but are under no obligation to do so and reserve the right to discontinue this practice at any time. We do not guaranty any results of these negotiations.

You may be required to pay us a Technology Fee (as set forth in Item 6) which we may use for any technology related purpose, including providing you certain Computer Systems. We are not the original source of such Computer Systems.

Other than as described above, neither we nor New South currently is an approved supplier to our franchisees, but we or New South may be approved or designated suppliers in the future.

Other than their ownership interests in us and/or New South, none of our owners or officers are currently approved suppliers or own an interest in an approved supplier. However, we and they reserve all rights to do so in the future.

During fiscal year 2025, we did not derive revenue from our franchisees' required purchases or leases, nor did we receive any rebates or other material consideration from suppliers based upon the required purchases or leases. While we do not currently do so, in the future, we may from time to time receive rebates or other payments from suppliers as a result of purchases by our franchisees' Restaurants.

During fiscal year 2025, the rebates received by our affiliate, New South, from required purchases by franchisees totaled $98,510. These rebates can be determined by purchase volume of all products or a subset of qualified products, by purchase amount of required brands, by use of preferred supplier administrative procedures, or by volume of purchases above various supplier-selected minimums. Some rebates for food products are given on a per pound flat rate while other rebates are given on a percentage basis. While New South is not required to do so, New South distributed 100% of the rebates attributable to franchisees who were in compliance with their Franchise Agreements to those franchisees based upon their percentage of the total purchases from the participating suppliers provided franchisees timely paid their supplier invoices. New South does not provide such rebates to franchisees who were in default of their Franchise Agreements. New South has no obligation to share such revenue or any other consider received with you or other franchisees and reserves the right to discontinue this practice at any time.

Third-Party Suppliers

All food, inventory, equipment, Computer Systems, fixtures, and supply items used in connection with the Restaurant must be purchased from one of our approved suppliers under the specifications of our Brand Standards Manual. We do have some exclusive suppliers of Computer Systems, equipment, inventory, food and beverage products. In general, any product or material that has our name or any of our trademarks on it must meet certain specifications, and we must approve your use of it in advance. You must obtain our acceptance of your premises and your lease.

You are obligated to obtain and maintain at your own expense, such insurance coverage that we require from time to time. The Franchise Agreement outlines the types, amounts, terms and conditions of insurance coverage required for your Restaurant, including, but not limited to standards for underwriters of policies providing required insurance coverage; our protection and

rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage at your expense if you fail to obtain required coverage; our right to defend a claim; and similar matters relating to insured and uninsured claims. The cost of this coverage will vary depending on the insurance carrier's charges, terms of payments and your history. All insurance policies must name us as an additional insured party. Your obligations relating to insurance coverage are defined in Section 16 of the Franchise Agreement.

You are currently required to maintain the following insurance:

- Commercial general liability with bodily injury and property damage including products & completed operations coverage with a limit of at least One Million Dollars ($1,000,000) per occurrence and a Two Million Dollars ($2,000,000) general aggregate.

- Automotive liability for all owned, hired and non-owned vehicles with a limit of at least One Million Dollars ($1,000,000) per accident.

- Liquor liability coverage with at least One Million Dollars ($1,000,000) per occurrence and aggregate limit which is a separate limit for the commercial general liability limit.

- Cyber liability insurance including privacy & security coverage with a limit of at least One Million Dollars ($1,000,000).

- Employment practices liability coverage with a limit of at least One Million Dollars ($1,000,000).

- Worker's compensation insurance as required by state laws including employers liability with a limit of at least One Million Dollars ($1,000,000).

You are required to purchase and use the Toast point of sale system and any other point of sale system we may designate from time to time as well as obtain a license for Restaurant 365. The specifications for your required purchase are outlined in Item 11. You are required to use the credit card processing service we approve. You are responsible for all credit card processing fees associated with any point-of-sale system or software we approve or require you to use.

We do not allow you to use group buying services, such as Groupon or Living Social.

You must use the approved third-party delivery services we approve to deliver products to customers that are ordered from the Restaurant. Currently, you must use UberEats and DoorDash as approved third-party delivery services. You are responsible for all associated costs. You must use all third-party delivery service providers in accordance with our policies and procedures and terms of any of our agreements, if any, with the delivery service provider.

Currently the Brand Fund covers the basic service cost for Adentro, which is a system that provides free Wi-Fi for your customers. If you select additional functionality or services from Adentro, you will pay all associated costs. We may revoke this policy in the future and require you to pay the basic service fees for the Adentro system (which are currently approximately $60 per month).

We have selected a single supplier to produce gift cards and administer our gift card program. We also have selected a single supplier to manage our loyalty and rewards programs. You must participate in the gift card program and loyalty and rewards programs and work with our suppliers. In addition, we may incur expenses in administering the gift card program and such expenses may be passed on to you and may be drafted by EFT. Currently, however, the Brand Fund pays the cost of the loyalty program mobile application. You will purchase the loyalty and gift cards and are required to use our approved supplier to process them, which will result in expense to you based upon card activity. You must also honor loyalty points and rewards that are redeemed at your location, with no reimbursement due to you from us.

ITEM 9. FRANCHISEE'S OBLIGATIONS

FRANCHISEE'S OBLIGATIONS

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

Obligation	Section of Agreement	Item in Disclosure Document
(a) Site selection and acquisition/lease	Sections 4 and 5 of franchise agreement and Section 5, 6 and 8 of area development agreement	Items 6 and 11
(b) Pre-opening purchases/leases	Sections 4 and 5 of franchise agreement	Items 7 and 8
(c) Site development and other pre-opening requirements	Sections 4 and 5 of franchise agreement and Section 8 of area development agreement	Items 6, 7 and 11
(d) Initial and ongoing training	Sections 5, 6 and 7 of franchise agreement	Items 6, 7 and 11
(e) Opening	Section 6 of franchise agreement	Item 11
(f) Fees	Sections 2, 4, 9 and 12 of franchise agreement and Section 3 of area development agreement	Items 5, 6 and 7
(g) Compliance with standards and policies/ Brand Standards Manual	Sections 3, 6, 7, 8, 9, and 10 of franchise agreement	Items 8 and 11
(h) Trademarks and proprietary information	Sections 1, 18 and 19 of franchise agreement	Items 13 and 14
(i) Restrictions on products/services offered	Sections 5, 6 and 8 of franchise agreement	Items 8, 11 and 16
(j) Warranty and customer service requirements	Section 3	Not applicable.

Obligation	Section of Agreement	Item in Disclosure Document
(k) Territorial development and sales quotas	Sections 1 and 4 of franchise agreement and Section 4 of area development agreement	Item 12
(l) Ongoing product/service purchases	Section 6 of franchise agreement	Item 8
(m) Maintenance and upgrade	Section 8 of franchise agreement	Item 8
(n) Insurance	Section 16 of franchise agreement	Items 6, 7 and 8
(o) Advertising	Sections 6 and 9 of franchise agreement	Items 6, 7 and 11
(p) Indemnification	Sections 15 and 18 of franchise agreement, social media policy	Item 6
(q) Owner's participation/ management/staffing	Section 6 of franchise agreement	Items 11 and 15
(r) Records and reports	Section 10 of franchise agreement	Not applicable.
(s) Inspections and audits	Sections 5 and 14 of franchise agreement	Items 6 and 7
(t) Transfer	Section 12 of franchise agreement and Section 14 of area development agreement	Items 6 and 17
(u) Renewal	Section 1 of franchise agreement	Items 6 and 17
(v) Post-termination obligations	Sections 13 and 19 of franchise agreement	Item 17
(w) Non-competition covenants	Sections 9, 13 and 19 of franchise agreement	Item 17
(x) Dispute resolution	Sections 20 and 22 of franchise agreement and Section 18 of area development agreement	Item 17
(y) Guaranty	Section 11.4 of franchise agreement and Addendum C; area development agreement Addendum A	Item 10

ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee your notes, leases, or other obligations.

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ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Pre-Opening Obligations

Before you open your Restaurant, we will:

1) Accept the location for the Restaurant if it meets our standards (Franchise Agreement – Section 1.1). If you enter into an Area Development Agreement, we will designate the geographical region in which you must open all of your Restaurants. (Area Development Agreement – Section 1.1.)

2) To the extent we have them, provide you with the names of approved or designated suppliers. (Franchise Agreement – Section 5.7.)

3) To the extent we have them, provide you with a list of specifications for approved products, services, equipment, supplies and materials. We do not deliver or install these items. (Franchise Agreement – Section 5.4.)

4) Provide an initial training program (Franchise Agreement – Section 8). See below for greater details.

5) Give you access to the Brand Standards Manual.

6) We will assist you in the planning and implementation of (a) business startup plans, (b) Restaurant opening procedures, (c) equipment and merchandise ordering, and (d) the performance of all other tasks reasonably necessary to open your Restaurant. We will visit your Restaurant for up to five days prior to the grand opening to assist in training your employees. (Franchise Agreement – Section 5.2.) It will be solely your responsibility to ensure that all new employees and current employees are trained to perform their duties in a proper manner at the Restaurant and you will implement and maintain an employee training program, at your expense, pursuant to all specifications, standards and procedures prescribed by us. You shall ensure that all employees have all necessary certifications and credentials as required by applicable state laws and licensing regulations, and that all employees must satisfy all continuing educational training requirements as may be specified by applicable laws, regulations. We will not hire your employees or be involved the hiring process.

Opening Your Restaurant. You will propose, for our acceptance, a site for your Restaurant(s) within your designated territory. (Franchise Agreement -- Section 1.1.) We have no obligation to assist you in locating a site. That is your responsibility. We do not own or lease the site to you. You must provide all information about the proposed site that we request, including a complete site analysis report. We do not have to consider a proposed location until we receive all requested information. In accepting or rejecting a site, we may consider factors including, but not limited to, the general location, neighborhood, demographics around the site, traffic in the center or around the site, co-tenants of the site, visibility, and the distance to other Restaurants in the area. We will accept or reject your site selection within 30 days of written notification of your selection. If you

fail to execute a lease or purchase contract for the site within a reasonable amount of time after our acceptance of the site, we reserve the right to refer it to another franchise applicant or develop it as a company-owned business. If we are not able to come to an agreement on a site within twelve months after you sign the Franchise Agreement we have the right to terminate the agreement. You must obtain our acceptance of the lease for the site. We do not provide lease negotiation assistance.

We have the right to accept the locations of all future sites under the Area Development Agreement and designate the territory associated with each site applying our then-current standards for site selection and territory designation.

As stated in the Franchise Agreement (Franchise Agreement – Section 4.4) you are required to open the Restaurant within six months after the date we accept the Location. You agree to open the Restaurant within two weeks after a determination by us that the building in which the business is to be located is ready for use and your staff is ready and not any time before receiving our prior consent. The factors that may increase or decrease the time periods discussed above are: the amount of time and effort you commit to the site selection process and the construction of your Restaurant; the availability of acceptable sites within the geographical area you choose; your ability to obtain a lease, financing and building permits; your credit and personal financials, and zoning and licensing requirements. Delays or a lack of effort by you, your contractors or your prospective landlord will increase these time periods. If you change your employment, business or financial status before the opening of your Restaurant, you do so at your own risk. Any and all such changes should be made only as a result of careful thought and advanced planning after obtaining advice from appropriate professional advisors.

You are solely responsible for constructing or remodeling, furnishing, decorating, and equipping the accepted site. You shall be responsible for obtaining and keeping in full force and effect all permits required by any and all government or regulatory agencies regulating your franchise business and with complying with all applicable laws and regulations.

Ongoing Obligations. During the operation of the franchised business, we will:

1) We will make available to you from time to time all improvements and additions to the Brixx System and the goods and services offered by Restaurants to the same extent and in the same manner as they are made available to franchisees generally. (Franchise Agreement – Section 5.4.)

2) Generally, you will have the right to set prices for the goods and services you offer and sell at your Restaurant. We will offer you our recommendations and advice about setting prices for your goods and services. If the law in your jurisdiction permits us to do so, we reserve the right to establish minimum or maximum prices, to implement system wide promotional pricing, and to establish specific prices for specific goods and services.

Optional Assistance. We have the discretion to provide you with the following assistance, but not the obligation:

1) Hold annual conferences to discuss new developments, mutual concerns, and business issues. At this time, there is no conference fee, but you must pay all your travel and living

expenses, and a conference fee may be charged in the future. These conferences will be held in Charlotte, North Carolina or at another location chosen by us. We can require attendance to be mandatory.

2) In our sole discretion, make periodic inspections of your business for compliance, consultation, assistance, and guidance in all aspects of the operation and management of the franchise as we deem appropriate from time to time. We may provide written reports of any suggested changes or improvements for the operation or management and detail any defaults in operations which become evident as a result of any such evaluation and inspection.

3) Develop new products and methods, as we deem necessary in our sole discretion, and provide you with information about any such developments.

4) Additional guidance, at our sole discretion, may be furnished in the form of our Brand Standards Manual, bulletins or other written materials, telephone consultations and/or consultations at our offices or at your business in conjunction with an inspection of your franchise business. If you request a level of support that is greater than what we provide to other franchisees, we reserve the right to charge you our then-current additional training fee. (Franchise Agreement – Sections 5.4 and 14.) We may provide you with guidance on resolving operating problems you encounter.

5) We may establish administrative, bookkeeping, accounting, and inventory control procedures as part of the Brixx System that you may be required to use and comply with. We will not assist with hiring your employees.

Brand Standards Manual. We will lend you one copy of our Brand Standards Manual (Franchise Agreement – Section 5.3). The Brand Standards Manual currently has 78 pages. The table of contents of the Brand Standards Manual is attached to this Disclosure Document as Exhibit E. We may periodically amend, update or replace the contents of the Brand Standards Manual. You must comply with each amended, updated or replaced provision. Revisions to the Brand Standards Manual will be made in our sole discretion.

Advertising.

Co-Op Advertising Associations. We do not currently collect any advertising payment from you with respect to an advertising association ("Co-Op") and no Co-Op is established. We have the right, in our sole discretion, to designate any geographical area as a region for purposes of establishing an advertising association. If a Co-Op has been or is later established for the geographic area in which your Restaurant is located, you must sign the documents we require to become a member of the Co-Op. We, in our sole discretion, may grant anyone an exemption for any length of time from the requirement of membership in a Co-Op, on written request from an operator stating reasons supporting the exemption. Our decision concerning the request for exemption will be final. For all Co-Ops, members' required contributions will be determined by a vote of the members and each member will contribute on an equivalent basis. The maximum amount a Co-Op can charge its members is 2% of Gross Sales per month. We or someone we designate will be responsible for administration of the Co-Ops. Any franchisor or affiliate owned restaurants who are members of the Co-Op will contribute on the same basis as equivalent

franchisees who are members. The Co-Ops must prepare annual or periodic financial statements, which will be available for your review on written request. We have the power to require Co-Ops to be formed, changed, dissolved or merged. Any payments you make to a Co-Op will be in addition to the Brand Fund fee, but will count toward minimum local advertising expense obligations described in Item 6 above. (Franchise Agreement - Section 2.4.) You may obtain an accounting of advertising expenses incurred by the Co-Op by sending a written request to us. The Co-Cops will operate from written documents, which will be available to you review upon written request. We assume no direct or indirect liability or obligation with respect to the maintenance, direction or administration of the Co-Op. We do not act as trustee or in any other fiduciary capacity with respect to the Co-Op.

Brixx Brand Fund. We have established the Brixx Brand Fund ("Brand Fund"). As described in Item 6, you must contribute 2% of your Gross Sales to the Brand Fund. Brand Fund contributions are payable, together with any royalty fee due, on a weekly basis. Brand Fund fees are in addition to fees payable for local advertising and fees payable for your Co-Op. All Brixx Restaurants located in the U.S. owned by us or any of our affiliates must contribute to the programs funded by the Brand Fund and will do so on the same basis as you contribute.

We have the sole discretion to determine in our fully unrestricted judgment the manner in which the Brand Fund contributions will be spent to promote, enhance, or further the growth of the Brixx brand, restaurants, and Brixx System, including, but not limited to: research; marketing studies; customer relationship management systems; the purchase of customer lists, leads, and other assets from an existing, competitive business, including the payment of all costs and fees (including attorneys' fees) incurred in connection with such purchase; development and maintenance of mobile applications, websites, and intranets; development and maintenance of any Online Presence; direct mail; promotional marketing, public relations, and advertising expenses to promote the brand; hiring marketing, public relations and advertising agencies, or technology companies, or paying the salaries of in-house personnel to assist in developing the Brixx brand name; developing, evaluating, or using technologies that we believe may benefit the brand, the customers, the franchisees, or the brand's reputation (including but not limited to ordering, cooking, and delivery technologies, goods, and services); developing new products and franchisee revenue sources; research and development of new menu items; expenses associated with listings on websites, contest registrations, digital marketing content, influencer marketing, radio, billboards, TV, print, or internet advertising, and events and promotions designed to garner media attention and promote the brand name; expenses incurred in maintaining quality of customer service and brand confidence; expenses associated with conducting market research; travel expenses in connection with promotions and marketing meetings, training, development of trademarks and trademarked materials; expenses associated with developing and maintaining a rewards, gift card, and/or loyalty program; production of marketing, public relations, or digital or social media content, including, but not limited to, advertisements, coupons, and other promotional materials (including point-of-sale purchase materials); technology development and enhancements for the brand; expenses incurred in developing and maintaining non-franchise sales portion of any Online Presence; and expenses incurred in using search engine optimization, pay-per-click, or other digital marketing software, services, or companies to help promote the brand.

While we do not anticipate that any part of Brand Fund contributions will be used for advertising which is principally a solicitation for franchisees, we reserve the right to use the Brand Fund for

public relations or recognition of the Brixx brand, for the creation and maintenance of one or more Online Presence, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any advertisement indicating "Franchises Available" or similar language. A brief statement regarding the availability of information regarding the purchase of Brixx franchises may be included in advertising and other items produced using the Brand Fund; provided that we will not use Brand Fund funds principally to sell franchises. Brand Fund fees may be used to defray our reasonable administrative costs and overhead, if any, as we may incur in activities reasonably related to the administration or direction of the Brand Fund ("Fund Administrative Expenses"). These Fund Administrative Expenses may be incurred by us or our affiliates. Our affiliates may be reimbursed for the Brand Fund Administrative Expenses from the Brand Fund.

We may occasionally provide for placement of advertising on behalf of the entire franchise system, including franchisees; however, we are more likely to provide you with advertising content to use in your local territory or on a regional basis with other franchisees in an advertising cooperative. You will be responsible for implementing any promotional or public relations programs or placing any advertising content we create, at your own expense.

Currently, the Brand Fund fees are payable to and administered by us. We have the right to establish in the future a nonprofit corporation or other business entity to collect Brand Fund contributions from our franchisees. In any fiscal year, we may spend amounts that are more or less than the aggregate contributions of all Brixx Restaurants to the Brand Fund in that year, and we may fund any deficits with contributions from future years. Any funds not spend in that year will accrue for use in the next year. The Brand Fund may borrow from us (on commercially reasonable terms and rates) or other lenders to cover deficits or cause the Brand Fund to invest any surplus for future use.

We do not audit the Brand Fund but will provide you with an internally prepared unaudited accounting of the revenues and expenses incurred by the Brand Fund or the financial statements of the fund upon your written request and at least 30 days' notice. The costs of preparing any accounting or financial statements of the Brand Fund will be charged by us against the Brand Fund. We have the right to terminate the Brand Fund at any time after all monies in the Brand Fund have been expended for advertising and/or promotional purposes. We assume no direct or indirect liability or obligation with respect to the maintenance, direction or administration of the Brand Fund. We do not act as trustee or in any other fiduciary capacity with respect to the Brand Fund.

We are under no obligation to expend monies from the Brand Fund on advertising in the area or territory where your franchise is located.

During 2025, we made expenditures from the Brand Fund as follows:

USE	PERCENTAGE OF TOTAL EXPENDITURES
Production	16.48%
Media [1]	41.58%
Administration [2]	22.01%
Other [3]	19.92%
TOTAL	**100%**

Note 1: The Media category includes expenditures for print media, external content management, and media buys.

Note 2: The Administration category includes personnel and administrative costs.

Note 3: The Other category includes guest engagement tools like loyalty programs and free customer wi-fi.

Your Local Advertising. In addition to your required contribution to the Brand Fund, each month you must spend at least 2% of your Gross Sales in that month to advertise locally. You must spend up to $7,500 on grand opening advertising within 30 days of the date you open the Restaurant. You must submit to us, for our prior approval, samples of all advertising and promotional materials that we did not prepare or previously approve and that vary from our standard advertising and promotional materials. You may develop advertising and marketing materials for your own use, at your own cost and must have them approved by us in writing before you use them. You may not use any advertising or promotional materials that we have not approved. All of your advertising and promotional material must be completely factual and conform to the highest standards of ethical advertising. You must refrain from any business or advertising practice that may injure our business, the business of other Brixx Restaurants or the goodwill associated with the Marks. Failure to follow our instructions regarding pre-approval of advertising and marketing materials will result in fines and will put you in default of your agreement. You must use the Marks on your letterhead, stationery, and marketing materials. We may supply these materials to you at our then-current prices. You may have them printed elsewhere if they meet our specifications. We can require you to expend these funds on required, franchisor-initiated giveaways, discounts, advertising and marketing campaigns, promotions, and loyalty programs.

Other Advertising By Us. We are not obligated to conduct any other advertising activities for your Restaurant or the Brixx brand. We have no obligation to conduct advertising in your territory or region. If we do undertake any advertising activities, we are not limited in the media we may use , the type of coverage we select (coverage is likely to be local or regional and not national), the sources of the advertising (they could be internal or external), or the geography in which the advertising is conducted.

At this time, we do not maintain an advertising council. We have the power to form, change, or dissolve any future advertising council. Any future advertising council would serve in an advisory

capacity only and would not have any operational or decision-making power. We in our sole discretion would select the members.

Training. We provide training to you as follows, which training must all be completed to our satisfaction.

No later than eight weeks prior to opening of your Restaurant, you (or your managing shareholder, partner, or member) and a representative selected by you are required to attend and successfully complete a Management Training Program which we will hold at our approved training restaurant or another location we designate. Up to four people may attend the Management Training Program under the initial franchise fee. Upon successful completion of the training, attendees will be certified to manage the Brixx System and to train other managers. The length of management training depends on your prior experience, but should range from five to seven weeks and generally consists of 26-29 hours of classroom training and 255 hours of on the job training. You (or your managing shareholder, partner, or member) and one of your associates must successfully complete basic training in order for you to operate a Restaurant. Successful completion of the competency-based management training program will be determined by culmination of each module of the program and certification contingent on the successful completion of the accomplishment recaps, projects, workbooks, and examinations which accompany each module of the program. We will provide the training without an additional fee to you for four people; provided that the cost of travel, meals, lodging and wages must be borne by you. All training programs are offered on an as-needed basis at a time mutually agreed upon by us and you. The training materials include hands-on experience, demonstrations, the Brand Standards Manual, discussions, and assessments.

During the Management Training Program, you and your designated trainees will be instructed in operations and management of a Restaurant. This training is provided by our director of training, Will Schoworer, who has served as our director of training since 2022.

TRAINING PROGRAM

PRE-OPENING MANAGEMENT TRAINING (MUST BE COMPLETED BY AT LEAST TWO PEOPLE (UP TO FOUR), AS DESCRIBED ABOVE, BEFORE STORE OPENING)

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Welcome and Introduction to Brixx	2	9	Approved Location
Staffing	1	8	Approved Location
Marketing	1	4	Approved Location
Sanitation, security, safety	2	8	Approved Location
Maintenance and repair	1	6	Approved Location
Restaurant operations/floor management	3-5	50	Approved Location
Food handling and storage	2-3	20	Approved Location
Equipment, troubleshooting and maintenance	1	10	Approved Location

SUBJECT	HOURS OF CLASSROOM TRAINING	HOURS OF ON THE JOB TRAINING	LOCATION
Customer relations	2	20	Approved Location
Inventory, ordering and receiving	3	20	Approved Location
Back of house food preparation/production	2	30	Approved Location
Serving	3	20	Approved Location
Takeout	1	4	Approved Location
Bartending	1	8	Approved Location
Hosting	1	8	Approved Location
POS System	1	10	Approved Location
Restaurant Opening and Closing Mgr.	2	20	Approved Location
TOTALS	**29-32**	**255**	

The hours devoted to each subject are estimates only and may vary substantially based on how quickly trainees grasp the material, their prior experience with the subject, scheduling, and whether or not they are an initial trainee, a transferee, or an existing operator who has purchased multiple territories.

Grand Opening Training. In addition to the Management Training Program, we will send a trainer to assist you in training your staff at your location for a period not to exceed one week prior to opening. The cost of this training is included in the initial franchise fee.

Position-Specific Training: In addition to the Management Training Program, you must send two assistant managers and your kitchen manager to on-the-job training at a training location we specify. You must pay their training wages, travel, lodging, and meal reimbursement for your employees. The assistant and kitchen manager training is five weeks. The cost of this training is included in the initial franchise fee.

Transferee Training: Transferees must complete the basic training course at an approved training location we designate. The cost of training for transferees is included in the Transfer Fee, however the transferee will pay for their and their trainees' travel, lodging, and food expenses. Training for a transferee occurs at a time scheduled by us and may not be available immediately after the transferee assumes control.

Refresher Training: We may provide refresher training programs. The content of refresher training will be determined by you as dictated by the needs of you and your trainees. Refresher training will take place as often as requested by you. To attend refresher training programs at our location, you must pay $150 per trainee per day, plus your and your trainees' travel, lodging, and food compensation expenses. If we train your personnel at your place of business, you will pay us a fee of $225 per trainer per day plus expenses for transportation, food and lodging of each trainer.

*New Manager Training***:** After the initial training, any new manager must be trained and certified by us, by you, or by your training-certified manager. The training certification given to you or

your managers may be revoked based on the inspections performed by us at your Restaurant. If trained by us at our location, our fee for such manager additional training and certification is $125 per day per trainee, and you must also bear the costs of travel, food, lodging and salaries of your employees in connection with this training. As an alternative, we will train your additional personnel at your place of business for a fee of $225 per trainer per day plus expenses for transportation, food and lodging of each trainer. (Franchise Agreement – Section 8.2.)

Additional Training: We do not anticipate requiring you to complete any additional training programs, although we may require you to do so from time to time. Any additional training will be billed to you at our then-current training charges. In all cases, you will pay the expenses for your and your trainees' travel, lodging, food and compensation.

Computer Systems. You must purchase or lease the required computer systems, hardware, software, electronics, technology, communications systems, robotics, automation systems, and point of sale systems ("Computer Systems") as designated by us and from our designated supplier(s). We currently require you to use the Toast POS system and obtain a Restaurant 365 license, but we have the right to change the designated systems. We estimate the start up costs for the Toast and Restaurant 365 systems, including hardware, software, and implementation costs, to be between $9,050 to $13,000. These purchases will include internet equipment (ethernet, routers, and access points), two kitchen printers, two Toast printers, a cash drawer, a Toast Go 2 charging dock, five Toast 2 Go units, and six displays of various sizes. We estimate that your monthly Toast and Restaurant 365 subscription fees will be between $705 to $855 per month. We are not obligated to provide or to assist you in obtaining, implementing, or maintaining the Toast point of sale system or Restaurant 365 software.

If you obtain our permission to use delivery services, you must use a third-party delivery service we approve to deliver products to customers that are ordered from the Restaurant. Currently, DoorDash and UberEats are our approved third-party delivery services. You are responsible for all associated costs of the hardware, software, and fees related to these services.

You are responsible for all credit card and merchant processing fees associated with any point of sale system or software we approve or require you to use.

You may be required to pay us a Technology Fee (as set forth in Item 6) for certain Computer Systems we provide to you. We reserve the right to alter, modify, substitute, add, or delete any technologies provided to you for the Technology Fee in our sole discretion.

Currently the Brand Fund covers the basic service cost for Adentro, which is a system that provides free Wi-Fi for your customers. If you select additional functionality or services from Adentro, you will pay all associated costs. We may revoke this policy in the future and require you to pay the basic service fees for the Adentro system (which are currently approximately $60 per month).

The data stored or generated in the currently required Computer Systems includes financial data, customer data, transactional data, scheduling data, ordering data, and other operational data.

The exact equipment you will purchase will likely vary depending on the customer capacity and layout of your Restaurant. Current Computer Systems requirements are also updated from time to time in the Brand Standards Manual. As the Computer Systems requirements change, you may be

required to upgrade, update, or replace your Computer Systems. There are no restrictions on our ability to change the Computer Systems and there is no limitation on the costs you may incur as a result of upgrading, updating, or replacing your Computer Systems. Neither we nor our affiliate have any contractual obligation to upgrade, maintain, or update Computer Systems. We do not currently require any software updating, upgrading or support contracts, but reserve the right to do so in the future. Your individual contracts with third-party suppliers may contain obligations for those third-party suppliers to provide updates, maintenance, and upgrades. We will not be liable to you for any updates, maintenance, or upgrades or failures to provide updates, maintenance, or upgrades by the approved Computer Systems suppliers. We estimate that you will spend about $2,000 per year on optional or required maintenance but this amount is subject to change based upon your individual purchases and the changes we may require in Computer Systems.

We will have the right at all times to independently access your Computer Systems to retrieve, analyze, and use the information, including your financial information. You agree that we will have the free and unfettered right to retrieve any data and information from your Computer Systems, in our sole discretion, deem appropriate, including electronically polling the daily sales, customer lists, and other data of the Restaurant. There is no contractual limit on our right to access data. You will pay all expenses including hardware and software licenses to facilitate our access to the Computer Systems.

We may develop additional proprietary or non-proprietary Computer Systems. Accordingly, we may require that you enter into a license agreement with us or our affiliate, which may require you to pay us commercially reasonable fees and/or enter into license agreements directly with suppliers. Additionally, if we enter into a license agreement with a supplier and sublicense the Computer Systems to you, we may charge you for all amounts we pay to the supplier based on your use, plus a reasonable amount to compensate us for the services that we or our affiliate provide. We have the right to impose a monthly maintenance for such proprietary software.

We recommend that you back up your data locally, which may require you to purchase a "back-up" subscription service. We are not responsible under any circumstances for any malfunction or "crash" of the Computer Systems we require, recommend, provide, or approve, including for any Restaurant data lost as a result of that malfunction or "crash." Despite the fact that you must buy, use, and maintain the Computer Systems according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer Systems; (2) the manner in which your Computer Systems interface with our and any third party's technology; and (3) any and all consequences if the Computer Systems are not properly operated, maintained, and upgraded.

Website and Online Presences. We will maintain a website. We may also develop and maintain any other type of online, internet, virtual, or digital presence (each an "Online Presence") as we see fit. An "Online Presence" includes (1) the brand website, other webpages, URLs, or domain names; (2) accounts, pages, or profiles on social media sites; social networking sites; news sites; online, internet, or digital directories; video, photography, and messaging services; blogs; or forums; (3) e-commerce sites or accounts; (4) digital or online advertising and marketing content and services; (5) mobile applications; (6) virtual reality platforms; (7) any identifiers of an Online Presence; or (8) a presence on any other type of online, internet, virtual, or digital tool, good, or service that may be developed. We will have the sole right to control all aspects of each Online

Presence, including its design, content, functionality, links to any other Online Presence, legal notices, and policies and terms of usage. We will also have the right to discontinue operation of any Online Presence at any time without notice to you. We will not be liable to you for any downtime that may occur to any Online Presence, whether such downtime is a result of our or a third-party's actions You may not establish or operate an Online Presence that in any way concerns, discusses, or alludes to us, the System, or your Restaurant without our written consent, which we can revoke. The Marks may not be used as part of, in conjunction with, to establish, or to operate any Online Presence, except as specifically approved by us. You must follow our policies with the establishment and use of any Online Presence. You may not establish or permit or aid anyone else to establish any links to any Online Presence we create. We may require that you maintain and utilize a specific email account in connection with the Restaurant.

You may not post, and must take such steps as necessary to ensure that your employees and independent contractors do not post, any information on an Online Presence relating to us, the System, the Marks, or the Restaurant that (a) does not comply with our brand, social media, or Online Presence guidelines; (b) is derogatory, disparaging, or critical of us, the System, or the Proprietary; (c) is illegal, offensive, inflammatory, controversial, unethical, immoral, indecent, or otherwise inappropriate; and/or (d) harms the goodwill and/or public image of the System and/or the Marks. At our request, you must promptly modify or remove any online communication pertaining to the Restaurant that does not comply with the Franchise Agreement or the Brand Standards Manual.

For any Online Presence or email address you are approved to create, use, or maintain, we reserve the right to be exercised at our option to have the Online Presence or email address directly owned by us or to require it to be transferred to us after the expiration or termination of the Franchise Agreement. We have the right to require that any Online Presence or email address we permit you to create, use, or maintain be registered in our name. Upon request, you must provide us with any login credentials for any Online Presence or email address you are authorized to create, use, or maintain. We have the right to access any Online Presence to take corrective action if any content or post on the Online Presence is in violation of our policies.

We may, but are not required to, provide you with access to social media groups or pages that we control. We will not be responsible to you for content posted within such social media groups or on such social media pages, and we have the right to restrict access by you or any other franchisees at any time, or delete comments, links, or photos you or other franchisees post to such pages or within such groups, in our sole discretion.

We have right to create a mobile application or other Online Presence for taking delivery orders from customers and routing that to you. We will be solely responsible for the development of all online ordering.

Subject to the terms of the Franchise Agreement and Brand Standards Manual, we may make available to you a subpage on our website that will be located at a sub-domain of the website to be specified by us (or on a subpage of another Online Presence) ("Subpage"). You may be permitted to upload content onto the Subpage solely to promote, and provide customers information related to, your Restaurant. You may only upload content onto the Subpage in accordance with terms of

the Franchise Agreement and any guidelines, directives or specifications (collectively, "Subpage Standards") issued by us. The Subpage may not contain content which references any other Restaurants other than your Restaurant. You may not upload, publish, display, or otherwise include or use any content on the Subpage without receiving our approval. Once we approve the initial content of the Subpage, you must submit any changes to us before you make any changes. We may, at any time, cease to make the Subpage available to you or the public. Upon the termination or expiration of the Franchise Agreement for any reason or a default under the Franchise Agreement for any reason, you may not upload, content, onto, or otherwise use, the Subpage, and your access to the Subpage shall immediately cease and we may cease to make the Subpage available to you and/or remove the Subpage from the internet.

ITEM 12. TERRITORY

Franchise Agreement. We will grant to you a protected territory that we designate in the Franchise Rider attached as Addendum A to the Franchise Agreement ("Territory"). You must locate your Restaurant at an accepted site within the Territory. The Territory will be determined based upon the population of the metropolitan area in which the Restaurant will be located. Unless your location will be in a metropolitan area with a population exceeding 1,000,000 people, the Territory will consist of an area of a radius of 3 miles from the Restaurant. Restaurants in a metropolitan area with a population exceeding 1,000,000 will have a Territory with a 1.5 mile radius from the Restaurant. Provided you are in good standing, your Territory is protected only to the extent that we will not establish or operate, or license any other person to establish or operate, a full-service, dine-in, brick-and-mortar Brixx restaurant operating under the under the Brixx System and the Marks at any location within your Territory, except at a Reserved Location (as defined below).

You must operate each Restaurant in its specific location and may relocate only with our prior written permission. We cannot modify your territorial rights during the term of the Franchise Agreement, unless you are in breach under the Franchise Agreement or upon renewal. Your territorial rights do not depend on the achievement of a certain sales volume, market penetration, or any other contingency.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we or our affiliates own, or from other channels of distribution or competitive brands that we control.

Area Development Agreement. If you enter into the Area Development Agreement, you will receive a geographical territory as your Development Area. Your Development Area will be designated in the Area Development Agreement and is negotiated on a case by case basis and is based on market conditions in that geographic area. You will propose sites within the Development Area to us for your Restaurants and we will accept or reject them in accordance with our then current site selection standards. Under an Area Development Agreement, you will be required to open a certain number of Restaurants in your Development Area within a specific timeframe. Your Development Area is protected only to the extent that we will not establish or operate, or license any other person to establish or operate, a full-service, dine-in, brick-and-mortar Brixx restaurant

under the Brixx System and the Marks at any location within your Development Area, except at a Reserved Location.

If you fail to open the required number of Restaurants in your Development Area within the specified timeframe, we reserve the right to offer Brixx franchises within the Development Area. We have the right to accept the locations of all future sites under the Area Development Agreement and designate the territory associated with each site applying our then-current standards for site selection and territory designation.

Continuation of your rights as described above does not depend upon achievement of certain sales volume, market penetration or other contingency, except that if you fail to open Restaurants in accordance with the Development Schedule in the Area Development Agreement, we may terminate the Area Development Agreement and offer the Development Area and develop or license to others the right to develop Restaurants within the Development Area.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we or our affiliates own, or from other channels of distribution or competitive brands that we control.

Reserved Rights. We exclude from the protection of your Development Area or Territory, the following properties: airport, arena, hospital, bus or train station, enclosed shopping center, mall, grocery store, convenience store, theme park, traveling carts or trucks, commercial kitchens, stadium, school, college or university, convention center, state or national park or military fort, post or base ("Reserved Locations"). We have the exclusive right to operate, or license another person or entity to operate, any Restaurant(s) within Reserved Locations, even if the Reserved Location is within your Territory or Development Area.

Additionally, regardless of either proximity to your Territory, Development Area, or Restaurant, or any actual or threatened impact on sales of your Restaurant, we retain all rights not expressly granted to you, including, among others, to: (a) use the Marks and Brixx System in connection with establishing and operating Brixx businesses at any location outside the Territory or Development Area; (b) use the Marks or other marks in connection with selling or distributing any goods (including branded merchandise or product) or services anywhere in the world (including within the Territory or Development Area), whether or not you also offer them, through channels of distribution other than onsite to customers at your Restaurant, for example, other temporary retail locations, kiosks, food trucks, catalogs, mail order, the Internet or other electronic means, at off-site events, or through delivery by us, our affiliates, our franchisees, and/or third-party delivery services, or other similar methods (collectively, "Alternate Channels of Distribution"); (c) acquire, establish or operate, without using the Marks, any business of any kind at any location anywhere in the world (including within the Territory or Development Area); (d) use the Marks in connection with soliciting or directing advertising or promotional materials to customers anywhere in the world (including within the Territory or Development Area); (e) establish or operate, or license other persons to establish or operate, a Brixx business within any Reserved Locations anywhere in the world (including within the Territory and Development Area); (f) if you choose not to fulfill an order that you are authorized receive, or that is directed to you by us, from any Alternate Channel of Distribution, fulfill the order or designate one of our affiliates or a third party (which may be another franchisee) to fulfill the order in your Territory or Development Area without any

compensation to you; and (g) engage in any other activity, action or undertaking that we are not expressly prohibited from taking under the Franchise Agreement. While we retain the right to do so, we do not have any present plans to operate any competing franchise systems. If we decide to exercise any of these rights, we will not be obligated to compensate you for such sales, solicitations, or orders made inside or outside your Territory or Development Area.

There are no restrictions on our ability to market or advertise to or solicit or accept orders from customers inside your Territory or Development Area. All Brixx outlets (whether owned by us, you or another franchisee) may market to or solicit business from customers without regard to the customers' geographic location. However, any use of an Alternate Distribution Channel, including for marketing, solicitation, or ordering purposes, is subject to our current policies and procedures, including our right to designate suppliers for Alternate Distribution Channels. You must receive our prior permission to use any Alternate Distribution Channel. If we grant you permission to use any Alternate Distribution Channel or conduct any off-site or out of Territory activities, you do not gain any territory or exclusivity rights. We have the right to terminate or suspend your approval to use any Alternate Distribution Channel or conduct any off-site or out-of-Territory activity.

Except as provided in your Area Development Agreement, you will have no right to acquire additional franchises or rights of first refusal. You must receive our prior written approval to relocate your Restaurant(s). If you desire to relocate your Restaurant, we must accept the new location using the same criteria we use to review new franchise locations. Any relocation is at your sole expense and must be in accordance with our timeline. You must reimburse us for any of our costs and expenses associate with your relocation.

ITEM 13. TRADEMARKS

Upon execution of the Franchise Agreement, we will grant you the non-exclusive right and privilege to use the Marks that we may make available to you for use in connection with your Brixx franchise, including the mark "Brixx®". Any right or privilege you may have to use the Marks will terminate in full at any time in which you are no longer in good standing, and in any event, upon the expiration or termination of your Franchise Agreement.

Originally New South entered into an amended license agreement ("Yountville License Agreement") with Yountville, through which Yountville granted New South an exclusive (other than with respect to Yountville) and transferable license to use and sublicense others to use the Marks, except in the San Francisco, California area. In April 2022, New South assigned all of its rights and obligations under the Yountville License Agreement to us. The assigned Yountville License Agreement grants us the right to license franchise locations anywhere other than the San Francisco, California area and grow the network of Brixx franchises. All rights in and goodwill from the use of the Marks accrue to us. We, not Yountville, are responsible for supporting Brixx franchisees and innovating the Brixx System. We control the use of the Brixx marks by us and our licensees outside of the limited territory reserved for Yountville near San Francisco, California.

The following service marks have been registered on the Principal Register of the United States Patent and Trademark Office:

Service Mark	Registration Number	Registration Date	Registrant
Brixx	3005545	October 11, 2005	Yountville Partners, Inc.
	6983793	February 21, 2023	Yountville Partners, Inc.
BRIXX WOOD FIRED PIZZA + CRAFT BAR	6983792	February 21, 2023	Yountville Partners, Inc.

As of the date of this disclosure document, Yountville has filed all required affidavits and renewals for their registered marks and intends to file all required future affidavits and renewals. The "Brixx" word mark (Registration Number 3005545) has been renewed.

There are no currently effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the Marks that significantly limit our rights to use or license the use of the Marks listed in this section.

The Yountville License Agreement limits our right to use the Marks trademarks in the San Francisco, California area. The Yountville License Agreement automatically renews until it is terminated or not renewed. The Yountville License Agreement can be terminated for a breach or bankruptcy of the parties. The Yountville License Agreement can be modified by mutual agreement. Other than the Yountville License Agreement, no agreement limits our right to use or franchise the use of the Marks in a manner material to the franchise. If we ever lose the right to use the Marks, and our rights are not reinstated within 180 days, you will have the right to terminate your Franchise Agreement.

A federal or state trademark or service mark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant market area. Prior to entering into the Franchise Agreement, you should check and be sure that there are no existing uses of the Marks or names or any marks or names confusingly similar to any of them within the market area where you want to do business. If you find any similar names or marks, you must immediately notify us.

Your right to use the Marks is derived solely from Franchise Agreements entered into between you and us for the purpose of operating a Brixx Restaurant. After the termination or expiration of the Franchise Agreement, you may not, except with respect to restaurants operated by you according to Franchise Agreements granted by us at any time or in any manner identify yourself or any business as a franchisee or former franchisee of, or otherwise associated with, us or the Brixx System or use in any manner or for any purpose any Mark or other distinguishing signs of a Brixx Restaurant or any colorable imitation of same. You may not use any Mark as part of any corporate name or with modifying words, terms, designs, or symbols except for those licensed by us. You may not use any Mark in connection with any business or activity, other than the business conducted by you according to Franchise Agreements entered into between you and us, or in any other manner not explicitly authorized in writing by us. You may not use the Marks with

unauthorized products. You will not be permitted to directly or indirectly contest our rights in the Marks.

We and/or Yountville, as applicable, have the right to control any administrative proceeding or litigation involving a trademark licensed by us to you. You must notify us promptly of any use by any person or legal entity other than us or other authorized businesses, of any of the Marks or any variation of the Marks. We and/or Yountville, as applicable, and in our and their sole discretion, will decide the actions to be taken against unauthorized users of any of the Marks. Any actions that we take will be at our expense.

You must notify us promptly of any lawsuit or other proceeding brought against you involving any of the Marks, and you must deliver to us copies of any documents related to the lawsuit or other proceeding that we request. We do not have a contractual obligation to protect your use of the Marks or protect you against claims of infringement or unfair competition. We will decide whether to settle or defend any trademark litigation brought against you. We will do so at our expense, but you must cooperate with us. We shall hold you harmless from any liability or expense (but excluding consequential damages) resulting from (i) infringement claims alleged against you by Yountville or (ii) infringement of a third party's service mark, trade name or trademark by our use of the Marks, or by any other service mark, trademark or trade name of which is designated as part of the Brixx System. This hold-harmless indemnity shall not apply to any of your unauthorized uses of the Marks. Except for this limited indemnity, we have no obligation to indemnify you for use of your Marks.

We reserve the right to acquire or develop additional Marks and to use those Marks ourselves, make those Marks available for use by you or make those Marks available for use by other persons or entities. We reserve the right to modify, eliminate or provide a substitute for any Mark. If this happens, you will be responsible for your costs of compliance.

Except for any rights Yountville may have in the Marks, which rights have been licensed to us under the Yountville License Agreement, we do not know of any superior prior rights that could materially affect your use of the Marks.

We are aware of certain infringing uses of the Marks. We have sent demand letters asserting our rights to restaurants and/or bars operating under the name of "Brix Barbecue" in Fort Worth, Texas (use began in 2018), "Brixx Craft House" in Boise, Idaho (opened in 2018), "Brix Restaurant & Pizza Bar" in Belleville, NJ (opened in 2013), "Brix" in Kearney, Nebraska (opened in 2021), "Brixx & Chixx" in York, Pennsylvania (opened 2023), "Brixx Bar and Grill" in East Meadow, New York (use possibly beginning in 2018), "Brix Coffee" in Port Charlotte, Florida (opened 2024). All of these uses are junior in time to the federal registration of "BRIX" and "BRIXX." These uses may restrict your ability to open a Brixx Restaurant in these geographic areas.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

You do not receive the right to use an item covered by a patent registration, patent application, or copyright registration, but you can use the proprietary information in our Brand Standards Manual, our recipes, production and cooking techniques, and business processes all of which are trade

secrets owned by us. Although we have filed no applications for a copyright registration for the Brand Standards Manual and our recipes, we claim a copyright.

You must strictly limit your employees' access to the trade secrets, proprietary information, and confidential information (together "Confidential Information"). Confidential Information includes our recipes, production and cooking techniques, the Customer List, and business processes. You must share Confidential Information with them only to the extent they have a "need to know" to perform their jobs. All owners, owner spouses, managers, and others with access to the Confidential Information must sign our form of confidentiality agreement. You must use the Confidential Information only in the manner required by us. You must fully and strictly comply with all security measures required by us for maintaining the confidentiality of the Confidential Information.

If you or your owners, officers, managers, or employees conceive, invent, create, design and/or develop any ideas, techniques, methods, processes or procedures, recipes, formulae, products, packaging or other concepts and features relating to Restaurant operations, business practices or the manufacturing, production, marketing or sale of pizza, pasta, salads, sandwiches, chicken wings, other food or beverage items, or related goods in connection with the Restaurant ("Innovations"), you (or they) will be deemed to have assigned all of your (or other) rights, title and interests in the Innovations, including any intellectual property rights, to us. You and your owners, officers, managers, and employees also must cooperate with us in connection with protecting the Innovations, including executing any and all instruments and do any and all acts necessary to establish our ownership of the Innovations.

You will not have the exclusive right to use the Innovations or any of our patents or patent applications, copyrights or Confidential Information, nor will you acquire, by use or otherwise, any right, title or interest in or to the Innovations, the copyrights or the Confidential Information, other than as expressly contained in, and limited by, the Franchise Agreement. Your right to use the Innovations, the claimed subject matter of any patents or patent applications, the copyrights and the Confidential Information is limited and temporary. Upon expiration, non-renewal, or termination of the Franchise Agreement, you may not, directly or indirectly, use the Innovations, the claimed subject matter of any patents or patent applications, the copyrights or the Confidential Information in any manner or for any purpose whatsoever.

You must immediately notify us of any conduct that could constitute infringement of or challenge to the Innovations, the patents or patent applications, the copyrights, and the Confidential Information. We will decide, in our sole discretion, whether to institute any affirmative action in connection with infringement of or challenge to the Innovations, the patents or patent applications, the copyrights and the Confidential Information, and will control any proceedings and litigation. We are not required to protect your right to use the Innovations, the patents or patent applications, the copyrights, or the Confidential Information. We are not required to defend you in a case related to your use of the Innovations, the patents or patent applications, the copyrights, or the Confidential Information. We will not indemnify you for losses arising out of use or misuse of the Innovations, patents or patent applications, copyrights, or Confidential Information. There are no material determinations of any administrative body or court (including the US Patent and Trademark Office and US Copyright Office), no pending proceedings in any administrative body or court, nor any

agreements that limit our ability to license to you the copyrights. We do not know of any patent or copyright infringement that could materially affect you.

We may, in our sole discretion, modify or discontinue use of the Innovations, the claimed subject matter of any patents or patent applications, the copyrights and the Confidential Information and/or use other information and/or rights in their place. If we decide to modify or discontinue use of the Innovations for any reason, you must do so also, at your expense.

During the term of the Franchise Agreement, you must maintain, to the extent collected, a current list of the names, purchase history, addresses, email addresses and telephone numbers of the customers who supply you this information ("Customer List"). You must provide the Customer List to us upon request. The Customer List will be our property at all times, and you must not disclose the Customer List to any person or entity without our express written consent. You cannot sell the Customer List.

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

The Restaurant must be directly supervised on-site and managed by a person, identified to us and who meets our standards, and who has successfully completed our training program or for whom, based on his or her experience, we have waived this requirement. This manager may be an owner of the franchise or an employee. Generally, our process is to accept a pool of candidates from those that you present to us and then you will select the person you wish to hire as the general manager. We also require you to have assistant managers that have been trained by approved trainers. General managers and assistant mangers do not need to have any equity interest in you.

We encourage but do not require you to personally supervise the Restaurant on-site and prefer to select operators who favor and appear committed to a "hands on" and well-informed approach to the business. We strongly recommend that you devote a substantial amount of time to your Restaurant, whether or not you hire a general manager.

You must ensure that your employees operate the Restaurant in compliance with the brand standards. The people you retain to work in your Restaurants will be your agents and employees. They are not our agents or employees and we are not a joint employer of such persons. You will be solely responsible for recruiting and hiring the persons you employ to operate the Restaurant and must determine whom to hire, how many people to hire, retain, and train, and how you will compensate such persons. You are responsible for your employees' and agents' training, wages, taxes, benefits, safety, schedules, work condition, assignments, discipline, and termination. You must comply with all applicable employment laws. We will not operate your Restaurant, direct your employees, or oversee your employment policies or practices.

Each individual who has any ownership interest in your business and his or her spouse must sign the guaranty and the nondisclosure, non-solicitation, and noncompetition agreements. We may also require that you have senior managers to sign non-competition, non-solicitation, and non-disclosure agreements in the form we require. However, under no circumstances will we control the forms of employment agreements you use with your employees or otherwise be responsible for your labor relations or employment practices.

ITEM 16. RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

You may sell and serve only those products (including menu items and merchandise) and services specified and approved by us in writing. No product or service may be sold or served unless it is first approved by us in writing. You must offer all products and services required by us. We reserve the right to modify, including adding and deleting, products and services from the approved list. There are no limits on our right to do so. You must strictly follow our menu, policies, procedures, specifications, methods and techniques concerning all products and services. We reserve the right to charge you a fine of up to $1,000 per occurrence if you sell unauthorized products or services or do not otherwise follow the Brixx System.

You are not restricted as to the customers to whom you sell products or services, provided they are visiting your Restaurant location, order from your Restaurant online, or, if you are approved by us to use the designated third party delivery service, if the order is directed to your Restaurant by the delivery service. You may only provide catering services or delivery services according to the standards we set forth in our Brand Standards Manuals. We have the right to prohibit you from providing catering or delivery services.

We may require you to participate in national, regional, and local giveaways, discounts, advertising and marketing campaigns, promotions, and loyalty programs. You may be required to provide free or discounted items or services as a result of such giveaways, discounts, campaigns, promotions, or loyalty programs. We are not required to reimburse you for your costs and expenses incurred as a result of these giveaways, discounts, campaigns, promotions, and loyalty programs. These programs may be mandatory or voluntary.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

TABLE 17A: FRANCHISE AGREEMENT

Provision	Section in Franchise Agreement	Summary
(a) Length of the Franchise Term	Section 1.1	Begins upon signing the franchise agreement and expires at the end of your 10-year lease for the Location.
(b) Renewal or extension of the term	Sections 1.6 and 1.7	You have one option to renew for an additional term of 5 years, a second option to renew for an additional term of 5 years, and a third option to renew for an additional term of 5 years provided, in each case, that you meet certain conditions.
(c) Requirements for you to renew or extend	Sections 1.7	You must provide notice of your intent to renew not more than 180 days but not less

Provision	Section in Franchise Agreement	Summary
		than 90 days before the expiration of the term; you shall pay us a renewal fee equal to the greater of 15% of the then-current initial franchise fee or $6,000 to exercise your first, second or third option to renew; you must acknowledge by returning a receipt that you have received the then-current Franchise Disclosure Document; you shall make necessary improvements to modernize or renovate the Restaurant under our then-current Franchise Agreement and Brand Standards Manual; you must not be in default under the Franchise Agreement; you must have the right to retain the premises; and you must execute a general release of all claims against us; you must have the right to remain in possession of your premises. "Renewal" can mean signing a new franchise agreement. You may be asked to sign a new franchise agreement with materially different terms and conditions than your original contract, which terms may include changes in the boundaries of the territory or Royalty Fee.
(d) Termination by you	Section 19.2	For cause, if we breach a material provision of the contract and fail to cure 90 days after written notice then you can terminate with 30 days' notice if you are compliant with the terms of your agreement. If our right to use the Marks is terminated and is not reinstated within 90 days, you have the right to terminate the Franchise Agreement and must comply with the associated notice and post-termination obligations. Subject to state law.
(e) Termination by us without cause	Section 19.2	If you and we mutually agree to terminate the agreement.
(f) Termination by us with cause	Sections 19.2	We may terminate the franchise agreement only for certain reasons; i.e. "cause." A default under any Franchise Agreement or Area Development Agreement will be a default under all Franchise and Area Development Agreements with us.
(g) "Cause" defined – curable defaults which can be cured	Sections 19.2 (e) and (f)	You have 15 days to cure certain breaches of the Franchise Agreement, including failure to promptly pay obligations of the Restaurant, failure to obtain insurance or permits to operate the Restaurant, operation of the restaurant in a dangerous or unhealthy way; failure to transfer the Franchise Agreement

Provision	Section in Franchise Agreement	Summary
		within a certain time after death or disability; violation of any law or regulation of a government agency. You have 30 days to cure certain other breaches of the Franchise Agreement, including failure to substantially comply with the requirements of the Franchise Agreement, failure to obtain proper consents, and failure to maintain operation standards required by us.
(h) "Cause" defined – non-curable defaults	Section 19.2	Non-curable defaults include, but are not limited to, a bankruptcy judgment against you; an attempt to sell, assign or transfer your interest in the franchise without our consent; abandonment of the business; forfeiting of right to transact business or right to possess the premises; criminal or abusive activities; repeated defaults in payment or reporting; defaulting twice within a 12 month period or three times within a three year period; maintaining false books or records; material impairment of the value or goodwill of the marks and Brixx System; inaccurate reports; repeating the same default within six months; failure to maintain a good credit rating; material misrepresentations; unauthorized disclosures or use; denial of franchisor's right to inspect; failure to comply with covenants in the Franchise Agreement; dishonest conduct with employees; loses required license; failure to open the business within 12 months; liability for discrimination; default under your Restaurant lease; breach of representations; failure to obtain approval before opening; use of unauthorized trademarks; pre-opening defaults; and your continuing to operate the Restaurant after the end of the term without exercising the renewal option.

Provision	Section in Franchise Agreement	Summary
(i) Your obligations on termination/non-renewal	Sections 19.3, 19.4 and 19.5	Cease operations; discontinue use of trade secrets and confidential information; discontinue advertising; discontinue use of all marks and any logos, symbols or other identifying characteristics; pay us all amounts owed under the Franchise Agreement or from operation of the Restaurant, including Liquidated Damages; return all our property, manuals, forms, records and contracts to us; maintain books, records and reports required under the Franchise Agreement for at least three years and allow us to inspect these; comply with covenants; cancel assumed names or registrations; assign to us all of your right, title and interest in telephone numbers, advertisements, leases, licenses, Online Presences, and permits used in operating the Restaurant and let us purchase the business assets if we elect to do so.
(j) Assignment of franchise agreement by us	Section 12.1	There are no restrictions on our right to assign the Franchise Agreement.
(k) "Transfer" by you – defined	Section 12.2	Includes the sale, assignment, conveyance, pledge, mortgage or other encumbrance of your rights or interest without the prior, express written consent from us.
(l) Our approval of transfer by you	Section 12.3	We have the right to approve your transfer through our express written consent.
(m) Conditions for our approval of transfer	Section 12.3	Your proposed transferee must meet our then-applicable requirements for franchise owners, have sufficient business experience and financial resources to operate a Restaurant, agree to be bound by your franchise agreement or execute the then-current form of our Franchise Agreement, and agree to complete our training program. You must pay us all royalties, advertising contributions and other amounts owed to us. You must execute a general release of all claims against us and ensure that the proposed transferee's financial obligations to you are subordinated to its obligation to pay amounts due to us. You must refurbish the Restaurant to confirm to our then-current standards. You or the proposed transferee must have paid us a transfer fee of $5,000. The proposed transferee must assume your gift card liability.

Provision	Section in Franchise Agreement	Summary
(n) Our right of first refusal to acquire your business	Section 12.6	We have the right to match any offer you have received for the purchase of your franchise, substantially all of the assets of the business, or of your interest in the franchise agreement.
(o) Our option to purchase your business	Section 19.12	We have the option, upon the termination of the franchise agreement to purchase the business, or its assets, for their depreciated book value.
(p) Your death or disability	Section 12.7	Your interest in the Franchise Agreement and the franchise must be transferred to a third-party within 180 days.
(q) Non-competition covenants during the term of the franchise	Section 13.2	You may not, own, acquire financial or beneficial interest in, advise or otherwise engage in any competing business. You will be required to get your managerial staff to agree to follow a substantially similar non-competition covenant. Subject to state law.
(r) Non-competition covenants after the franchise is terminated or expires.	Section 13.2	For two years following the expiration or termination of the Franchise Agreement, you may not own, acquire financial or beneficial interest in, advise or otherwise engage in any competing business which is located within a 5-mile radius of your protected territory, or any existing Brixx Restaurant. You will be required to get your managerial staff to agree to follow a substantially similar non-competition covenant. Subject to state law.
(s) Modification of the franchise agreement	Section 23.4	No modifications to the Franchise Agreement will be binding without a written agreement signed by all parties.
(t) Integration/merger clause	Section 23.3	Only the terms of the Franchise Agreement and Area Development Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document, Area Development Agreement, or Franchise Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	Section 22	Except for certain claims, all disputes not first settled informally or by mediation must be resolved by binding arbitration.
(v) Choice of forum	Sections 22.1, 22.2, 22.3	Arbitration in jurisdiction where we have our principal place of business (subject to state law). Any court action we bring may be brought in the jurisdiction where we have our principal place of business (subject to state law). Any action you bring may be brought in the jurisdiction where your Restaurant is located (subject to state law).

Provision	Section in Franchise Agreement	Summary
(w) Choice of law	Section 22.8	North Carolina law applies, except to the extent that other states' franchise laws are applicable (subject to state law).

TABLE 17B: AREA DEVELOPMENT AGREEMENT

Provision	Section in Area Development Agreement	Summary
(a) Length of the franchise term	Section 2	The term of the Area Development Agreement varies based on the number of Restaurants you desire to develop.
(b) Renewal or extension of the term	None	Not applicable.
(c) Requirements for you to renew or extend	None	Not applicable.
(d) Termination by you	None	Not applicable.
(e) Termination by us without cause	None	Not applicable.
(f) Termination by us with cause	Section 11	We may terminate your Area Development Agreement for the causes listed in these sections.
(g) "Cause" defined – curable defaults which can be cured	Section 11	We can terminate if you have failed to cure any material breach of the Area Development Agreement within 30 days after receiving notice of that breach from us.
(h) "Cause" defined – non-curable defaults	Section 11	The Area Development Agreement automatically terminates for certain causes, including, but not limited to, a bankruptcy judgment against you, the commencement of an involuntary bankruptcy filing against you, or the termination of substantially all of your business operations. We have the right to terminate the Area Development Agreement upon notice to you for certain causes, including, but not limited to, your failure to open and operate the Restaurants in accordance with the Area Development Agreement, your attempt to assign the agreement without our consent; material misrepresentations; and our termination of a Franchise Agreement. A default under any Franchise Agreement or Area Development Agreement will be a default under all Franchise and Area Development Agreements with us.

Provision	Section in Area Development Agreement	Summary
(i) Your obligations on termination/non-renewal	Section 12	Upon termination, your rights under the area development agreement are extinguished, and we can operate or permit others to operate Restaurants in your Territory.
(j) Assignment of franchise agreement by us	Section 14	No restrictions on our right to assign.
(k) "Transfer" by you – defined	Section 14	Your assignment or transfer of the Area Development Agreement or any of your rights under Area Development Agreement.
(l) Our approval of transfer by you	Section 14	We have the right to approve any transfer.
(m) Conditions for our approval of transfer	Section 14	You must obtain prior written approval from us and the proposed transferee must meet all of our then-current requirements for our Franchise Agreement and agree to be bound by your obligations under the Franchise and Area Development Agreements.
(n) Our right of first refusal to acquire your business	None	Not applicable.
(o) Our option to purchase your business	None	Not applicable.
(p) Your death or disability	None	Not applicable.
(q) Non-competition covenants during the term of the franchise	None	Not applicable.
(r) Non-competition covenants after the franchise is terminated or expires	None	Not applicable.
(s) Modification of the agreement	None	Not applicable.
(t) Integration/merger clause	Section 15	Only the terms of the Franchise Agreement and Area Development Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document, Franchise Agreement and Area Development Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	Section 15	Except for certain claims, all controversies, disputes and claims not first settled informally or by mediation must be resolved by binding arbitration.

Provision	Section in Area Development Agreement	Summary
(v) Choice of forum	Section 15	Arbitration in jurisdiction where we have our principal place of business (subject to state law). Any court action we bring may be brought in the jurisdiction where we have our principal place of business (subject to state law). Any action you bring may be brought in the jurisdiction where your Restaurant is located (subject to state law).
(w) Choice of law	Section 15	North Carolina law applies, except to the extent that other states' franchise laws are applicable (subject to state law).

Please see Exhibit D for more information on your state laws.

ITEM 18. PUBLIC FIGURES

We do not currently use any public figure to promote our franchise, but reserve the right to do so in the future.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

A. AVERAGE AND MEDIAN GROSS SALES – NEW SOUTH-OPERATED LOCATIONS

The following table provides the annual average and median Gross Sales for the periods ending December 29, 2024, and December 28, 2025, for restaurants operated by our affiliate, New South. The table also lists the number of New South restaurants included in the average and median Gross Sales figure and the number and percentage of New South restaurants who exceeded or performed below the average (no restaurant performed precisely at the average). For purposes of this financial performance representation, "Gross Sales" means the total revenue of the restaurant minus all sales tax. "Average Gross Sales" is equal to the sum of the Gross Sales of all of the units included in the relevant set divided by the number of units in the set. "Median Gross Sales" is equal to the data point for Gross Sales that is in the center of all of the Gross Sales data points used in the set.

The New South owned restaurants used in this analysis are substantially similar to the franchised restaurants. The following are possible differentiating factors in the operation of your restaurant versus the restaurants in the tables below: geographic locations; general economic conditions; demographics; weather conditions; seasonal factors; competition in the market; presence of other restaurants; the quality of both management and service at the restaurant; and certain benefits and economies of scale which New South may derive as a result of operating restaurants on a consolidated basis. The sales of your restaurant at any given time will also be directly affected by how long your business has been in operation. The fact that these restaurants have been opened on average for several years should be factored into your analysis of this data.

Year	Average Gross Sales	Median Gross Sales	High/Low of Reported Restaurants	Number/ Percentage of Restaurants Surpassing Average	Number/ Percentage Of Restaurants Below Average	Number Of Stores Included in Sample
2025	$2,924,196	$2,861,411	$4,675,092 / $1,493,310	3/33%	6/67%	9
2024	$2,841,227	$2,735,075	$4,797,933 / $1,535,692	5/50%	5/50%	10

The New South-operated restaurants included in this table are the restaurants that were open at the conclusion of the corresponding calendar year, have been in operation for at least one year, and were owned by New South for the entire calendar year. One corporate unit was owned and operated by a franchisee for part of December 2024, and we have counted it as a corporate unit for purposes of Item 19 in calendar year 2024.

B. AVERAGE AND MEDIAN GROSS SALES – FRANCHISEE-OPERATED LOCATIONS

The following table provides the annual average and median Gross Sales for the periods ending December 29, 2024, and December 28, 2025, for restaurants operated by our franchisees operating their location for the entire measuring period. The table also lists the number of restaurants included in the average and median Gross Sales figure and the number and percentage of restaurants who exceeded or performed below the average (no restaurant performed precisely at the average). For purposes of this financial performance representation, “Gross Sales” means the total revenue of the restaurant minus all sales tax. “Average Gross Sales” is equal to the sum of the Gross Sales of all of the units included in the relevant set divided by the number of units in the set. “Median Gross Sales” is equal to the data point for Gross Sales that is in the center of all of the Gross Sales data points used in the set.

The following are possible differentiating factors in the operation of your restaurant versus the franchised restaurants in the tables below: geographic locations; general economic conditions; demographics; weather conditions; seasonal factors; competition in the market; presence of other restaurants; the quality of both management and service at the restaurant; and length of time the restaurant has been operating. The fact that these restaurants have been opened on average for several years should be factored into your analysis of this data.

Year	Average Gross Sales	Median Gross Sales	High/Low Included in Average	Number/ Percentage of Restaurants Surpassing Average	Number/ Percentage Of Restaurants Below Average	Number Of Stores Included in Sample
2025	$1,746,009	$1,656,650	$2,958,495 / $819,124	5/50%	5/50%	10
2024	$1,810,291	$1,758,057	$2,918,289 / $969,446	4/44%	5/56%	9

The franchisee-operated restaurants included in this table are the restaurants that were open at the conclusion of the corresponding calendar year, have been in operation for at least one year, and were owned by franchisees for the entire calendar year. In 2024 we excluded one unit owned by a franchisee through a purchase in December 2024. We have counted this unit as a corporate unit for purposes of Item 19 in calendar year 2024.

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

The financial performance representations do not reflect the costs of sales, operating expenses, royalties, brand fund fees, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your gross or net income or profit.

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Eric Horsley, Brixx Franchise Systems, LLC, 1810 E. 7th Street, Charlotte, NC 28204 (919) 225-6491, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20. LIST OF OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
for years 2023, 2024 and 2025*

OUTLET TYPE	YEAR	OUTLETS AT THE START OF YEAR	OUTLETS AT THE END OF YEAR	NET CHANGE
Franchised	2023	12	10	-2
	2024	10	10	+0
	2025	10	10	+0
Company Owned	2023	11	10	-1
	2024	10	9	-1
	2025	9	9	+0
Total Outlets	**2023**	**23**	**20**	**-3**
	2024	**20**	**19**	**-1**
	2025	**19**	**19**	**+0**

*In 2023, we changed our fiscal year end to the last Sunday in December, which for 2023 was December 31, 2023. In 2024, the last Sunday in December was December 29, 2024. In 2025, the last Sunday in December was December 28, 2025.

Table 2
Transfers from Franchisees to New Owners (Other than the Franchisor)
for years 2023, 2024 and 2025

STATE	YEAR	NUMBER OF TRANSFERS
North Carolina	2023	0
	2024	1
	2025	1
TOTAL	2023	0
	2024	1
	2025	1

Table 3
Status of Franchised Outlets
for years 2023, 2024 and 2025

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF YEAR
North Carolina	2023	8	0	0	0	0	0	8
	2024	8	1	1	0	0	0	8
	2025	8	0	0	0	0	0	8
Ohio	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF YEAR
	2025	0	0	0	0	0	0	0
Tennessee	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Totals	**2023**	**12**	**0**	**0**	**0**	**0**	**2**	**10**
	2024	**10**	**1**	**1**	**0**	**0**	**0**	**10**
	2025	**10**	**0**	**0**	**0**	**0**	**0**	**10**

Table 4
Status of Company-Owned Outlets
for years 2023, 2024 and 2025

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS ACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF YEAR
Alabama	2023	1	0	0	1	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
North Carolina	2023	7	0	0	0	0	7
	2024	7	0	0	0	1	6
	2025	6	0	0	0	0	6
South Carolina	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
	2025	2	0	0	0	0	2
Virginia	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Totals	**2023**	**11**	**0**	**0**	**1**	**0**	**10**
	2024	**10**	**0**	**0**	**0**	**1**	**9**
	2025	**9**	**0**	**0**	**0**	**0**	**9**

Table 5
Projected Openings as of December 28, 2025
For Fiscal Year 2026

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED BUSINESS OPENINGS
Maryland	0	1	0
North Carolina	8	4	0
South Carolina	0	1	0
Texas	0	1	0
TOTALS	**8**	**7**	**0**

Exhibit B lists the names of all current franchisees and the addresses and telephone numbers of their outlets, including multi-unit franchisees. Exhibit B also discloses the name, city and state, and current business telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year who has not communicated with us within 10 weeks of the issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, we have signed confidentiality clauses with current or former franchisees. In such instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us and the Brixx System. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are currently no trademark-specific franchisee organizations associated with the franchise system which we have created, sponsored or endorsed. No independent franchisee organizations have asked to be included in this disclosure document.

ITEM 21. FINANCIAL STATEMENTS

Exhibit C includes our audited financial statements for the periods ending December 28, 2025, December 29, 2024, and December 31, 2023. In 2023, we changed our fiscal year end to the last Sunday in December, which for 2023 was December 31, 2023. In 2024, the last Sunday in December was December 29, 2024. In 2025, the last Sunday in December was December 28, 2025.

ITEM 22. CONTRACTS

Attached as Exhibits are copies of the following contracts and agreements required to purchase a franchise from us. Attached as Exhibit D are state specific amendments to the agreements listed below.

Exhibit D Amendments to the Disclosure Document and Franchise Agreement
Exhibit F Franchise Agreement
- Addendum A Franchise Rider
- Addendum B Lease Rider
- Addendum C Guaranty and Assumption of Franchisee’s Obligations
- Addendum D Internet, Social Media, and Telephone Assignment
- Addendum E Nondisclosure and Noncompetition Agreement
- Addendum F Nondisclosure and Non-solicitation Agreement

Exhibit G Area Development Agreement
- Addendum A Guaranty and Assumption of Developer’s Obligations

Exhibit H First Addendum to Renewal Franchise Agreement
Exhibit I Agreement and Conditional Consent to Transfer
Exhibit K Franchise Compliance Certification

ITEM 23. RECEIPTS

Exhibit L includes two copies of a detachable document acknowledging your receipt of this Disclosure Document.

[End of Franchise Disclosure Document]

EXHIBIT A
STATE AND FEDERAL REGULATORY AUTHORITIES

FEDERAL TRADE COMMISSION

Franchise Rule Coordinator
Federal Trade Commission Division of Marketing Practices
Pennsylvania Avenue at Sixth Street, N.W., Room 238
Washington, D.C. 20580
Telephone: (202) 326-2970

STATE FRANCHISE REGULATORS AND AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process. There also may be additional agents appointed in some of the states listed.

CALIFORNIA:
Commissioner of Financial Protection & Innovation
Dept. of Financial Protection and Innovation
320 West 4th St., Ste. 750
Los Angeles, California 90013
Telephone: (213) 576-7500 or
Toll Free Telephone: (866) 275-2677

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

ILLINOIS (Registered Agent):
F. Chet Taylor, Director of Securities
Office of the Secretary of State
Securities Department
69 West Washington Street, Suite 1220
Chicago, IL 60602
Telephone: (312) 793-3884

ILLINOIS (Regulatory Authority):
Kwame Raoul
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
Telephone: (217) 782-4465

INDIANA:
Chris Naylor, Securities Commissioner
Franchise Section
Indiana Securities Division
Secretary of State
Room E-111
302 West Washington Street
Indianapolis, IN 46204
Telephone: (317) 232-6681

MARYLAND (Registered Agent):
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, Maryland 21202-2020
Telephone: (410) 576-6360

MARYLAND (Regulatory Authority):
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020
Telephone: (410) 576-6360

MICHIGAN (Regulatory Authority):
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 W. Ottawa Street
Lansing, MI 48909
Telephone: (517) 373-1152

MICHIGAN (Registered Agent):
Linda Cena, Securities Director
Office of Financial & Insurance Regulation
525 West Allegan
1st Floor Constitution Hall
Lansing, MI 48909
Telephone: (517) 241-6345

MINNESOTA:
Minnesota Dept. of Commerce
Securities-Franchise Registration
85 7th Place East, Suite 280
Saint Paul, MN 55101-2198
Telephone: (651) 539-1500

NEW YORK (Administrator/Regulatory Authority)
New York State Department of Law
Investor Protection Bureau
28 Liberty St., 21st Floor
New York, NY 10005
Telephone: (212) 416-8222

NEW YORK (Agent for Service of Process)
Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA:
North Dakota Insurance & Securities Department
Fifth Floor State Capitol, Dept. 414
600 East Boulevard
Bismarck, ND 58505-0510
Telephone: (701) 328-2910

RHODE ISLAND:
Division of Securities
1511 Pontiac Ave.
John O. Pastore Complex, Bld 69-1
Cranston, RI 02920
Telephone: (401) 462-9500

SOUTH DAKOTA:
Division of Insurance
Securities Regulation
124 S. Euclid, Ste. 104
Pierre, SD 57501
Telephone: (605) 773-3563

VIRGINIA (Registered Agent):
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
Telephone: (804) 371-9733

VIRGINIA (Regulatory Authority)
State Corporation Commission,
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
Telephone: (804) 371-9051

WASHINGTON:
Address for Service of Process:
Department of Financial Institutions
Securities Division
150 Israel Road, SW
Tumwater, WA 98501
Telephone: (360) 902-8760

Mailing Address:
Department of Financial Institutions
Securities Division
PO Box 41200
Olympia, WA 98504-1200

WISCONSIN:
Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701
Telephone: (608) 266-3364

EXHIBIT B
LIST OF FRANCHISEES

AS OF DECEMBER 28, 2025

Operating Franchise Locations					
Franchisee Name	**Franchise Address**	**City**	**ST**	**Zip**	**Business Phone**
Pizza Brew, LLC Franchisee Contact: Mahidhar Boyana *	30 Town Square Blvd. Suite 140	Asheville	NC	28803	828-654-0046
RTPVENTURES GROUP LLC * Franchisee Contact: Kuladeep Mullagolla	14122 Bradford Green Square	Cary	NC	27513	828-654-0046
RTPVENTURES PARKSIDE LLC * Franchisee Contact: Kuladeep Mullagolla	1111 Parkside Main St.	Cary	NC	27519	919-674-4388
NAS HOLDINGS, INC. Franchisee Contact: Neeket Vadgama *	1424 Westover Terrace	Greensboro	NC	27408	336-235-2749
PIZZA PARTNERS LLC Franchisee Contact: Vladimir Stepanian	1540 Dunn Road, Unit 100	Raleigh	NC	27614	919-747-9303
GBR, INC. Franchisee Contact: Wayne Gross	200 Brucewood Rd.	Southern Pines	NC	28387	910-365-2000
THE TRIAD GROUP NC LLC Franchisee Contact: Victoria Miles	6801 Main Street	Wilmington	NC	28405	910-256-9677
NAS HOLDINGS, INC. Franchisee Contact: Neeket Vadgama *	1295 Creekshire Way	Winston-Salem	NC	27103	336-837-0664
JAM RESTAURANTS, LLC * Franchisee Contact: Marc Hanmer	1550 W McEwen Dr #10	Franklin	TN	37067	615-771-7797
JAM RESTAURANTS, LLC * Franchisee Contact: Marc Hanmer	300 Indian Lake Blvd.	Hendersonville	TN	37075	615-826-5907

* Indicates a multi-unit operator.

Additionally, the following franchisees have signed a franchise agreement but have not yet commenced operations.

Franchise Locations Sold But Not Yet Operating			
Franchisee Name	**City**	**ST**	**Phone Number**
Vriksha Holdings LLC * Franchise Contact: Ajay Nair	Belmont	NC	704-706-4549
Dine and Divine LLC * Franchisee Contact: Mahidhar Boyana	Charlotte	NC	717-903-8006
Dine and Divine LLC * Franchisee Contact: Mahidhar Boyana	Concord	NC	717-903-8006
Dine and Divine LLC * Franchisee Contact: Mahidhar Boyana	Harrisburg	NC	717-903-8006
RTPVENTURES GROUP LLC * Franchisee Contact: Kuladeep Mullagolla	Holly Springs	NC	832-729-4115
Vriksha Holdings LLC * Franchisee Contact: Ajay Nair Narayanan	Mooresville	NC	704-706-4549
V One Foods LLC * Franchisee Contact: Ajay Nair Narayanan	Waxhaw	NC	704-706-4549
Huia Feather LLC Franchisee Contact: Brijesh Rami	Wendell	NC	919-602-7772

* Indicates a multi-unit operator.

The following franchisees have ceased to do business under the franchise agreement; or had an outlet terminated, canceled, not renewed, or transferred within the last fiscal year; or have not communicated with the franchisor within 10 weeks.

Franchisee Name	City	ST	Phone Number	Reason Listed
Grateful Dough, LLC Franchisee Contact: Joshua Downs	Asheville	NC	704-843-5081	Outlet Transferred

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

EXHIBIT C
FRANCHISOR'S FINANCIAL STATEMENTS

BRIXX FRANCHISE SYSTEMS, LLC

FINANCIAL STATEMENTS
FOR THE FIFTY-TWO WEEKS ENDED
DECEMBER 28, 2025,
AND FOR THE FIFTY-TWO WEKS ENDED
DECEMBER 29, 2024

BRIXX FRANCHISE SYSTEMS, LLC

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FARRIS, COOKE & ASSOCIATES, P.A.
CERTIFIED PUBLIC ACCOUNTANTS
118 S. COLONIAL AVENUE, SUITE 2OO
CHARLOTTE, NORTH CAROLINA 28207

(704) 372-9406 • FAX (704) 372-8612

INDEPENDENT AUDITORS' REPORT

To the Members of
Brixx Franchise Systems, LLC

Opinion

We have audited the accompanying financial statements of Brixx Franchise Systems, LLC (a North Carolina Limited Liability Company) which comprise the balance sheets as of December 28, 2025 and December 29, 2024, and the related statements of operations, changes in members' equity, and cash flows for the fifty-two and fifty-two weeks then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Brixx Franchise Systems, LLC as of December 28, 2025, and December 29, 2024, and the results of its operations and its cash flows for the fifty-two and fifty-two weeks then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Brixx

Franchise Systems, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Brixx Franchise Systems, LLC's internal controls. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Farris, Cooler + Associates

Charlotte, NC
March 11, 2026

BRIXX FRANCHISE SYSTEMS, LLC

BALANCE SHEETS
DECEMBER 28, 2025 AND DECEMBER 29, 2024

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash (Note A)	$ 195,301	$ 245,477
Accounts receivable (Net of allowqance for doubtful accounts of $0 and $0, respectively) (Note A)	67,237	69,010
Prepaid Expenses	12,188	99,250
TOTAL CURRENT ASSETS	274,726	413,737
PROPERTY AND EQUIPMENT, NET (Notes A and B)	2,608	3,450
TOTAL ASSETS	$ 277,334	$ 417,187
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Deferred revenue (Note A)	$ 295,000	$ 60,000
Accounts payable	48,783	244,995
TOTAL CURRENT LIABILITIES	343,783	304,995
TOTAL LIABILITIES	343,783	304,995
MEMBERS' EQUITY:		
Members' equity	(66,449)	112,192
TOTAL MEMBERS' EQUITY	(66,449)	112,192
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 277,334	$ 417,187

The accompanying notes are an integral part of this statement.

BRIXX FRANCHISE SYSTEMS, LLC

STATEMENTS OF OPERATIONS
FOR THE FIFTY-TWO WEEKS ENDED DECEMBER 28, 2025,
AND FOR THE FIFTY-TWO WEEKS ENDED DECEMBER 29, 2024

	2025	2024
REVENUES (Note A and C)	$ 1,292,746	$ 1,270,581
OPERATING EXPENSES (Notes A and C)	1,471,387	1,417,803
NET INCOME (LOSS)	$ (178,641)	$ (147,222)

The accompanying notes are an integral part of this statement.

BRIXX FRANCHISE SYSTEMS, LLC

STATEMENTS OF CHANGES IN MEMBERS' EQUITY
FOR THE FIFTY-TWO WEEKS ENDED DECEMBER 28, 2025,
AND FOR THE FIFTY-TWO WEEKS ENDED DECEMBER 29, 2024

BALANCE, DECEMBER 31, 2023	$ 259,414
Net income (loss)	(147,222)
BALANCE, DECEMBER 29, 2024	$ 112,192
Net income (loss)	(178,641)
BALANCE, DECEMBER 28, 2025	$ (66,449)

The accompanying notes are an integral part of this statement.

BRIXX FRANCHISE SYSTEMS, LLC

STATEMENTS OF CASH FLOWS
FOR THE FIFTY-TWO WEEKS ENDED DECEMBER 28, 2025,
AND FOR THE FIFTY-TWO WEEKS ENDED DECEMBER 29, 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ (178,641)	$ (147,222)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Depreciation	842	797
(Increase) decrease in:		
Accounts receivable	1,773	11,138
Prepaid expenses	87,062	(99,250)
Increase (decrease) in:		
Deferred revenue	235,000	-
Accounts payable	(196,212)	166,563
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(50,176)	(67,974)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	-	(2,784)
Advances to related parties	-	-
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	-	(2,784)
NET INCREASE (DECREASE) IN CASH	(50,176)	(70,758)
CASH, BEGINNING	245,477	316,235
CASH, ENDING	$ 195,301	$ 245,477

The accompanying notes are an integral part of this statement.

BRIXX FRANCHISE SYSTEMS, LLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FIFTY-TWO WEEKS ENDED DECEMBER 28, 2025,
AND FOR THE FIFTY-TWO WEEKS ENDED DECEMBER 29, 2024

A. SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND NATURE OF OPERATIONS

Brixx Franchise Systems, LLC (the Company) was organized under the laws of the State of North Carolina for the purpose of selling development and licensing rights to franchises wishing to operate Brixx®, Brixx Wood Fired Pizza and Brixx Restaurants. The Company sells these rights principally in the United States.

The initial term of the franchise is 10 years. The Company has the option to extend the initial franchise term for three additional five-year periods.

CONCENTRATIONS OF CREDIT RISK

The Company maintains deposits in financial institutions in the United States that at times exceed the insured amount of $250,000 provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Company did not exceed the insured limit as of December 28, 2025.

BASIS OF ACCOUNTING AND USE OF ESTIMATES

The Company prepares its financial statements in conformity with generally accepted accounting principles (GAAP) under the accrual basis of accounting, which generally records items at historical cost and requires the use of estimates and assumptions. The accrual basis of accounting records revenue in the period earned rather than when received and records expenses in the period incurred rather than when paid. The estimates and assumptions used affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these amounts.

ADVERTISING COSTS

Advertising costs are charged to operations when incurred with $253,672 and $107,743 of such costs expensed in 2025 and 2024, respectively.

REVENUE RECOGNITION AND DEFERRED REVENUE

Revenues generated and expenses incurred while generating and maintaining franchise owner/operators of Brixx® are included in the results of operations of the Company. Revenue is measured based on the amount of consideration specified in the franchise and area agreements. The company recognizes the initial franchise agreement fees and area development fees as revenue when and as performance obligations are satisfied. These performance obligations include training, pre-opening costs and marketing assistance prior to the units opening. Royalty and marketing fees are accrued as earned based on a percent of a franchisee's weekly sales. The Company has sold three franchise agreements and four area agreements for the year ended December 28, 2025.

Deferred revenue consists of $155,000 in franchise agreements and $140,000 in area development fees at December 28, 2025. Revenue in 2025 consisted of $0 in initial franchise fees recognized, $0 in area agreement fees recognized, $5,000 in transfer fees, $452,328 in marketing fees and $835,418 in royalty fees from the ten opened franchise units.

PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost. Depreciation is provided on a straight-line basis using an estimated useful life of five years. Depreciation expense was $842 and $797 for the fifty-two weeks ended December 28, 2025 and fifty-weeks ended December 29, 2024, respectively.

ACCOUNTS RECEIVABLE

The Company carries its accounts receivable at cost less an allowance for doubtful accounts based on management's assessment of the collectability of accounts receivable. Accounts receivable consists of royalty and marketing fees due from franchisees. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and credit to accounts receivable.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

An allowance for uncollectible accounts receivable is estimated and recorded based on management's judgement and historical bad debt experience.

INCOME TAXES

The Company is a limited liability company. Accordingly, under the Internal Revenue Code all taxable income or loss flows through to its member. Therefore, no provision or liability for federal or state income taxes has been included in these financial statements.

FAIR VALUE INSTRUMENTS

The Company's financial instruments are cash and cash equivalents, accounts receivable, accounts payable and deferred revenue. The recorded values of cash and cash equivalents, accounts receivable, accounts payable and deferred revenue approximate their fair values based on their short-term nature.

B. PROPERTY AND EQUIPMENT

At December 28, 2025 and December 29, 2024 property and equipment consisted of the following:

	2025	2024
Furniture, fixtures & equipment	$ 10,951	$ 10,951
Less accumulated depreciation	(8,343)	(7,501)
Property and equipment, net	$ 2,608	$ 3,450

C. RELATED PARTY TRANSACTIONS

The Company operates under an agreement with its majority member that allows the Company to license rights to develop and operate Brixx® to franchisees.

The Company recognized $265,014 and $284,151 in marketing revenue that was received from its majority member for the years ended December 28, 2025 and December 29, 2024, respectively.

Operating expenses include reimbursements of $796,766, and $795,130 for training, administrative and marketing costs incurred on behalf of the Company by its majority member for the years ended December 28, 2025 and December 29, 2024, respectively.

D. SUBSEQUENT EVENTS

Date of Management Evaluation

Management has evaluated subsequent events through March 11, 2026, the date the financial statements were available to be issued. Management has determined that none of the events occurring after the date of the balance sheet through the date of management's review substantially affect the amounts and disclosure of the accompanying financial statements.

E. UNCERTAIN TAX POSITIONS

The Company has adopted FASB ASC 740-10-25, *Accounting for Uncertainty in Income Taxes.* The Company will record a liability for uncertain tax positions when it is more likely than not that a tax position would not be sustained if examined by the taxing authority. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax laws and new authoritative rulings.

The Company's evaluation on December 28, 2025 revealed no uncertain tax positions that would have a material impact on the financial statements. The 2022 through 2024 tax years remain subject to examination by the Internal Revenue Service. The Company does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

EXHIBIT D

RIDERS TO FRANCHISE AGREEMENT FOR SPECIFIC STATES

If any one of the following Riders to the Franchise Agreement for Specific States ("Riders") is checked as an "Applicable Rider" below, then that Applicable Rider shall be incorporated into the Franchise Agreement entered into by BRIXX FRANCHISE SYSTEMS, LLC and the undersigned Franchisee. To the extent any terms of an Applicable Rider conflict with the terms of the Franchise Agreement, the terms of the Applicable Rider shall supersede the terms of the Franchise Agreement.

Applicable Rider

☐ Illinois
☐ Maryland
☐ Virginia

BRIXX FRANCHISE SYSTEMS, LLC

FRANCHISEE (Print Name)

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT, AND DISCLOSURE DOCUMENT

In the State of Illinois only, the following statement is added to Item 5 of the Disclosure Document:

> We will defer the collection of the initial franchise and development fees until we have satisfied our pre-opening obligations to you and you have commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

In the State of Illinois only, Section 2 of the Franchise Agreement is amended to add the following:

> Franchisor will defer the collection of the initial franchise and development fees until Franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

In the State of Illinois only, Section 3 of the Area Development Agreement is amended to add the following:

> Franchisor will defer the collection of the initial franchise and development fees until Franchisor has satisfied its pre-opening obligations to Franchisee and Franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

MARYLAND

Disclosure Document Addendum

1. Item 5 is revised to include the following:

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

2. Item 17(c) (renewal) and 17(m) (transfer) are revised to provide that, to the extent required by Maryland law, the requirement to sign a general release as a condition of renewal or consent to an assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 is revised to provide that, to the extent required by Maryland law, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. Item 17 is revised to provide that a provision in the franchise agreement which terminates the franchise upon the bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

5. Item 17 is revised to add the following: "This franchise agreement and area development agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

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

Each provision of this Addendum to the FDD shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum. Each provision of this Addendum to the FDD shall be enforceable only to the extent required by applicable Maryland franchise law.

Franchise Agreement Addendum

1. Section 2 of the Franchise Agreement is revised to add the following:

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

2. Section 19.2 of the Franchise Agreement is revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act.

3. Sections 1.7 and 12 of the Franchise Agreement are revised to provide that, to the extent required by Maryland law, the requirement to sign a general release as a condition of renewal or consent to an assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Section 22 of the Franchise Agreement is revised to include the following language:

> "Notwithstanding the provisions of this Agreement to the contrary, and to the extent required by Maryland law, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."
>
> "This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

5. Sections 24.4 and 24.7 of the Franchise Agreement are hereby deleted.

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

7. The following terms apply to all agreements contained herein: All representations in the agreement requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law, to the extent required by Maryland law.

Each provision of this Addendum to the Franchise Agreement shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum. Each

provision of this Addendum to the Franchise Agreement shall be enforceable only to the extent required by applicable Maryland franchise law.

BRIXX FRANCHISE SYSTEMS, LLC

_____
FRANCHISEE (Print Name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Area Development Agreement Addendum

1. Section 3 of the Area Development Agreement is revised to add the following:

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

2. Section 11 of the Area Development Agreement is revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act.

3. Section 14 of the Area Development Agreement is revised to provide that, to the extent required by Maryland law, the requirement to sign a general release as a condition of consent to an assignment or transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Section 15.4 of the Area Development Agreement is revised to add the following:

> "This Area Development Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

5. Section 18 of the Area Development Agreement is revised to include the following language:

> "Notwithstanding the provisions of this Agreement to the contrary, and to the extent required by Maryland law, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

6. Section 15.11 of the Area Development Agreement is hereby deleted.

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

8. The following terms apply to all agreements contained herein: All representations in the agreement requiring prospective franchisees to assent to a release, estoppel or waiver of liability

are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law, to the extent required by Maryland law.

9. The Area Development Agreement is revised to add the following:

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

Each provision of this Addendum to the Area Development Agreement shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum. Each provision of this Addendum to the Area Development Agreement shall be enforceable only to the extent required by applicable Maryland franchise law.

BRIXX FRANCHISE SYSTEMS, LLC

_____
FRANCHISEE (Print Name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

VIRGINIA

Each provision of this Virginia addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Virginia law are met independently without reference to this addendum. Each provision of this Virginia addendum shall be enforceable only to the extent required by applicable Virginia franchise law.

The following statements are added to Item 17.h.

> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.
>
> Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

Risk Factors

1. **Estimated Initial Investment**. The franchisee will be required to make an estimated initial investment ranging from $987,550 to $1,579,000. This amount exceeds the franchisor's stockholders' equity as of December 28, 2025, which is $(66,449).

The following statement is added to the FDD and Franchise Agreement:

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

BRIXX FRANCHISE SYSTEMS, LLC	_____
	FRANCHISEE (Print Name)
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

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BRIXX FRANCHISE SYSTEMS, LLC

FRANCHISE AGREEMENT

SUMMARY PAGES

Effective Date:	
Franchisor:	BRIXX FRANCHISE SYSTEMS, LLC, a North Carolina limited liability company
Address for Notice:	1810 E. 7th Street Charlotte, NC 28204
With a copy to: (Such copy shall not constitute notice)	Manning, Fulton & Skinner, P.A. Attn: Ritchie W. Taylor P.O. Box 20389 Raleigh, NC 27619-0389
Telephone Number:	904-536-8005
Email:	
Franchisee:	
Type of Entity:	☐ Individual ☐ Corporation ☐ LLC
Address for Notice:	_____ _____ _____
Telephone:	_____
Email:	_____

Franchisee's Owners: The following is a list of all shareholders, partners, members, or other investors owning a direct or indirect interest in Franchisee and a description of the nature of their interest. Each shall execute the Guaranty and Assumption of Franchisee's Obligations set forth at Addendum C to the Franchise Agreement.

NAME	OWNERSHIP INTEREST IN FRANCHISEE	NATURE OF INTEREST (Type of equity or voting stocks if multiple equity classes.)

Opening Date:		
Initial Franchise Fee:	$	50,000
Brixx Brand Fund:	$	2% of Gross Sales

Royalty Fee: 5% of Gross Sales

By signing below each of the parties attests to the accuracy of the information contained in these Summary Pages and agrees to and intends to be legally bound by the terms and conditions of the Brixx Franchise Systems, LLC Franchise Agreement attached to these Summary Pages, effective on the Effective Date set forth above and hereby incorporated by reference.

FRANCHISOR:

BRIXX FRANCHISE SYSTEMS, LLC

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

OWNERS:

_____
Print Name: _____

_____
Print Name: _____

_____
Print Name: _____

_____
Print Name: _____

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") by and among BRIXX FRANCHISE SYSTEMS, LLC, a North Carolina limited liability company ("Franchisor"), and the Person(s) or Entity(ies) ("Franchisee") named on the attached Franchise Agreement Summary Pages ("Summary Pages") (the Franchisor and the Franchisee shall be referred to herein individually as a "Party" and collectively as the "Parties"), and the Franchisee's principals ("Owners" who, where the context clearly indicates, are included in the defined term "Parties"), as of the Effective Date (set forth in the Summary Pages).

BACKGROUND AND PURPOSE

1. Franchisor is engaged in the business of franchising retail restaurants that serve hand-crafted brick oven wood fired pizzas and other food and beverage items under the name of "Brixx®" and "Brixx Wood Fired Pizza + Craft Bar®," and other trade names and service marks.

2. Franchisor has licensed from another party the right to use and license the name "Brixx®" and "Brixx Wood Fired Pizza + Craft Bar®" and other trade names, trade dress, service marks, trademarks, copyrights, emblems, symbols, logos, insignia, characters, designs, illustrations, art works, titles, slogans, other indicia of origin and commercial and trade symbols (collectively referred to as the "Marks"), and, from time to time, may develop and authorize for use in the Brixx System (as hereinafter defined), all of which may be changed, improved and further developed from time to time by Franchisor.

3. Franchisor has developed a restaurant format and operating system, including a recognized design, decor, color scheme, uniform standards, specifications and procedures of operation, and quality and uniformity of products and services offered ("Brixx System") and is engaged in the business of operating and granting franchises to operate Brixx restaurants using the Brixx System and the Marks.

4. Franchisor has established an excellent reputation, positive image and goodwill with the public with respect to the quality of services and products available at Brixx restaurants, which reputation, image and goodwill have been and continue to be of major benefit to Franchisor and its franchisees.

5. Franchisee recognizes the benefits to be derived from being identified with and licensed by Franchisor and being able to utilize the Brixx System and the Marks and rights that Franchisor makes available to its franchisees.

6. Franchisee desires to be licensed to own and operate a Restaurant (as defined below), the location of which is specified in Section 1.2 of this Agreement, upon the terms and conditions set forth herein, which terms and conditions are reasonably necessary to maintain Franchisor's uniform standards of quality and service, to protect the goodwill of the Marks and to enhance the public image of the Brixx System and the licensed rights in this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. FRANCHISE GRANTED; TERM; LOCATION; EXCLUSIVITY AND RENEWAL

1.1 Subject to the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee hereby assumes the obligations arising from and related to, a franchise ("Franchise") to operate a Brixx restaurant ("Restaurant") at the Location (as defined below) and to use the Marks and the Brixx System solely in connection with the operation of the Franchise for an initial term that begins upon the Effective Date and expires on the last day of Franchisee's ten (10) year lease of the Location ("Initial Term"), unless sooner terminated in accordance with the terms, conditions and provisions of this Agreement. For the avoidance of doubt, unless otherwise designated by Franchisor in writing, the last day of the lease shall refer to the last day of the lease accepted by Franchisor, without regard to any later renewals, amendments, or extensions to the lease term. Termination, expiration, or non-renewal of this Agreement for any reason shall constitute a termination or expiration of the Franchise. Franchisor and Franchisor's affiliates reserve any and all rights not expressly granted to Franchisee under this Agreement. For the purposes of this Agreement, the use of the term "affiliate" shall mean an entity's subsidiary or parent and an entity controlled by, controlling, or under common control with, another entity.

1.2 Franchisee agrees that it will at all times faithfully, honestly and diligently perform its obligations hereunder and that it will continuously exert its best efforts to promote and enhance the business of the Restaurant and the goodwill of the Marks. Franchisee shall not conduct the business of the Restaurant from any location other than the Location. Franchisee shall operate its Restaurant from the location indicated in the Franchise Rider (Addendum A to this Agreement) which is referred to herein as the "Location." Franchisee may not operate a Brixx Restaurant from any other location or any additional locations without the prior written approval of Franchisor. This Franchise is for the Location only and, except as provided below, does not in any way grant or imply any area, market, or territorial rights proprietary to Franchisee.

1.3 During the Initial Term, and provided that the Franchisee is in compliance with this Agreement, Franchisor will not operate or grant a franchise for the operation of another full-service, dine-in, brick-and-mortar Brixx restaurant operating under the Marks and Brixx System at any location within the territory identified in the Franchise Rider ("Territory"); provided, however, that nothing in this Agreement shall be deemed to restrict Franchisor (or any franchisee or licensee of Franchisor) in any way with respect to any Brixx Restaurant that is open or under development, or as to which the location has been accepted, as of the Effective Date; and provided, further, that Franchisor expressly reserves the right to operate, or license another to operate, Brixx restaurants at any site within an airport, arena, hospital, bus or train station, enclosed shopping center, mall, grocery store, convenience store, theme park, traveling carts or trucks, commercial kitchens, stadium, school, college or university, convention center, state or national park or military fort, post or base (each, a "Reserved Location"), whether or not such Reserved Location is within the radius set forth above.

1.4 If Franchisee's lease or sublease for the Location terminates prior to its normal expiration for reasons other than a default thereunder by Franchisee, or expires without Franchisee being able to obtain a renewal of the lease or sublease, then Franchisee may relocate the Restaurant in accordance with this Section 1.5, subject to Franchisor's approval. Any such relocation shall be at Franchisee's sole expense. The relocation of the Restaurant is subject to all of the fees, royalties, restrictions and provisions of this Agreement (other than the requirement under Section 2.1 to pay an Initial Franchise Fee (as defined herein) for the Restaurant at the new Location) as if Franchisee were establishing a new Restaurant; provided, however, that (a) Franchisee's rights under Section 1.3 terminate effective immediately upon closing of the old Location and become operative with respect to the new Location only when the new Location is accepted by Franchisor; (b) the Restaurant at the new Location must open within three (3) months after the date of closing of the old Location; (c) Franchisee's Initial Franchise Fee for the old Location is not refundable; and (d) Franchisee agrees to reimburse Franchisor for all of Franchisor's costs and expenses incurred in connection with Franchisee's relocation.

1.5 Regardless of either proximity to Franchisee's Territory or Restaurant, or any or actual threatened impact on sales of the Restaurant, Franchisor (on behalf of itself and its affiliates) reserves and retains any and all rights with respect to the Marks, the Brixx System, other Brixx restaurants anywhere in the world and the right to engage in any business whatsoever not expressly granted under this Agreement (including within the Territory), including without limitation:

(a) use the Marks and Brixx System in connection with establishing and operating Brixx businesses at any location outside the Territory;

(b) use the Marks or other marks in connection with selling or distributing any goods (including branded merchandise or products) or services anywhere in the world (including within the Territory) whether or not Franchisee also offer them, through channels of distribution other than onsite to customers at the Restaurant, for example, other temporary retail locations, kiosks, food trucks, catalogs, mail order, the Internet or other electronic means, at off-site events, or through delivery by Franchisor, Franchisor's affiliates or other franchisees, and/or third-party delivery services, or other similar methods (collectively, "Alternate Channels of Distribution");

(c) acquire, establish or operate, without using the Marks, any business of any kind at any location anywhere in the world (including within the Territory), including another franchise system;

(d) use the Marks in connection with soliciting or directing advertising or promotional materials to customers anywhere in the world (including within the Territory);

(e) establish or operate, or license other persons to establish or operate, a Brixx business within any Reserved Locations anywhere in the world (including within the Territory);

(f) only if Franchisee chooses not to fulfill an order that Franchisee is authorized to receive, or that is directed to Franchisee by Franchisor, from any Alternate Channel of Distribution, fulfill the order or designate one of Franchisor's affiliates or a third party (which may be another franchisee) to fulfill the order in the Territory; and

(g) engage in any other activity, action or undertaking that Franchisor is not expressly prohibited from taking under this Agreement.

If Franchisor or its affiliates decide to exercise any of these rights, Franchisor and its affiliates will not be obligated to compensate Franchisee for such sales or solicitations made inside or outside the Territory. Franchisee expressly acknowledges that all Brixx restaurants (whether owned by Franchisor, Franchisee or other Brixx System franchisees) may solicit business from customers without regard to the customers' geographic location. Franchisor does not warrant or represent that no other Brixx restaurant will solicit or make any sales within the Territory, and Franchisee hereby expressly acknowledges and agrees that such solicitations or sales may occur within the Territory. Franchisee recognizes and acknowledges that (i) it will compete with other Brixx restaurants which are now, or which may in the future be, located near or adjacent to the Territory, and (ii) that such restaurants may be owned by Franchisor or third parties, or both.

However, Franchisee's use of an Alternate Distribution Channel, including for marketing, solicitation, or ordering purposes, is subject to Franchisor's prior approval and current policies and procedures, including Franchisor's right to designate suppliers for Alternate Distribution Channels. If Franchisor grants Franchisee permission to use any Alternate Distribution Channel or conduct any off-site or out of Territory activities, Franchisee does not gain any territory or exclusivity rights. Franchisor has the right to terminate or suspend Franchisee's approval to use any Alternate Distribution Channel or conduct any off-site or out-of-Territory activity.

1.6 Upon expiration of the Initial Term, Franchisee will have the right to be granted a renewal of the License for one (1) additional consecutive period of five (5) years from the date of expiration of the Initial Term ("First Renewal Term"), provided all of the conditions set forth in Section 1.8 have been met prior to the expiration of the Initial Term. Upon expiration of the First Renewal Term, Franchisee will have the right to be granted a renewal of the License for one (1) additional consecutive period of five (5) years from the date of expiration of the First Renewal Term ("Second Renewal Term"), provided all of the conditions set forth in Section 1.8 have been met prior to the expiration of the First Renewal Term. Upon expiration of the Second Renewal Term, Franchisee will have the right to be granted a renewal of the License for one (1) additional consecutive period of five (5) years from the date of expiration of the Second Renewal Term ("Third Renewal Term"), provided all of the conditions set forth in Section 1.8 have been met prior to the expiration of the Second Renewal Term. Subject to the requirements of this Section 1.7, Franchisee may only be granted a maximum of three (3) Renewal Terms. Franchisee will have no further rights to operate the Restaurant following the expiration of the final Third Renewal Term unless Franchisor grants Franchisee another franchise or agrees to further renewals, in Franchisor's sole discretion. As necessary, the renewal franchise agreements may be amended to reflect this provision. If this Agreement is a renewal agreement, the renewal provision in Franchisee's original franchise agreement will dictate the length of the term of this Agreement as well as Franchisee's remaining renewal rights, if any.

1.7 Conditions for Renewal.

(a) Franchisee has given Franchisor written notice of its intent to renew the Franchise not less than nine (9) months nor more than twelve (12) months prior to the expiration of the then-current Initial Term or Renewal Term;

(b) Franchisee must acknowledge by returning a receipt that Franchisee has received the then-current Franchise Disclosure Document;

(c) Franchisee must have agreed to make such improvements as may be required to modernize, renovate, equip and decorate the Restaurant so as to reflect the then-current standards of Franchisor, which may include relocating to a new location and/or upgrading signs, equipment, furnishings, technology, Computer Systems, or fixtures and decor;

(d) Franchisee executes Franchisor's then-current version of the Franchise Agreement, which may differ as to royalties, advertising contributions, territory and other material terms and conditions;

(e) At the time Franchisee signs the renewal franchise agreement, or within the twenty-four (24) month period prior to renewal, Franchisee, its Owners and its affiliates must not be in default of any term or condition of this Agreement, any other franchise agreement or any other agreement or obligation Franchisee, its Owners, and its affiliates may have with Franchisor or its affiliates, including, but not limited to, all obligations to timely pay royalties, interest and late charges and other properly chargeable amounts;

(f) Franchisee; Owners; guarantors of the Franchisee; for themselves and on behalf of their respective predecessors, parents, affiliates, subsidiaries, shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns (collectively, "Releasors") execute and deliver to Franchisor a general release, in the form prescribed by Franchisor, releasing, to the fullest extent permitted by law, all claims that Releasors may have against Franchisor; Franchisor's predecessors, parents, affiliates, and subsidiaries; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities;

(g) Not less than thirty (30) days prior to the expiration of the then-current Initial Term or Renewal Term Franchisee must have delivered to Franchisor in good and immediately available funds, a renewal fee equal to the greater of fifteen percent (15%) of Franchisor's then-current initial franchise fee or Six Thousand Dollars ($6,000); and

(h) Franchisee presents satisfactory evidence that Franchisee has the right to remain in possession of the Location for the duration of the next renewal term, unless

Franchisor determines that the location of Franchisee's business is no longer viable for the operation of Franchisee's Restaurant, in which case Franchisor may condition Franchisee's right to renew on Franchisee's obtaining a new site for Franchisee's Restaurant that Franchisor accepts.

If Franchisee fails to perform any of the acts set forth in subsections (a) through (h) of this Section in a timely fashion, such failure will be deemed an election by Franchisee not to exercise its right to enter into a renewal franchise agreement, and will cause Franchisee's right to enter into a renewal franchise agreement to expire without further notice or action by Franchisor.

1.8 If applicable law requires that Franchisor give notice of expiration or non-renewal to Franchisee prior to the expiration of the Initial Term or any Renewal Term, this Agreement shall be deemed to remain in effect on a month-to-month basis until Franchisor has given to Franchisee that notice of expiration or non-renewal so required and the applicable period required to pass before the notice becomes effective shall have expired.

1.9 Unless Franchisee exercises Franchisee's option to renew the Franchise granted under this Agreement in accordance with this Section, Franchisee has no right to continue to operate the Restaurant after the expiration date. If Franchisor permits Franchisee to continue to operate the Restaurant after expiration of this Agreement, but before the execution by Franchisee of a new Franchise Agreement for a Renewal Term, then the temporary continuation of the operations Restaurant will be on a month-to-month extension of this Agreement and all of its terms, and will be terminable at Franchisor's option by giving Franchisee written notice of termination at least thirty (30) days before the termination is effective. If Franchisor permits Franchisee to continue to operate the Restaurant, with the associated extension of this Agreement and all of its terms on a month-to-month continuation after expiration of this Agreement, then Franchisee must pay to Franchisor monthly an additional fee equal to the greater of One Thousand Dollars ($1,000) or One Hundred Fifty Percent (150%) of the Royalties due for the same month for every month of month-to-month operation after the expiration date, up to Franchisor's then-current initial franchise fee, which fee shall be in addition to Royalties, brand fund contributions, and any other payments due to Franchisor under this Agreement. If the law of the jurisdiction in which Franchisee is located requires a longer notice period, the thirty (30) day period will be deemed modified to be the shortest notice period required by the laws of such jurisdiction.

1.10 To the extent Franchisee uses any Mark in employment-related materials, Franchisee must include a clear disclaimer that Franchisee (and only Franchisee) is the employer of employees at the Restaurant and that Franchisor, as the franchisor of Brixx restaurants, and its affiliates are not their employer or joint employer and do not engage in any employee-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. Franchisee also must obtain an acknowledgment (in the form Franchisor specifies or approves) from all Restaurant employees that Franchisee (and not Franchisor or its affiliates) is their employer.

2. FEES, ROYALTIES AND OTHER PAYMENTS

Franchisee agrees to pay to Franchisor the following fees in such manner as Franchisor may from time to time designate and on the required days (each a "Due Date").

2.1 The initial franchise fee is as indicated on the Summary Pages ("Initial Franchise Fee"), which shall be paid to Franchisor in good and immediately available funds upon execution of this Agreement. The Initial Franchise Fee shall primarily compensate Franchisor for Franchisor's pre-opening obligations under this Agreement. The parties recognize the value of the Initial Franchise Fee approximates the market value of the pre-opening services. The Initial Franchise Fee shall be deemed earned upon receipt and is non-refundable; provided, however, if Franchisee and Franchisor cannot agree on a franchise location within twelve (12) months of the execution date of this Agreement, then upon request from Franchisee a fifty percent (50%) refund will be applied, less any out-pocket-expenses incurred by Franchisor.

2.2 Franchisee agrees in consideration of Franchisor's licensing its use of the Marks and the Brixx System to pay, in addition to the Initial Franchise Fee, a weekly royalty fee ("Royalty Fee") in the amount of five percent (5%) of Franchisee's Gross Sales (as defined below) for the seven (7)-day period ending at the close of business on Sunday of each week for the Initial Term, which Royalty Fee will be collected by Franchisor by electronic withdrawal from Franchisee's principal bank account on Wednesday of each week.

(a) Except as provided in Section 2.2(b) hereof, the term "Gross Sales," as used in this Agreement, shall mean all receipts (cash, cash equivalents or credit) or revenues from sales from all business conducted upon or from the Restaurant premises, whether evidenced by check, cash, credit, charge account, exchange or otherwise, including, but not limited to, amounts received from the sale of foods, beverages, wares and merchandise (including sales of food, beverages and tangible property of every kind and nature, promotional or otherwise), the redemption of Gift Cards, and from all catering, internet sales, delivery orders and other services performed from or at the Restaurant premises. Gross Sales includes the total amount charged to the customer if the customer orders through a third-party delivery service, whether or not the full amount is received by Franchisee. Gross Sales shall not be reduced by any deductions for theft which is reimbursed by insurance or which is not reported to the appropriate police authorities. Each charge or sale upon installment or credit shall be treated as a sale for the full price in the week during which such charge or sale shall be first made, irrespective of the time when Franchisee shall receive payment (whether full or partial) therefor.

(b) Gross Sales shall not include: (i) the sale of merchandise for which cash has been refunded or, except as provided in Section 2.2(a), not received, or allowances made for merchandise, if the sales of any such returned or exchanged merchandise shall have been previously included in Gross Sales, (ii) discounts issued to customers in accordance with Brixx brand standards, (iii) the amount of any sales tax imposed by any federal, state, municipal or other governmental authority directly on sales and intended to be collected from customers, provided that the amount thereof is added to the selling price and actually

paid by the Franchisee to such governmental authority, (iv) the initial sale of a Gift Card, and (v) proceeds from the sale of equipment or fixtures.

2.3 The Parties agree that Franchisor or its designee, may, at its option, from time to time, maintain and administer a Brixx Brand Fund ("Brand Fund"). The Brand Fund shall be administered in accordance with Section 9 of this Agreement. Franchisee must make weekly payments to the Brand Fund for the Initial Term in an amount equal to two percent (2%) of its weekly Gross Sales ("Brand Fund Fee") for the seven (7) day period ending at the close of business on Sunday of each week. The Brand Fund Fee shall be collected by Franchisor at the same time and from the same Account as the Royalty Fee is collected.

2.4 Franchisor or its designee, may, at its option, from time to time, create a Co-Op in accordance with Section 9.4 of this Agreement. When and if such Co-Op is established, Franchisee must make payments to the Co-Op in accordance with the written requirements of the members of the Co-Op.

2.5 On average, Franchisee must spend a minimum of two percent (2%) of its Gross Sales ("Local Advertising Fee") on local marketing activities each month, including advertising promotions and public relations. The Local Advertising Fee must be spent monthly and is measured yearly. Any fees paid to a Co-Op shall be deemed an equal payment for any Local Advertising Fee. Franchisor can require Franchisee to expend these funds on required, Franchisor-initiated giveaways, discounts, advertising and marketing campaigns, promotions, and loyalty programs.

2.6 In addition to the Brand Fund Fee, within the first thirty (30) days from the date Franchisee first opens its Restaurant to the general public, Franchisee may be required by Franchisor to spend up to Seven Thousand Five Hundred Dollars ($7,500) on grand opening advertising or promotion for the Restaurant ("Grand Opening Promotions"). Any amount spent by Franchisee on Grand Opening Promotions shall be credited against any amount Franchisee is obligated to spend in that month on the Local Advertising Fee.

2.7 Each month, on the day Franchisor designates, Franchisee will be required to pay Franchisor's then-current monthly Technology Fee, which fee may be used for any technological tool, update, or modification Franchisor deems to be in the interest of the Brixx System. Franchisor has the right to increase the Technology Fee with thirty (30) days' notice to Franchisee.

2.8 If Franchisor or its affiliate is the designated supplier for any required product or service for the Restaurant, Franchisee shall pay Franchisor's or its affiliate's then-current rates for such products or services. Franchisor reserves the right to have suppliers bill it or an affiliate for goods and services that benefit the system of Brixx franchisees. Franchisee agrees to pay Franchisor its pro rata share of these goods and services costs and fees.

2.9 Franchisee acknowledges the importance of operating the Restaurant in full compliance with this Agreement and Franchisor's mandatory specifications, standards, and operating procedures. Deviating from any contractual requirement, including any mandatory

specification, standard, or operating procedure, is a violation of this Agreement and will trigger incalculable administrative and management costs for Franchisor to address the violation (separate and apart from any damages Franchisee's violation might cause to the Brixx System, Franchisor's business opportunities, or the goodwill associated with the Marks). Therefore, Franchisee agrees to compensate Franchisor for its incalculable administrative and management costs by paying Franchisor Two Hundred Fifty Dollars ($250) for each deviation from a contractual requirement, including any mandatory specification, standard, or operating procedure cited by Franchisor (the "Non-Compliance Fee"). However, if Franchisor discovers the same (or a substantially similar) deviation on one or more consecutive, subsequent visits to or inspections of the Restaurant, the Non-Compliance Fee will, at Franchisor's option, be Five Hundred Dollars ($500) for the first repeat deviation and One Thousand Dollars ($1,000) for the second and each subsequent repeat deviation. (The Non-Compliance Fee does not apply to payment defaults for which Franchisor may charge late fees and interest as provided in this Agreement. Franchisee agrees that the Non-Compliance Fee is a reasonable estimate of Franchisor's administrative and management costs and not a penalty. Franchisor may debit Franchisee's Account for Non-Compliance Fees or set off monies otherwise due and payable to Franchisee to cover the payment of Non-Compliance Fees. Franchisor must receive a Non-Compliance Fee within five (5) days after Franchisor notifies Franchisee that Franchisor is charging such Non-Compliance Fee due to Franchisee's violation. Franchisor need not give Franchisee a cure opportunity before charging a Non-Compliance Fee. Charging a Non-Compliance Fee shall not prevent Franchisor from seeking to recover damages to the Brixx System, Franchisor's business opportunities, or the goodwill associated with the Marks due to Franchisee's violation; seeking injunctive relief to restrain any subsequent or continuing violation; and/or formally defaulting Franchisee and terminating this Agreement pursuant to Article 19.

2.10 Franchisor and its affiliates reserve the right to increase the amount of any flat or maximum fee provided for hereunder ("Inflation Adjustment"). An Inflation Adjustment shall be in relation to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor, the cost-of-living-adjustment ("COLA") using the COLA factors determined by the United States Department of Labor, or such other measure determined reliable by Franchisor. Franchisor will notify Franchisee of the amount or percentage adjustment thirty (30) days prior to their effective date.

2.11 Franchisor may in certain situations incur legal expenses while providing assistance to Franchisee with respect to, without limitation, lease negotiations, or other legal compliance issues. Such assistance may be at the request of Franchisee or required by Franchisor and may be provided by Franchisor in-house or by outside counsel; provided however, that Franchisor shall have the sole discretion as to whether or not to provide legal assistance. In the event Franchisor does incur legal expenses on behalf of Franchisee, Franchisee shall reimburse Franchisor for such expenses immediately upon notice from Franchisor.

2.12 Except as otherwise provided herein, all amounts payable to Franchisor are due within ten (10) days of the date of invoice. To cover the additional expense incurred by Franchisor in handling delinquent payments, Franchisee agrees to pay, on demand, a late service charge of the lesser of five percent (5%) per month or the highest rate of interest allowed by law for each and every payment required to be made by Franchisee that is not paid within ten (10) days of the

date it is due. Franchisor reserves the right to demand all late payments be paid by cash, cashier's check, money order or wire transfer.

2.13 Franchisee may not offset or withhold payments owed to Franchisor, the Co-Op, and/or any of Franchisor's affiliates for amounts purportedly due Franchisee (or any Owner or affiliate of Franchisee) as a result of any dispute of any nature or otherwise, but will pay such amounts to Franchisor (or Franchisor's affiliates) and only thereafter seek reimbursement. If Franchisee is delinquent in the payment of any obligation to Franchisor, its affiliates or designees, then Franchisor (or affiliates or designees), will have the right to apply any payment from Franchisee to any obligation due, including the oldest obligation due, whether under this Agreement or otherwise, notwithstanding any contrary designation by Franchisee as to such application.

2.14 On each Due Date, Franchisor will transfer from the Franchisee's bank operating account ("Account") the amount reported to Franchisor in Franchisee's sales report or determined by Franchisor by the records obtained by Franchisor. If Franchisee has not reported Gross Sales to Franchisor for any fiscal period, Franchisor will transfer from the Account an amount calculated in accordance with its estimate of the Gross Sales during the fiscal period. If, at any time, Franchisor determines that Franchisee has underreported its Gross Sales, or underpaid the Royalty Fee or other amounts due to Franchisor or its affiliates under this Agreement, or any other agreement, Franchisor shall initiate an immediate transfer from the Account in the appropriate amount in accordance with the foregoing procedure, including interest or late fees as provided in this Agreement. Any overpayment will be credited to the Account effective as of the first reporting date after Franchisor and Franchisee determine that such credit is due. In connection with payment of the Royalty Fee by electronic funds transfer, Franchisee shall: (1) comply with procedures specified by Franchisor in the Brand Standards Manual; (2) perform those acts and sign and deliver those documents as may be necessary to accomplish payment by electronic funds transfer as described in this Section; (3) give Franchisor an authorization in the form designated by Franchisor to initiate debit entries and/or credit correction entries to the Account for payments of the Royalty Fee and other amounts payable under this Agreement, including any interest charges; and (4) make sufficient funds available in the Account for withdrawal by electronic funds transfer no later than the Due Date for payment thereof. Franchisee must maintain a single bank account to make all payments required by this Agreement. Franchisee must advise Franchisor at least fifteen (15) business days prior to any change in Franchisee's bank account or financial institution; no such change will be permitted without the prior written authorization of Franchisor. To ensure the orderly electronic transfer of the Royalty Fee and all other fees as outlined in this Section, Franchisee will enter into and maintain a banking agreement with the financial institution which will be responsible for the transfer and payment of the fees owed by Franchisee to Franchisor, and a copy of that agreement will be submitted to Franchisor prior to the effective date of this Agreement. Failure by Franchisee to have sufficient funds in the Account shall constitute a default of this Agreement and may subject this Agreement to termination for cause as hereinafter set forth. Franchisee shall not be entitled to set off, deduct or otherwise withhold any Royalty Fee, advertising contributions, interest charges or any other monies payable by Franchisee under this Agreement on grounds of any alleged non-performance by Franchisor of any of its obligations or for any other reason.

3. UNIFORM STANDARDS AND COMPLIANCE WITH THE SYSTEM

3.1 The Brixx System is a comprehensive restaurant format and operating system for the sale of certain uniform and quality food and beverage products, emphasizing prompt and courteous service in a pleasing atmosphere. The establishment and maintenance of a close personal relationship between Franchisor and Franchisee in the operation of the Restaurant and adherence to the principles of the Brixx System constitute the basic underlying principle of this Agreement. A fundamental requirement of the Brixx System, this Agreement and the franchises that Franchisor will grant to others is adherence by all franchisees to Franchisor's standards and policies providing for the uniform operation of all Restaurant units within the Brixx System. Compliance by all franchisees with the standards and policies in conjunction with the use of Franchisor's Marks provides the basis for the wide public acceptance of the Brixx System and its valuable goodwill. Accordingly, strict adherence by all franchisees to all aspects of the Brixx System is required at all times. The provisions of this Agreement shall be interpreted to give effect to the intent of the Parties stated in this Section 3 to ensure that Franchisee shall operate the Restaurant in conformity with the Brixx System, through strict adherence to Franchisor's standards and policies as they now exist and as they may be modified from time to time. Franchisee agrees to and shall comply with all aspects of the Brixx System (as it now exists and as it may be modified from time to time). Franchisee understands and agrees that the Brixx System must not remain static if it is to meet presently unforeseen changes in, without limitation, technology, competitive circumstances, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of Franchisor, Franchisee, and the network of all Brixx franchisees. Accordingly, Franchisee expressly understands and agrees that Franchisor has the right to modify the Brixx System and the Brand Standards Manual at any time, and from time to time, by the addition, deletion, or other modification to the provisions thereof. Franchisee understands and agrees that Franchisor may modify the Brixx System and any of its components from time to time in its sole discretion. Franchisor shall give Franchisee notice of all changes either by supplements to the Brand Standards Manual, in writing or electronically, or otherwise. Franchisee also understands and agrees that Franchisor may abandon the Brixx System altogether in favor of another system in connection with a merger, acquisition, or other business combination, or for other reasons. Franchisee shall, at its own cost and expense, promptly adopt and use only those parts of the Brixx System specified by Franchisor and shall promptly discontinue the use of those parts of the Brixx System which Franchisor directs are to be discontinued. Franchisee shall not change, modify or alter the Brixx System in any way, except as Franchisor directs. Franchisee recognizes agrees that changes and modifications that Franchisor may make to the Brixx System may necessitate that Franchisee make capital expenditures during the Initial Term in amounts that Franchisor cannot forecast. Nothing in this Agreement limits the frequency or cost of future changes to the Brixx System that Franchisor may require. Franchisee understands and agrees that Franchisor has no ability to identify with specificity the nature of these future general improvements or their expected cost and accepts the risk that future general improvements may be imposed that will require significant capital expenditures in an amount that is unknown on the Effective Date of this Agreement and that cannot be fully amortized over the period of time then remaining in the Initial Term. Except as expressly provided in this Agreement, Franchisor shall not be liable to Franchisee or any Owner for any expenses, losses, or damages sustained by Franchisee or any owner as a result of any modifications to the Brixx System contemplated hereby. Franchisee and Owners hereby covenant not to commence or join in any litigation, arbitration, or

other proceeding against Franchisor or any third party complaining of any modifications to the Brixx System or seeking expenses, losses, or damages caused thereby. Franchisee and Owners expressly waive any claims, demands, or damages arising from or related to the foregoing activities including, without limitation, any claim for breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

3.2 In all dealings with customers, suppliers, Franchisor and others, Franchisee will act according to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee agrees that Franchisee shall at all times operate the Restaurant in a financially sound, prudent, and businesslike manner and, without limiting the generality of the foregoing, pay all its bills and accounts promptly when due and shall take no action, or omit to take any action, the result of which would be to tend to disrupt, damage, or jeopardize Franchisee's relationship with suppliers or customers, Franchisor's good reputation, or the good reputation of Franchisor's other franchisees. At all times and under all circumstances, Franchisee shall treat all customers and other persons, including Franchisor's agents, officers, and employees with the utmost respect and courtesy, and shall fully cooperate with Franchisor and its agents, officers, and employees in all aspects of the franchise relationship.

3.3 Franchisee will operate Franchisee's business in full compliance with all applicable laws, ordinances and regulations, including all licensing requirements. Franchisee will not engage in any illegal discriminatory practices. Without limiting the generality of the foregoing, Franchisee shall abide by all applicable rules and regulations of any public health department. Franchisor makes no representations as to what (if any) licenses, permits, authorizations or otherwise will be required in connection with Franchisee's establishment or operation of Franchisee's business. It is Franchisee's sole responsibility to determine what licenses, permits, authorizations or otherwise are required and to obtain them, all at Franchisee's expense. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such laws, orders and/or regulations, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in this Agreement pertain to Franchisee's obligations hereunder. Franchisee agrees to comply and/or assist Franchisor in Franchisor's compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise, including those related to anti-terrorist activities, including, without limitation, the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations. In connection with such compliance efforts, Franchisee agrees not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to Franchisee's business as may be required by Franchisor or by law. Franchisee confirms that Franchisee is not listed in the Annex to Executive Order 13224 and agrees not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at http://www.treasury.gov).

3.4 Franchisor may, but is not obligated to, form a Franchise Advisory Council selected by Franchisor in Franchisor's sole discretion, which shall provide Franchisor input as Franchisor may request from time to time ("FAC"). The FAC exists at Franchisor's pleasure, and Franchisor is not obligated or bound by any input provided by the FAC. The FAC will consist of franchisees in full compliance with this Agreement and/or Franchisor's representatives. Franchisor has the right to add or remove members of the FAC in Franchisor's sole discretion.

4. CONSTRUCTION AND LEASE OF PREMISES BY FRANCHISEE; SITE SELECTION

4.1 Construction.

(a) Franchisee is responsible for constructing, renovating or upfitting or causing to be constructed, renovated or upfitted, the Restaurant. All expenses incurred in connection with the development of plans and specifications for the construction, renovation, or upfitting (including, without limitation, the fees of the architect, design, and any engineering fees) will be the obligation of Franchisee. Franchisee is solely responsible for securing all permits and licenses (and the costs and expenses associated therewith) necessary for the construction, renovation or upfitting and operation of the Restaurant. Franchisee will obtain all zoning classifications and clearances which may be required by applicable federal, state or local laws, ordinances or regulations or which may be necessary as a result of any restrictive covenants relating to the Restaurant premises.

(b) Franchisee shall, at its sole expense, employ designers, engineers, contractors and others as may be necessary to create building plans for the Restaurant. The plans for the Restaurant must be accepted by Franchisor prior to any construction or other implementation of such plans and specifications. Franchisee shall conform the building and equipment to applicable building code requirements and the standard building plans and equipment specifications and standards supplied by Franchisor, which may be modified by Franchisee only upon the prior written consent of the Franchisor to fit the particular site. Any deviation from such accepted plans must be consent to by Franchisor in writing prior to making such deviation.

(c) Prior to commencement of construction, renovation or upfitting, Franchisee must provide to Franchisor one (1) copy of any applicable bids for construction. Franchisor may provide Franchisee with names of contractors; however, it shall remain the sole responsibility of Franchisee to diligently design, construct, equip and otherwise make ready and to open the Restaurant. Franchisee shall use a licensed, bondable general contractor accepted in advance in writing by Franchisor to perform construction, renovation or upfitting work at the Restaurant. Franchisee must also provide to Franchisor one (1) copy of each required permit within five days (5) of the date such permit(s) is (are) received by Franchisee. Construction, renovation or upfitting of the Restaurant shall not commence until Franchisor has accepted the contractor and the required permits and licenses specified herein. Similarly, construction, renovation or upfitting of the Restaurant shall not commence until Franchisee has provided evidence of that insurance coverage to be obtained in Section 16 is in full force and effect.

(d) Acceptance of plans and design shall include the acceptance of the design and shape of signs or other indicia to be used to identify Franchisee and the Restaurant. Franchisee shall install a free-standing sign in the maximum square footage selected prior to completion of construction. In the event that the Franchisee's landlord or state or municipal codes do not permit a free-standing sign, the Franchisee shall erect and/or install

a sign of the maximum square footage possible. Any deviations from these requirements are subject to the Franchisor's prior written consent.

(e) The plans, specifications, and other information Franchisor provides to Franchisee shall not contain the requirements of any federal, state or local law, code or regulation, including those concerning the Americans With Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities, nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation as may be necessary to obtain permits or authorization to build a specific Restaurant ("Applicable Law"). It is solely Franchisee's responsibility to ensure that the design and construction of the Restaurant and the premises are in compliance with all Applicable Laws. Franchisee Indemnifying Parties shall indemnify and hold Franchisor Indemnified Parties harmless against any and all claims, actions, causes of action, costs, fees, fines and penalties, of every kind and nature, should the design and/or construction of the Restaurant fail in any way to comply with any Applicable Laws. Franchisee Indemnifying Parties shall indemnify and hold Franchisor Indemnified Parties harmless against any and all claims, actions, causes of action, costs, fees, fines and penalties, of every kind and nature, arising from or related to the design and/or construction of the Restaurant.

4.2 Unless Franchisee otherwise receives Franchisor's approval, Franchisee must lease the premises at the accepted Location. Any lease or sublease agreement for the Restaurant premises shall contain the lease rider set forth in Addendum B hereto ("Lease Rider"). Franchisee shall provide Franchisor with a copy of its proposed lease. Franchisee agrees that it will not execute a lease or sublease agreement without the prior written consent of Franchisor. The lease must be for an initial term of ten (10) years. Franchisee shall not, without the prior written consent of Franchisor, execute any lease or other agreement which imposes, or purports to impose, any limitations on the ability of Franchisee and/or of Franchisor to operate additional restaurants, or any lease the term of which is shorter than ten (10) years. Franchisee shall deliver a copy of the signed lease or sublease agreement, including the Lease Rider, to Franchisor within fifteen (15) days of its execution. Franchisee further agrees that it will not execute or agree to any modification of the lease or sublease which would affect Franchisor's rights without the prior written consent of Franchisor.

4.3 The Franchisee will be solely responsible at its expense, for (a) locating and selecting the site for the Restaurant, (b) obtaining that site either by lease or purchase, (c) developing the site and constructing the Restaurant on the site, (d) equipping the Restaurant and (e) paying all costs, liability and expense for developing the site and for constructing and equipping the Restaurant. The Franchisor recommends that the Franchisee retain a licensed commercial real estate broker or salesperson who has at least five (5) years' experience in locating and acquiring full service restaurant sites in the area where the Franchisee's Restaurant will be located to advise and consult with the Franchisee on the economics, demographics and location of any proposed site, and on the purchase or lease of the site selected by the Franchisee for the Franchisee's Restaurant. No provision in this Agreement will be construed or interpreted to impose any obligation or responsibility upon the Franchisor to locate a site for the Restaurant, to assist or advise the Franchisee in the selection of a suitable site for the Restaurant, or to provide any

assistance to the Franchisee in the purchase or lease of a site. ACCEPTANCE OF THE LOCATION DOES NOT CONSTITUTE ANY WARRANTY OR ASSURANCE BY FRANCHISOR OF THE LOCATION'S OR LEASE AGREEMENT'S SUITABILITY. FRANCHISEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S ACCEPTANCE OF A LOCATION OR A LEASE FOR FRANCHISEE'S RESTAURANT IS NOT AND SHALL NOT BE CONSTRUED AS A GUARANTEE OR ASSURANCE THAT THE RESTAURANT WILL BE PROFITABLE OR THAT THE LEASE DOES NOT CONTAIN TERMS ADVERSE TO THE FRANCHISEE'S INTERESTS.

4.4 Franchisee shall (a) obtain Franchisor's acceptance of the Location and, as applicable, have signed the premises lease within twelve (12) months after the date of this Agreement and (b) shall open the Restaurant within six (6) months following Franchisor's acceptance of the Location. Franchisee agrees to open the Restaurant within two (2) weeks after a determination by Franchisor that the building in which the business is to be located is ready for use and not any time before receiving Franchisor's prior consent. Franchisee shall not open the Restaurant until: (1) Franchisor determines that the Restaurant has been equipped and stocked with materials and supplies in accordance with plans and specifications approved by Franchisor, (2) Franchisee has completed the initial training program to Franchisor's satisfaction, (3) Franchisee has paid the initial franchise fee and all other amounts then due to Franchisor, (4) Franchisee has furnished to Franchisor all certificates of insurance required by this Agreement, (5) Franchisee is in full compliance with this Agreement, and (6) all items on any opening checklist provided by Franchisor have been completed to Franchisor's satisfaction. Time is of the essence for purposes of this Agreement. Failure to timely open the Restaurant shall constitute an event of default under the Agreement.

4.5 FRANCHISEE AGREES THAT FRANCHISOR MAKES NO WARRANTIES, EITHER EXPRESSED OR IMPLIED, WITH RESPECT TO ANY OF THE SIGNS, FIXTURES, FURNISHINGS, DECOR, APPROVED EQUIPMENT, OTHER EQUIPMENT, PRODUCTS, SUPPLIES AND MATERIALS USED IN CONNECTION WITH THE RESTAURANT (COLLECTIVELY REFERRED TO AS THE "MATERIALS"), THE AMOUNT WHICH FRANCHISEE MAY BE REQUIRED TO EXPEND TO ACQUIRE SUCH MATERIALS, NOR OF THE FITNESS OF THE MATERIALS FOR ANY PARTICULAR PURPOSE. FRANCHISOR SHALL NOT BE LIABLE FOR ANY DAMAGES, INCLUDING WITHOUT LIMITATION ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES, WHICH MAY ARISE IN CONNECTION WITH THE SALE OR USE OF THE MATERIALS, WHETHER WITH RESPECT TO CLAIMS OF BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE OR OTHER CLAIMS. IN PARTICULAR, FRANCHISOR SHALL NOT BE LIABLE FOR LOSS OF SALES, REVENUES AND/OR PROFITS AND/OR CLAIMS OF ANY THIRD PARTIES.

5. SERVICES FURNISHED BY FRANCHISOR

5.1 Prior to the Franchisee's Restaurant opening, Franchisor shall assist Franchisee in the planning and implementation of (a) business startup plans, (b) Restaurant opening procedures, (c) equipment and merchandise ordering and (d) the performance of all other tasks reasonably necessary to open Franchisee's Restaurant. IT IS THE INTENT OF THIS

AGREEMENT TO DEVELOP THE FRANCHISEE'S EXPERTISE IN THE MANAGEMENT OF ITS RESTAURANTS AND BUSINESS TO A LEVEL OF COMPETENCE THAT WILL BY ITS VERY NATURE DIMINISH THE NECESSARY SERVICES NORMALLY PROVIDED BY THE FRANCHISOR TO A NEW FRANCHISEE. The assistance provided to Franchisee during any subsequent openings shall be determined by Franchisor after evaluation of Franchisee's business maturity

5.2 Prior to the opening of the Restaurant, Franchisor will provide training in accordance with Section 8 of this Agreement. In Franchisor's sole discretion and/or at the request or Franchisee, Franchisor may offer additional or supplemental training. Franchisee shall be responsible for all expenses incurred by such persons in connection with additional or supplemental training, including, without limitation, all cost of travel, lodging, meals and wages. Franchisor also reserve the right to charge an additional fee and to require attendance at additional trainings, conferences, and conventions.

5.3 Franchisor shall provide Franchisee one (1) copy of the "Brand Standards Manual," which may be modified or amended from time to time at Franchisor's sole discretion, pertaining to the operation of the Restaurant in and under the Brixx System. The Brand Standards Manual is and shall remain the property of Franchisor, and shall be returned upon demand by Franchisor, or at such time as this Agreement is terminated, non-renews, or expires. If Franchisee requests any additional copies of the Brand Standards Manual, it shall notify Franchisor, in writing, of such request and the reason therefor. Each additional copy of Franchisor's Brand Standards Manual shall be issued solely at the discretion of Franchisor, and Franchisee shall pay the then-current replacement fee, which shall initially be set at One Hundred Dollars ($100.00) for each additional copy of the Brand Standards Manual. Franchisee is required to keep a copy of the Brand Standards Manual at the Location at all times and is not permitted to copy or remove the Brand Standards Manual from the Location without Franchisor's prior written consent. All changes or additions to the Brand Standards Manual shall be inserted upon receipt. Franchisee agrees that changes in the standards, specifications and procedures may become desirable from time to time and agrees to accept and comply with such modifications, revisions and additions to the Brand Standards Manual which Franchisor can make in its sole discretion. The confidential and proprietary material and information of Franchisor set forth in the Brand Standards Manual is to be used only by Franchisee and only in connection with the operation of the Restaurant and shall be subject to the confidentiality provisions in Section 13. Franchisee may not copy any part of the Brand Standards Manual. The Brand Standards Manual and other specifications, standards and operating procedures communicated in writing to Franchisee shall be deemed a part of this Agreement. Franchisor may periodically amend, update or replace the contents of the Brand Standards Manuals.

5.4 Franchisor may provide such advice and information as Franchisor considers reasonably appropriate to assist Franchisee with all methods and procedures associated with the Brixx System. Franchisor may develop new products, services, and elements of the Brixx System, as Franchisor deems in its sole discretion, and provide Franchisor with information about any such developments. Franchisor will make available to Franchisee from time to time all improvements and additions to the Brixx System and the goods and services offered by Restaurants to the same extent and in the same manner as they are made available to franchisees generally. Franchisee

understands and agrees that such advice and information may be rendered by personal visits, mail, electronic mail, phone, electronically, videoconferencing, through the Brand Standards Manuals, training and/or by such other means as Franchisor deems appropriate in its sole discretion. Franchisor may, in its sole discretion, convene meetings or conferences of franchisees as it considers necessary or appropriate. If Franchisee requests advice, information, or assistance at a level greater than what is provided to other franchisees, Franchisor reserves the right to charge Franchisee its then-current training fee.

5.5 Franchisor, or its agent or designee, either on its own initiative or as may be reasonably requested by Franchisee upon reasonable notice, may completely inspect the Restaurant and its operation and shall prepare and deliver a confidential written report to Franchisee containing the results of any such inspection. Franchisor reserves the right to utilize the services of an independent, quality control "mystery shopper." Such mystery shopper may prepare a written report to Franchisor based on the quality of service and product provided to it upon such visit to the Restaurant. This report may be taken in conjunction with Franchisor's own inspection, when Franchisor makes an evaluation of Franchisee's compliance with the Brixx System standards. If Franchisee requests that Franchisor make an inspection of the Restaurant, Franchisee shall reimburse Franchisor for all expenses Franchisor incurs in connection with said inspection, and any report issued to Franchisee in connection therewith.

5.6 As may be reasonably requested by Franchisee, Franchisor shall consult with and advise Franchisee concerning recommended merchandise, suppliers, equipment, selling prices, inventory, and other matters relating to the Restaurant's merchandising activities. Franchisee shall have the right to set prices provided that, subject to applicable antitrust laws, such pricing: (1) complies with any minimum or maximum prices set by Franchisor; and (2) complies with any prices specified by Franchisor; and (3) conforms to any bona fide promotional programs or national or regional accounts programs periodically established by the Franchisor. Any pricing policies established by Franchisor will apply to all franchisees within Franchisee's market. Franchisor retains the right to modify its pricing policies from time to time in its sole discretion. Franchisee must provide to Franchisor a price list containing all of the prices charged for the products supplied by the Restaurant. The price list must be updated and supplied to Franchisor upon request.

5.7 To the extent that Franchisor has them, Franchisor will provide Franchisee with a list of designated, approved, or required suppliers or specifications for required or recommended goods and services for operation of the Restaurant.

5.8 From time to time, Franchisor may offer services in addition to those enumerated above, either with or without cost to Franchisee. The decision to accept such additional services will be in Franchisee's sole discretion.

5.9 Franchisee agrees that Franchisor is not obligated to provide any training or assistance to Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge and judgment. Franchisee also acknowledges that Franchisor is not obligated to provide any services to Franchisee that are not set forth in this Agreement. If Franchisee believes Franchisor has failed to adequately provide any preopening services to

Franchisee, Franchisee must notify Franchisor in writing within thirty (30) days following the opening of Franchisee's Restaurant or Franchisee will be deemed to conclusively acknowledge that all pre-opening and opening services required to be provided by Franchisor were sufficient and satisfactory in Franchisee's judgment, and complied with all representations made to Franchisee.

6. OBLIGATIONS OF FRANCHISEE: RESTAURANT SYSTEM AND PROCEDURES

6.1 The Restaurant shall at all times be under the direct, personal supervision of one (1) of the Owners or a full-time senior manager who has successfully completed the standard Initial Training Program (as described below in Section 7), unless otherwise approved by Franchisor. The Owners or their senior managers shall actively participate in the day-to-day operation of the Restaurant. The Owners, together with such other employees as required by Franchisor, shall attend and satisfactorily complete the Initial Training Program conducted by Franchisor prior to the opening of Franchisee's Restaurant.

6.2 The requirement of personal management is understood by the Parties to entail the Owners' (or the Franchisee's senior managers') best efforts and a devotion to the success of the franchised business consistent with the spirit of this Agreement. It is further understood and agreed that the success of Franchisee's Restaurant is dependent upon the Owners' (or the Franchisee's senior managers') personal and continued efforts and attention to said business. Personal management shall include, but not be limited to, presence at the business location during opening, closing, and peak business hours; constant inspection of facilities to ensure the highest standards of sanitation, cleanliness, and appearance; training of employees; participation in advertising and trade programs; and supervision of employees to ensure that the highest standard of service is provided to the customer and to ensure that employees deal with customers in a courteous and polite manner. The Owners or the Franchisee's senior manager shall make frequent inspections of the Restaurant to ensure compliance with approved standards and methods of operation and preservation of order on the Restaurant premises.

6.3 Unless Franchisor shall have given its prior written approval, Franchisee shall keep the Restaurant open for business for the minimum number of hours and days per week as specified in the Brand Standards Manual as modified from time to time, provided that such hours do not conflict with state laws or local ordinances or shopping center/mall regulations relating to the sale of any product served or sold on the Restaurant premises or governing the hours during which restaurant establishments may be open for business.

6.4 Franchisee expressly agrees to (a) operate the Restaurant in a clean, safe and orderly manner, providing courteous, first-class service to the public; (b) diligently promote and make every reasonable effort to increase the business of the Restaurant; (c) vigorously advertise and promote the business of the Restaurant by the use of the Marks, subject to the limitations contained in Sections 8 and 9 hereof. Such promotion and/or advertising shall be done in a tasteful and professional manner in accordance with procedures prescribed by Franchisor so as to enhance the value of the business of Franchisee and the image of the Brixx System; (d) prohibit and, to the best of Franchisee's ability, prevent the use of the Restaurant for any immoral or illegal purpose, or for any other purpose, business activity, use or function which is not expressly authorized

hereunder or in the Brand Standards Manual; and (e) comply fully with all applicable laws and regulations, including, but not limited to, those relating to building construction, maintenance and safety, fire prevention, food safety, employee safety, environmental safety and protection and sale of alcoholic beverages (if such are sold with the Franchisor's permission).

6.5 Franchisee agrees to faithfully, completely and continuously perform, fulfill, observe and follow all instructions, requirements, standards, specifications, systems and procedures contained therein and those communicated orally, including (i) those relating to the construction, design, decor, building and equipping of the Restaurant, (ii) those relating to the selection, purchase, storage, preparation, packaging, service and sale of all products being sold at the Restaurant, (iii) those relating to the maintenance and repair of Restaurant building, grounds, equipment, signs, interior and exterior decor items, fixtures and furnishings, and (iv) those relating to employee uniforms and dress, accounting, bookkeeping, record retention and other business systems, procedures and operations.

6.6 In conformity with the Brixx System standards and procedures for approval, Franchisee shall obtain all food and beverage products, equipment, signs, interior and exterior decor items, fixtures, furnishings, supplies, Computer Systems, technology, and other products and materials required for the operation of or sold at the Restaurant solely from suppliers (including manufacturers, distributors and other sources) who demonstrate, to Franchisor's continuing reasonable satisfaction, the ability to meet Franchisor's then-current standards and specifications for such items and who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably. If Franchisor requires it, Franchisee shall obtain all such materials required for the operation of or sold at the Restaurant from designated suppliers. Franchisor and its affiliates may be the designated, exclusive, or approved suppliers. Franchisee shall obtain all services necessary for the operation of the Restaurant from a supplier approved or designated by Franchisor, which services may include online ordering and delivery services, and Franchisee shall comply with the terms of the Franchisor's agreements with any service provider, as applicable. At least thirty (30) days prior to purchasing any items from any supplier not previously approved by Franchisor, Franchisee shall submit to Franchisor a written request for approval of the supplier along with a non-refundable cashier's check for Five Hundred Dollars ($500) made payable to Franchisor as consideration for any cost and expenses incurred by Franchisor in the supplier approval process. Franchisor may require that samples from the supplier be delivered to Franchisor or to a designated independent testing laboratory for testing prior to approval and use. If Franchisor's expenses incurred in connection with approval of a new supplier exceed Five Hundred Dollars ($500), Franchisee must reimburse Franchisor for the amount of such overage, not to exceed Franchisor's actual and reasonable cost. Franchisee may not purchase any item from supplier until such supplier has been approved by Franchisor. If Franchisor and its affiliates sell any goods and services to Franchisee, Franchisor and its affiliates may make a profit. Franchisee hereby agrees that Franchisor and its affiliates are entitled to such profits, payments, discounts, or other compensation.

6.7 In conformity with the Brixx System standards and procedures for approval, no food or beverage product, interior or exterior decor item, sign, item of equipment, fixtures, furnishings or supplies, technology, Computer Systems, or other product or material required for the operation of the Restaurant, which bears any of Franchisor's Marks, shall be used or sold in or

upon the Restaurant premises unless the same shall have been first submitted to and approved in writing by Franchisor.

6.8 Only equipment that shall have been approved by Franchisor as meeting its criteria and performance standards shall be used in Franchisee's Restaurant. The equipment shall be maintained in a condition that meets operational standards specified in the manufacturer's suggested maintenance guidelines, and as equipment becomes obsolete or inoperable, Franchisee will replace, at its sole expense, such items with the types and kinds of equipment as are then approved by Franchisor. If Franchisor determines that additional or substitute equipment is needed because of a change in menu items or methods of preparation and service, Franchisee will install, at its sole expense, the new equipment within a reasonable time specified by Franchisor.

6.9 Computer Systems.

(a) "Computer Systems" shall mean computer hardware and software, mobile application(s), cloud-based systems and/or software, smartphone(s), tablet, broadband high-speed internet service, active email account, required dedicated telephone and power lines, modem(s) printer(s), point-of-sale systems, scheduling systems, electronics, robotics; automation technologies; and other computer-related or technology-related accessories or peripheral equipment as Franchisor specifies. Such Computer Systems shall include a point-of-sale system with a device that will record accumulated sales and cannot be turned back or reset, and a back-up power source for memory storage in the event of power loss. In addition, the point-of-sale system shall provide a record of products sold, a menu mix report, and other reports and records as may be required by Franchisor.

(b) Franchisee will acquire and maintain all Computer Systems as required by the Brand Standards Manuals. Franchisee shall record all sales using the Computer Systems required by Franchisor. The Computer Systems shall meet or exceed the minimum requirements periodically prescribed by Franchisor. Such requirements will be updated from time to time as deemed necessary by Franchisor in accordance with changing technology and industry standards. Franchisee must periodically update, as required by the Franchisor and/or the manufacturer, all Computer Systems, solely at the Franchisee's expense.

(c) Franchisee hereby expressly gives Franchisor at any time, and from time to time, the right to electronically access Franchisee's Computer Systems, without any notice to Franchisee to either retrieve data (other than Franchisee's employee records, as Franchisee controls exclusively its labor relations and employment practices) from the Computer Systems or to install, manipulate, or delete data (other than Franchisee's employee records, as Franchisee controls exclusively its labor relations and employment practices) on the Computer Systems. Franchisor and its agents shall have the right to access all information related to the operation of the Restaurant that is accessed or stored on the Computer Systems, whether in-person or from a remote location, without the need for Franchisee's consent, at the times and in the manner prescribed by Franchisor, which may be unlimited, remote, 24/7 access if required by Franchisor. Franchisor shall have no liability to Franchisee for any damage resulting from such loss. In order to promote system-

wide compatibility, Franchisor, at its option and in its sole discretion, may in the future require Franchisee to purchase other Computer Systems from Franchisor, its affiliate, or another designated supplier.

(d) Despite the fact that Franchisee agrees to buy, use, and maintain the Computer Systems according to Franchisor's standards and specifications, Franchisee will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the Computer Systems; (2) the manner in which the Computer Systems interfaces with Franchisor's and any third party's computer system; and (3) any and all consequences if the Computer Systems is not properly operated, maintained, and upgraded. Franchisee may not install any software, other than authorized upgrades, or make any hardware modifications to the Computer Systems that might hamper or interfere with the operation of the Computer Systems in the manner Franchisor requires. Franchisee acknowledges and agrees that Franchisor shall have no responsibility under any circumstances for any malfunction or "crash" of any Computer System provided by or approved by Franchisor, including, but not limited to, for any data lost as a result of such malfunction or "crash." Franchisor shall have unlimited, independent access to all information and data (including the Franchisee Data) produced by or otherwise located on any of Franchisee's Computer Systems.

(e) Franchisee is expressly prohibited from utilizing any form of artificial intelligence (AI) technology in the operation, management, or marketing of the Restaurant without the express written approval of Franchisor. This includes, but is not limited to, AI-driven customer service, data analysis, image generation, text generation, code generation, sound generation, and decision-making tools. Any breach of this provision will be considered a material violation of this Agreement.

6.10 Franchisee shall not install or allow the installation or use of juke boxes, cigarette, gum and candy machines, video games, rides, lottery and/or gaming machines or pay telephones in the Restaurant.

6.11 Franchisee shall serve all menu items and offer and sell all products or provide all services which Franchisor may deem appropriate to take fullest advantage of the potential market and achieve standardization in the Brixx System, and no items that are not set forth in the Brand Standards Manual or otherwise authorized and approved by Franchisor in writing will be served, provided, or sold. Franchisee must at all times maintain a supply of all menu items and necessary food products sufficient to meet public demand. Franchisee shall adhere to all specifications contained in the Brand Standards Manual or as otherwise prescribed by Franchisor as to products and services offered, ingredients, methods of preparation and service, weight and dimensions of products served and sold in packaging that meets Franchisor's specifications. Franchisee must submit in writing to Franchisor for approval all contemplated menu changes and may not make such changes without Franchisor's prior written consent. Franchisor reserves the right to require Franchisee to offer and implement new products and services, which may require Franchisee to purchase additional inventory, equipment, material, products, technology, Computer Systems, and supplies.

6.12 Employment matters.

(a) Franchisee and its employees shall wear uniforms of such design and color as from time to time shall be prescribed by Franchisor and as further described in the Brand Standards Manual.

(b) Franchisee agrees that the Restaurant at all times will be staffed by a sufficient number of competent and properly trained employees. Franchisee is responsible for the day-to-day operation of its Restaurant, including hiring all employees of the Restaurant and is exclusively responsible for the terms of their employment, including their compensation and training. Franchisee is solely responsible for all employment decisions for the Restaurant, including those related to hiring, firing, hours of work, discharge, workplace health and safety, work rules, directions governing the manner, means, or methods of work performance, scheduling, remuneration, personnel policies, benefits, record keeping, supervision and discipline, and regardless of whether Franchisee received advice from Franchisor on these subjects. Franchisor's ability to approve certain matters, to inspect the Restaurant and its operations and to enforce its rights, exists only to the extent necessary to protect its interest in the Brixx System and the Marks. Neither the retention nor the exercise of these rights is for the purpose of establishing any control, or the duty to take control, over those matters that are clearly reserved to Franchisee.

(c) Franchisee's employees are not Franchisor's agents or employees and Franchisor is not a joint employer of these individuals. Franchisee is solely responsible for performing all administrative functions at the Restaurant, including payroll and providing workers' compensation insurance. Franchisee acknowledges that it is not economically dependent on Franchisor, and that Franchisor does not provide facilities, equipment or house or transport Franchisee's employees or provide to Franchisee's employees tools or materials required for Franchisee's employees to perform services for Franchisee. Franchisee shall comply with all employment laws and regulations.

(d) Franchisee shall obtain from each of its employees an acknowledgment signed by such persons providing that such individual understands, acknowledges, and agrees that (i) he or she is an employee of Franchisee and not Franchisor and (ii) he or she shall look solely to Franchisee, and not to Franchisor or its affiliates, agents, or employees, for his or her compensation and for all other employment matters. Franchisee shall post a notice in Franchisee's Restaurant clearly visible to Franchisee's employees, notifying all employees that their employer is Franchisee and clearly stating that neither Franchisor nor its affiliates are the employer of the employees.

6.13 Franchisee shall sell or otherwise issue gift cards or certificates (together "Gift Cards") that have been prepared utilizing the standard form of Gift Card provided or designated by Franchisor and only in the manner specified by Franchisor in the Brand Standards Manual or otherwise in writing. Franchisee shall fully honor all Gift Cards that are in the form provided or approved by Franchisor regardless of whether a Gift Card was issued by Franchisor or Franchisor's affiliate via Franchisor's website, Franchisee, Franchisor's affiliate, or another Brixx franchisee. Franchisee shall sell, issue, and redeem (without any offset against any Royalty Fees) Gift Cards in accordance with procedures and policies specified by Franchisor in the Brand Standards Manual

or otherwise in writing, including those relating to procedures by which Franchisee shall request reimbursement for Gift Cards issued by other Brixx franchisees or affiliates and for making timely payment to Franchisor, other operators of Brixx restaurants, or a third-party service provider for Gift Cards issued by Franchisee that are honored by Franchisor or other Brixx restaurant operators.

6.14 Franchisee agrees to use such credit card processing services approved by Franchisor, which may be provided by Franchisor or an affiliate, and to purchase and maintain, at Franchisee's expense, any equipment necessary to permit such credit card processing functionality, if required. Notwithstanding the credit card processing requirement, Franchisor does not represent, nor does it certify or warrant, to Franchisee or Franchisee's customers that the credit card processing service approved or provided by Franchisor or an affiliate is compliant, whether or not certified as such, with the PCI Data Security Standards.

6.15 Franchisee will secure and maintain a separate business telephone number for use at the Restaurant as specified by Franchisor in the Brand Standards Manuals or otherwise directed by Franchisor. Franchisee will provide continuous telephone answering coverage by an employee whenever the Restaurant is open for business. Franchisee will be solely responsible for the payment of all bills which result from the use and/or maintenance of the telephone lines. Franchisee agrees not to place any restrictive codes on the telephone numbers for the Restaurant without Franchisor's written consent. Franchisee agrees not to terminate any such telephone numbers during the Initial Term or any Renewal Term or to do anything else that may directly or indirectly impede Franchisor's ability to transfer or use those numbers upon any termination, expiration or non-renewal of this Agreement. All telephone numbers and directory listings for the Restaurant are Franchisor's property, and Franchisor shall have the right to transfer, terminate or amend such telephone numbers and directory listings only on termination, expiration or non-renewal of this Agreement. The telephone company and all listing agencies may accept this Agreement as conclusive evidence of Franchisor's exclusive rights to such telephone numbers and directory listings and as conclusive evidence of Franchisor's authority to direct their amendment, termination or transfer, without any liability to Franchisee. In addition, Franchisee agrees to sign a release and transfer agreement in the form of Addendum D attached hereto, or such other instrument or agreement as Franchisor may require, to authorize Franchisor to obtain the telephone numbers of the Restaurant upon any termination, expiration or non-renewal of this Agreement.

6.16 Prior to opening the Restaurant, Franchisee will obtain and maintain a full-service liquor license and all other alcohol and liquor licenses that are necessary for the lawful operations of the Restaurant. In addition, Franchisee must have obtained all applicable and necessary permits, license and certificates required for the operation of the Restaurant, including without limitation a certificate of occupancy, valid food service license, health permit and public assembly permit.

6.17 Franchisee will without delay inform Franchisor by telephone and email upon the occurrence of a Crisis Management Event. "Crisis Management Event" includes any event that occurs at or about the Restaurant that has or may cause harm or injury to customers or employees or that may have a negative material impact on the Franchisee, Franchisor, the Restaurant, or the Marks and Brixx System. Examples include, but are not limited to, food contamination, food spoilage/poisoning, food tampering, contagious diseases, natural disasters, terrorist acts,

shootings, data security breach, or any other circumstance which may damage the Brixx System, Marks, or image or reputation of the Restaurant, the Brixx System or Franchisor. Franchisee will cooperate fully with Franchisor with respect to Franchisor's response to the Crisis Management Event. In the event of the occurrence of a Crisis Management Event, Franchisor may establish emergency procedures which may require Franchisee to temporarily close the Restaurant to the public, in which event Franchisor shall not be liable to Franchisee for any loss or costs, including consequential damages or lost profits occasioned thereby. Franchisee shall follow all of Franchisor's policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by the Franchisor, its designee, or as specified in the Brand Standards Manuals, whether or not Franchisee has retained outside counsel or a public relations firm to assist with such matters. Franchisor will have the right to take control of the management of communications if Franchisor determines that the publicity surrounding the event is likely to have a material adverse effect on the reputation or goodwill of the Restaurant, Marks, Brixx System, or Franchisor. Franchisee will obtain Franchisor's consent before any press releases, interviews or public statements are issued by Franchisee, or anyone on its behalf, about events that are likely to receive or are receiving significant negative public attention related to the Restaurant, Marks, Brixx System, or Franchisor.

6.18 Data protection, privacy, and security.

(a) As used in this Agreement, "Personal Information" shall mean (i) any information that can be used to identify, locate, or contact an individual or household, including but not limited to Franchisee's employees and customers and (ii) information that is defined as protected, personal information under any Privacy Law.

(b) Franchisee shall comply with, or, as applicable, adopt policies consistent with the then-current version of Franchisor's data protection and security policies as may be described in the Brand Standards Manual ("Data Protection and Security Policies"). Such policies may govern how Franchised Business Data and Personal Information contained in such data shall be collected, used, stored, processed, shared, or destroyed. Franchisor has the right, but not the obligation to create such Data Protection and Security Policies. Franchisee acknowledges that Franchisor may supplement, modify, or amend the Data Protection and Security Policies from time to time in its sole discretion, and that Franchisee shall comply with such modifications or amendments within thirty (30) days of notice from Franchisor. Franchisor may require Franchisee to institute a data privacy policy for its Restaurant. Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent as to said policy.

(c) Franchisee warrants and represents and covenants that it shall comply with (i) applicable prevailing industry standards concerning privacy, data protection, confidentiality and information security, including, without limitation, the then-current Payment Card Industry Data Security Standard of the PCI Security Standards Council ("PCI-DSS"), (ii) those mandatory Data Protection and Security Policies, if any, and (iii) all applicable international, federal, state, and local laws, rules, and regulations, as the same may be amended or supplemented from time to time, pertaining in any way to the privacy,

confidentiality, security, management, disclosure, reporting, and any other obligations related to the possession or use of Personal Information (collectively, "Privacy Laws").

(d) Franchisee warrants and represents not to transmit or cause any other party to transmit advertisements or solicitations by email, SMS text message, or other electronic media without first obtaining Franchisor's written consent as to: (a) the content of such email, electronic, or SMS text message advertisements or solicitations; and (b) Franchisee's plan for transmitting such advertisements. In addition to any other provision of this Agreement, Franchisee shall be solely responsible for compliance with all laws pertaining to emails, including, but not limited to, the U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003"), and to use of automatic dialing systems, SMS text messages, and artificial or prerecorded voice messages, including but not limited to the Telephone Consumer Protection Act of 1991 ("TCPA"), as amended from time to time. Franchisee must comply with the Fair and Accurate Credit Transactions Act (FACTA) and all other consumer protection laws and regulations.

(e) Franchisee shall establish, maintain, and comply with appropriate internal, physical, and technical security measures in order to protect Personal Information associated with the Restaurant and the Franchised Business Data against unauthorized disclosure and access and accidental or unlawful destruction, loss, or alteration. Franchisee shall cooperate with Franchisor in any audit that Franchisor may conduct from time to time of its data storage and management systems and Franchisee's storage of Personal Information. In addition, if Franchisee becomes aware of any actual or suspected unauthorized access, processing, loss, use, disclosure, alteration, destruction, transfer, or other compromise or acquisition of or access to any Personal Information, whether such information is stored in paper or electronic form, or information that might reasonably expose Franchisor to any harm or prejudice of any type or actual or suspected intrusion by an unauthorized third party into Franchisee's or Franchisor's computers, networks, servers, IT resources, or paper files ("Security Breach"), Franchisee shall immediately notify the Franchisor's President via telephone of such matter and shall thereafter cooperate with Franchisor to investigate and remedy such matter. Except to the extent required by applicable law, no public disclosure of any instance of such unauthorized access or breach shall be made by Franchisee unless Franchisor has authorized the provision of notice and the form of such notice in writing. Franchisee shall reimburse Franchisor for all reasonable Notification and Remediation Related Costs (hereinafter defined) incurred by Franchisor arising out of or in connection with any such Security Breach that is directly or indirectly caused by Franchisee or its personnel. "Notification and Remediation Related Costs" shall include Franchisor's internal and external costs associated with addressing and responding to the Security Breach, including but not limited to: (i) preparation and mailing or other transmission of legally required notifications to affected individuals, regulators and attorneys general; (ii) preparation and mailing or other transmission of such other communications to customers, agents or others as Franchisor deems reasonably appropriate; (iii) establishment of a call center or other communications procedures in response to such Security Breach (e.g., customer service FAQs, talking points and training); (iv) engagement of information technology consultants, public relations and

other similar crisis management services; (v) payment of legal and accounting fees and expenses associated with Franchisor's investigation of and response to the Security Breach; and (vi) payment of costs for commercially reasonable credit reporting services that are associated with legally required notifications or are advisable under the circumstances. Franchisee Indemnifying Parties agree to hold harmless, defend and indemnify Franchisor Indemnified Parties from and against any and all losses, expenses, judgments, claims, attorney fees and damages arising out of or in connection with any claim or cause of action in which Franchisor Indemnified Parties shall be a named defendant and which arises, directly or indirectly, out of the operation of, or in connection with a Security Breach or Franchisee's or Franchisee's officers, directors, agents or employees' violation of any Privacy Law, Data Protection and Security Policies, consumer protection-related law or regulation, email marketing and other marketing laws and regulations, and the PCI-DSS.

(f) Franchisor, through its employees and/or any agents designated by Franchisor from time to time, may at any time during business hours, and without prior notice to Franchisee enter upon and inspect the Restaurant and examine Franchisee's Computer Systems, databases, business records and other supporting records and documents (other than Franchisee's employee records, as Franchisee controls exclusively its labor relations and employment practices) in order to verify compliance with its Data Protection and Security Policies, and Privacy Laws. Any such inspection shall be made at Franchisor's expense, provided that if such inspection is necessitated by Franchisee's repeated or continuing failure to comply with the Data Protection and Security Policies, Privacy Laws, this Agreement, Franchisor may charge Franchisee for the costs of making such inspection, including without limitation, travel expenses, room and board, and compensation of Franchisor's employees and/or agents.

(g) Franchisee is responsible for obtaining any required consent to the collection, use, storage, processing, and sharing of Personal Information from its customers, employees, and other parties from which it is required to obtain consent under the Privacy Laws or Data Protection and Security Policies. Franchisee shall retain copies of the consent and store them and share them with Franchisor in the manner Franchisor requires. Franchisee shall fully comply with Data Protection and Security Policies and Privacy Laws as they relate to a person's exercise of his or her rights under the Privacy Laws. If any person contacts Franchisee seeking to exercise any right under law pertaining to Personal Information, Franchisee shall comply with such request in accordance with the terms of this Agreement, including the Data Protection and Security Policies, the Manual, the Privacy Laws, and as otherwise instructed by Franchisor. If requested by Franchisor, Franchisee must cooperate or coordinate with Franchisor to provide information about the way that Franchisee has collected, used, stored, processed, and shared Personal Information.

(h) Franchisee warrants and represents and covenants that it shall not collect, use, store, process, or share Personal Information unless such action is permitted by (i) the terms of this Agreement, (ii) the terms of the Data Protection and Security Policies, (iii) the standards in the Manual, (iv) Privacy Laws, and if, applicable, (v) written approval of Franchisor. Franchisee shall collect, use, store, process, and share Personal Information

only for purposes of operating the Restaurant. Franchisee shall not sell Personal Information. Franchisee shall not re-identify any Personal Information that has been de-identified. If Franchisee engages any vendor that will collect, use, store, process, or share Personal Information, Franchisee must contractually bind the vendor to the data protection obligations that Franchisor requires.

6.19 Franchisee acknowledges Franchisor's philosophy that exceeding customers' expectations is essential to Franchisee's success as well as the reputation and success of the Brixx System and the Chain and that all Brixx franchisees shall endeavor to go above and beyond expectations and generosity in all customer dealings. Accordingly, Franchisee agrees to (i) use its best efforts to ensure the complete satisfaction of each of the Restaurant's customers; (ii) apply the highest standards of customer service and act in good faith in all dealings with customers, potential customers, suppliers, and creditors; and (iii) respond to customer complaints and concerns in a courteous, prompt, and professional manner and in accordance with the procedures for customer complaints found in the Brand Standards Manual. Resolution of customer concerns may involve discounting goods or services and other such measures that affect the Gross Sales and profits of the Restaurant. Franchisor reserves the right to charge Franchisee for Franchisor's costs to respond and/or resolve a complaint by Franchisee's customers that Franchisee does not satisfactorily resolve. Franchisee shall comply with Franchisor's policies for customer refunds. Franchisee agrees to accept the types and forms of customer payment as Franchisor may require from time to time and shall not accept a type or form of payment that Franchisor has not authorized.

7. RESTAURANT MAINTENANCE

7.1 Franchisee shall, at Franchisee's sole cost and expense, maintain the Restaurant in conformity with the standards, specifications and requirements of the Brixx System, as the same may be designated by Franchisor from time to time. Franchisee specifically agrees to repair, replace, or update, at Franchisee's sole cost and expense, equipment, signs, interior and exterior decor items, fixtures, furnishings, supplies, fire safety equipment, Computer Systems, and other products and materials required for the operation of the Restaurant as necessary or desirable in Franchisor's sole discretion. Except as may be expressly provided in the Brand Standards Manual, no alterations or improvements, or changes of any kind in design, equipment, signs, interior or exterior decor items, fixtures or furnishings shall be made in or about the Restaurant or the Restaurant premises without the prior written approval of Franchisor in each instance.

7.2 In order to ensure the continued success of the Restaurant, Franchisee shall, at any time and from time to time after the date of this Agreement, and as reasonably may be required by Franchisor (taking into consideration the cost and the then-remaining balance of the Initial Term or Renewal Term of this Agreement), modernize the Restaurant premises, equipment, signs, interior and exterior decor items, fixtures, furnishings, supplies, and other products and materials required for the operation of the Restaurant, to Franchisor's then-current standards and specifications. Franchisee's obligations under this Section 8.2 are in addition to, and shall not relieve Franchisee from, any of its other obligations under this Agreement, including those contained in the Brand Standards Manual. This remodeling requirement shall apply to all renewal agreements. Such renovations shall be made in accordance with Franchisor's then-current standards and specifications, and the cost of such renovation or remodeling shall be borne entirely

by Franchisee. Franchisee shall also make such renovations prior to any applicable renewal of this Agreement and shall bear the cost entirely of such renovations.

7.3 If Franchisee is or becomes a lessee of the Restaurant premises, Franchisee shall have included in the lease provisions expressly permitting both Franchisee and Franchisor to take all actions and make all alterations referred to under Sections 8.1 and 8.2 hereof, requiring the lessor thereunder to give Franchisor reasonable notice of any contemplated termination, and providing that Franchisee has the unrestricted right to assign the lease to Franchisor without the lessor having any right to impose conditions on such assignment or to obtain any payment in connection therewith.

8. TRAINING

8.1 No later than eight (8) weeks prior to the opening of a Brixx Restaurant, the Owners and, if Franchisee has designated a senior manager, that senior manager, shall attend and complete to Franchisor's satisfaction the initial training program which Franchisor has prescribed (the "Initial Training Program"). There shall be no tuition charge for up to four (4) persons to attend the Initial Training Program, however, Franchisee shall bear the cost of room, board, travel and other out-of-pocket expenses during the conduct of the Initial Training Program.

8.2 Any and all subsequent managers of Franchisee shall be required by Franchisor to undergo the Initial Training Program prescribed by Franchisor. Any and all such training of subsequent managers shall be subject to the then-current training fee, which may be modified by Franchisor from time to time, and which is payable by the Franchisee. The training fee shall be in addition to Franchisee's obligation to pay for all expenses incident to such training.

8.3 All supplemental, additional, or refresher training programs will be conducted at such times as may be specified by Franchisor. Franchisee shall pay Franchisor the then-current training fee for such supplemental training. If Franchisee requires Franchisor or its representatives, agents or employees to travel away from Franchisor's home office, or Franchisor's approved training restaurant, Franchisee shall pay Franchisor its then-current fee for off-site training, as it may be modified by Franchisor from time to time. The above training fee shall be in addition to Franchisee's obligation to reimburse Franchisor for the trainer's actual travel, lodging, meals and other associated expenses.

8.4 Franchisee and its managers are responsible for training Franchisee's employees and ensuring that all employees act and operate the Restaurant in a way that conforms to Franchisor's brand standards, as well as federal, state, and local laws and regulations. Franchisee's failure to adequately train Franchisee's employees or to ensure compliance by Franchisee's employees with these laws, regulations, and brand standards shall constitute a default of this Agreement and may subject this Agreement to termination for cause as hereinafter set forth.

9. ADVERTISING

9.1 Brand Fund.

(a) Franchisor has the sole discretion to determine in its fully unrestricted judgment the manner in which the Brand Fund contributions will be spent to promote, enhance, or further the growth of the Brixx brand, businesses, and Brixx System, including, but not limited to: research; marketing studies; customer relationship management systems; the purchase of customer lists, leads, and other assets from an existing, competitive business, including the payment of all costs and fees (including attorneys' fees) incurred in connection with such purchase; development and maintenance of mobile applications, websites, and intranets; development and maintenance of any Online Presence; direct mail; promotional marketing, public relations, and advertising expenses to promote the brand; hiring marketing, public relations and advertising agencies, or technology companies, or paying the salaries of in-house personnel to assist in developing the Brixx brand name; developing, evaluating, or using technologies that we believe may benefit the brand, the customers, the franchisees, or the brand's reputation (including but not limited to ordering, cooking, and delivery technologies, goods, and services); developing new products and franchisee revenue sources; research and development of new menu items; expenses associated with listings on websites, contest registrations, digital marketing content, influencer marketing, radio, billboards, TV, print, or internet advertising, and events and promotions designed to garner media attention and promote the brand name; expenses incurred in maintaining quality of customer service and brand confidence; expenses associated with conducting market research; travel expenses in connection with promotions and marketing meetings, training, development of trademarks and trademarked materials; expenses associated with developing and maintaining a rewards, gift card, and/or loyalty program; production of marketing, public relations, or digital or social media content, including, but not limited to, advertisements, coupons, and other promotional materials (including point-of-sale purchase materials); technology development and enhancements for the brand; expenses incurred in developing and maintaining non-franchise sales portion of any Online Presence; and expenses incurred in using search engine optimization, pay-per-click, or other digital marketing software, services, or companies to help promote the brand.

(b) Sums paid by Franchisee shall not be used to defray any of Franchisor's expenses, except for such reasonable administrative costs and overhead, if any, as Franchisor may incur in activities reasonably related to the administration or direction of the Brand Fund ("Fund Administrative Expenses"), including the costs of preparing, producing and distributing marketing, advertising and related materials, employing advertising agencies and media buying agencies, supporting market research activities, administering the Brand Fund, cost of personnel (external or internal) to create and implement the programs paid for by the Brand Fund, and all other related costs and expenses. These Fund Administrative Expenses may be incurred by Franchisor's affiliates. Franchisor's affiliates may be reimbursed for the Brand Fund Administrative Expenses from the Brand Fund. The Brand Fund and its earnings shall not otherwise inure to the benefit of Franchisor. It is anticipated that all contributions to and earnings from the Brand

Fund shall be expended for promotional and/or advertising purposes during the taxable year wherein which the contributions and earnings are received. If, however, excess amounts remain in the Brand Fund at the end of such taxable year, all expenditures for the following taxable year(s) shall be made first out of accumulated earnings from the previous year, next out of earnings in the current year, and finally from contributions.

(c) The Brand Fund is not and shall not be an asset of Franchisor or its designee. The Brand Fund is administered by Franchisor's accounting and marketing personnel under Franchisor's direction. The Brand Fund is not audited. Franchisor is not obligated to audit the Brand Fund, but if the Brand Fund is audited, the costs of audits will be charged against the Brand Fund. Franchisee is not entitled to any accounting of the Brand Fund. At Franchisor's option, Franchisor can create a separate entity to be the recipient of Franchisee's Brand Fund contributions and Franchisee agrees, upon Franchisor's request, to tender Brand Fund payments to said entity. Franchisor, in Franchisor's sole discretion, may spend in any fiscal year an amount greater or less than the aggregate contributions to the Brand Fund in that year, and the Brand Fund may borrow from Franchisor or other lenders to cover deficits of the Brand Fund or cause the Brand Fund to invest any surplus. Franchisee acknowledges that other franchisees may not be required to contribute to the Brand Fund or may be required to contribute at a different rate. Franchisor is not obligated to maintain the Brand Fund contributions or income earned in a separate account from other Franchisor funds.

(d) Franchisee agrees and acknowledges that Franchisor does not undertake any obligation to ensure that expenditures from the Brand Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Brand Fund by franchisees operating in such geographic area or that Franchisee or the Restaurant will benefit directly or in proportion to its contribution to the Brand Fund.

(e) Neither Franchisor nor any of its respective officers, directors, agents or employees, shall be liable to Franchisee with respect to the maintenance, direction or administration of the Brand Fund, including without limitation, with respect to contributions, expenditures, investments or borrowing, except for acts constituting willful misconduct. THE BRAND FUND IS NOT A TRUST FUND. FRANCHISOR SHALL HAVE NO FIDUCIARY DUTY TO FRANCHISEE IN CONNECTION WITH THE COLLECTION OR USE OF THE BRAND FUND MONIES OR ANY ASPECT OF THE OPERATION OF THE BRAND FUND. FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR AND ITS AFFILIATES WILL HAVE NO LIABILITY TO FRANCHISEE FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES ARISING OUT OF OR IN ANY WAY CONNECTED TO THE BRAND FUND OR ANY BRAND FUND PROGRAMS OR FRANCHISOR'S MODIFICATION OR DISCONTINUANCE FOR ANY REASON OF THE BRAND FUND OR ANY ADVERTISING PROGRAMS, OR FRANCHISEE'S PARTICIPATION THEREIN.

(f) As long as Franchisee is in compliance with this Agreement, Franchisee will be furnished with advertising materials which were produced by means of

expenditures from the Brand Fund for distribution to franchisees of the Brixx System on the same terms and conditions as such materials are furnished to other franchisees.

9.2 At least thirty (30) days prior to the scheduled opening of the Restaurant, Franchisee shall submit to Franchisor, for Franchisor's approval, an advertising campaign plan relating to the Grand Opening Promotions for the opening of the Restaurant which is sufficient to meet the needs of the market. Franchisee shall conduct the approved advertising campaign and make all expenditures for advertising related to the Grand Opening Promotions no later than thirty (30) days after the Restaurant opens for business.

9.3 Nothing in this Section 9 shall be deemed to prohibit Franchisee from making additional expenditures for local promotional activities. All of the Franchisee's local promotional activities shall utilize approved advertising media, which may be specified in the Brand Standards Manual or other communications from Franchisor. All advertising copy and other materials employed by Franchisee in local promotional activities shall be in strict accordance and conformity with the Franchisor's standards, formats and specimens and shall be subject to the prior approval of Franchisor. Franchisor shall notify Franchisee in writing, within fourteen (14) days of such submission, whether Franchisor disapproves such advertising copy and materials. Failure by Franchisor to so notify Franchisee within that period shall be deemed to constitute Franchisor's approval of such advertising copy and materials. In no event shall Franchisee's advertising contain any statement or material which may be considered (a) in bad taste or offensive to the public or to any group of persons, (b) defamatory of any person or an attack on any competitor, (c) to infringe upon the use, without permission, of any other persons' trade name, trademark, service mark or identification, (d) inconsistent with the public image of, or otherwise damage, the Franchisor or the Brixx System or (e) in violation of any federal, state or local law or regulation application to the operation of restaurants, franchises or businesses. Franchisee is not permitted to use group buying services, such as Groupon or Living Social, unless Franchisor otherwise provides prior, written approval of Franchisee's use of such services.

9.4 The Franchisor will have the absolute right to designate any geographical area as a region for the purposes of establishing a local advertising association (a "Co-Op"). A Co-Op may be composed of one (1) or more Brixx restaurants operated by the franchisees and/or the Franchisor (or its affiliates) in the region. If a Co-Op has been established in Franchisee's region upon the Effective Date, then the Franchisee must participate in the Co-Op and will immediately execute all documents required by the Franchisor to become a member of the Co-Op and will actively participate in the Co-Op. If a Co-Op applicable to the Restaurant is established at any later time during the Initial Term, Franchisee shall become a member of such Co-Op no later than thirty (30) days after the date on which the Co-Op commences operation. Each Co-Op will be organized and governed in the form determined by the Franchisor. Each Co-Op will be organized for the purposes of advertising and promoting the restaurants in the Co-Op. Contributions to the Co-Op by the members may be used to pay the administrative costs and overhead incurred by the Franchisor for administering and directing the advertising, marketing or promotional programs conducted by or on behalf of the Co-Op. In no event shall the Restaurant be required to contribute to more than one Co-Op. Franchisor has the sole discretion to create, change, dissolve, or merge a Co-Op. Franchisor also has the sole discretion to determine membership of a Co-Op. The Co-Op will be operated solely for the purposes stated in this Section and will be subject to the following:

(a) No advertising or promotional plans or materials will be used by a Co-Op or furnished to its members without the prior approval of the Franchisor.

(b) Franchisee shall make its contributions to the Co-Op on the date and in the manner designated by the Co-Op. Franchisee shall also submit such statements and reports as may be designated from time to time by the Co-Op. The Co-Op shall submit to Franchisor such statements and reports as Franchisor may designate from time to time. The Co-Op shall prepare written governing documents that shall be available to Franchisee and Franchisor for review. These written governing documents are subject to Franchisor's approval. The Co-Op is responsible for determining its own voting procedures; however, each BRIXX restaurant that is a member of the Co-Op is entitled to one vote. The Co-Op must prepare quarterly and annual financial statements and these statements must be made available to all members in the Co-Op.

(c) All required member contributions will be determined by majority vote of the members of the Co-Op, provided that the maximum amount a Co-Op can charge its members is two percent (2%) of Gross Sales per month. Each Co-Op will determine its own voting procedures. Each member of the Co-Op shall make contributions to the Co-Op on the same basis as the other members, whether owned by Franchisee, another franchisee, Franchisor, or Franchisor's affiliates.

(d) Notwithstanding the foregoing to the contrary, Franchisor, in its sole discretion, may grant to any BRIXX restaurants an exemption from the requirement of membership in a Co-Op. Such an exemption may be for any length of time and may apply to one (1) or more restaurants owned by the exempted party. The Franchisor's decision concerning any request for an exemption from participating in the Co-Op will be final and binding on the Franchisee and the other members of the Co-Op.

(e) All payments made by Franchisee to the Co-Op will be in addition to the Brand Fund Fees. However, payments made to the Co-Op by the Franchisee will be considered to be payments for the Local Advertising Fee.

(f) The Co-Op is not a trust fund. Franchisor and its affiliates shall have no fiduciary duty to Franchisee in connection with the collection or use of the Co-Op monies or any aspect of the operation of any Co-Op.

9.5 Franchisee will not, directly or indirectly, establish or operate an Online Presence that in any way concerns, discusses or alludes to Franchisor, the System or the Restaurant without Franchisor's written consent, which Franchisor is not obligated to provide and which Franchisor can revoke in its sole discretion. An "Online Presence" includes (1) the brand website, other webpages, URLs, or domain names; (2) accounts, pages, or profiles on social media sites; social networking sites; news sites; online, internet, or digital directories; video, photography, and messaging services; blogs; or forums; (3) e-commerce sites or accounts; (4) digital or online advertising and marketing content and services; (5) mobile applications; (6) virtual reality platforms; (7) any identifiers of an Online Presence; or (8) a presence on any other type of online,

internet, virtual, or digital tool, good, or service that may be developed. Further, the Marks may not be used as part of, in conjunction with, to establish or to operate any Online Presence or email address, unless specifically approved by the Franchisor, which approval Franchisor is not obligated to provide and which Franchisor can revoke in its sole discretion. Franchisee will not post, and will take such steps as necessary to ensure that its employees and independent contractors do not post, any information to an Online Presence relating to Franchisor, the System, the Marks, or the Restaurant that (a) does not comply with the Franchisor's then-current brand, social media, or Online Presence guidelines described in the Brand Standards Manuals or otherwise provided to Franchisee; (b) is derogatory, disparaging, or critical of Franchisor, the System or the Marks; (c) is illegal, offensive, inflammatory, controversial, unethical, immoral, indecent, or otherwise inappropriate; and/or (d) harms the goodwill and/or public image of the System and/or the Marks. Franchisee shall not establish or permit or aid anyone else to establish any links to any Online Presence which Franchisor may create. Any Online Presence will be deemed "advertising" under this Agreement, and will be subject to (among other things) Franchisor's approval under this Agreement. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by an Online Presence or email address without Franchisor's prior written approval of Franchisee's plan for transmitting such advertisements. Franchisor alone has the right, but not the obligation, to establish, maintain, modify or discontinue all internet and electronic commerce activities pertaining to the System, including through any Online Presence. Franchisor shall not be liable for downtime that may occur to any Online Presence or email address, whether such downtime is caused by Franchisor or a third-party. Franchisor alone will be, and at all times remain, the sole owner of the copyrights to all material which appears on any Online Presence, including any and all material Franchisee may furnish to Franchisor for use on an Online Presence. Ownership of all URLs, email addresses, and other identifiers with any such Online Presence shall vest exclusively in Franchisor. Franchisor shall have the right, but not the obligation, to designate one or more webpage(s) or other form of Online Presence to describe Franchisee and/or the Restaurants, and any such webpage(s) or Online Presence may be located within Franchisor's website or another Online Presence. Franchisee shall comply with Franchisor's policies with respect to the creation, maintenance and content of any such web page(s) and any other Online Presence. All content included on such an Online Presence shall be subject to Franchisor's approval. Franchisor shall have the right to refuse to post and/or discontinue posting any content and/or the operation of any webpage or Online Presence. At Franchisor's request, Franchisee shall promptly modify or remove any online communication pertaining to the Restaurant that does not comply with this Agreement or the Brand Standards Manual. Franchisee shall not establish a separate website, email address, or Online Presence, without Franchisor's prior written approval (which Franchisor shall not be obligated to provide and which Franchisor can revoke in its sole discretion). If approved to establish an Online Presence, Franchisee shall comply with Franchisor's policies, standards and specifications with respect to the creation, maintenance, operation, and content of any such Online Presence and email address. For any Online Presence and email address Franchisee is approved to create or use, Franchisor reserves the right, at its sole option and discretion, to have the Online Presence and/or email address directly owned by Franchisor or to require any such Online Presence and/or email address be transferred to Franchisor upon the termination, expiration, or non-renewal of this Agreement for any reason. Franchisor has the right to require that any Online Presence or email address Franchisee is permitted to create, use, or maintain be registered in Franchisor's name. Upon request, Franchisee must provide Franchisor with any login credentials for any Online Presence or email address Franchisee is authorized to

create, use, or maintain. Franchisor has the right to access any Online Presence to take corrective action if any content or post on the Online Presence is in violation of Franchisor's policies. Franchisee must adhere to the Online Presence policies established from time to time by Franchisor and Franchisee will require all of Franchisee's employees to do so as well. Franchisee shall not Franchisor shall have the right to Franchisor shall have the right to modify the provisions of this subsection relating to any Online Presence as Franchisor shall solely determine is necessary or appropriate.

9.6 Franchisor has the right to require Franchisee to participate in national, regional, and local giveaways, discounts, advertising and marketing campaigns, promotions, and loyalty programs. Franchisee may be required to provide free or discounted items or services as a result of such giveaways, discounts, campaigns, promotions, or loyalty programs. Franchisor is not required to reimburse Franchisee for Franchisee's costs and expenses incurred as a result of these giveaways, discounts, campaigns, promotions, and loyalty programs. These programs may be mandatory or voluntary. Franchisor reserves the right to issue mandatory policies to coordinate such programs. Franchisee agrees to cooperate with any mandatory programs.

10. RECORD KEEPING; FINANCIAL INFORMATION

10.1 Franchisee shall prepare and maintain and preserve true and accurate records, reports, accounts, books and data which accurately reflect all particulars relating to Franchisee's operation of the Restaurant in compliance with the standard procedures and specifications which are or may be prescribed from time to time by Franchisor for record keeping and reporting. Franchisee shall maintain and preserve such records, reports, accounts, books and data for a period of at least five (5) years from the close of any fiscal year.

10.2 Franchisee shall provide Franchisor with (a) no later than the tenth of each month for the prior month, monthly financial statements (including profit and loss statements) and reports of sales; (b) quarterly financial statements; and (c) other financial, statistical, or other information as Franchisor may reasonably deem to be required or desirable about Franchisee, the Owners, and the Restaurant (other than Restaurant employee records, as Franchisee controls exclusively its labor relations and employment practices); all the foregoing in the form and manner prescribed by Franchisor, including, without limitation, by electronic telecommunications, data transmission methods, upon request and as specified from time to time in the Brand Standards Manuals or otherwise in writing. All such financial information shall be prepared in accordance with U.S. generally accepted accounting principles, consistently applied. At Franchisor's option, Franchisor may require Franchisee to have a certified public accountant review such financial statements on a quarterly basis, the expense of which shall be borne entirely by the Franchisee, and then submit such quarterly reviews to the Franchisor. Franchisee also shall immediately notify Franchisor in writing when one or more liens or judgments are filed against the Franchisee, the Restaurant and/or any of the personal guarantors (if any) under this Agreement.

10.3 Franchisee shall provide Franchisor with copies of state sales tax returns at the time said returns are filed with the state. Franchisee shall provide Franchisor, no later than sixty (60) days after the end of business of the calendar year, a balance sheet, profit and loss statement certified by a certified public accountant which cover the prior calendar year. Such balance sheet

and profit and loss statement shall be prepared in accordance with U.S. generally accepted accounting principles, consistently applied, certified as correct and complete by the Owners and reported on and reviewed by an independent state-licensed certified public accountant. Simultaneously with the year-end financial statements, Franchisee shall provide Franchisor with a copy of all federal, state and local tax returns for that year. If Franchisee fails to provide Franchisor with such financial statements and information, Franchisor shall have the right to have an independent audit made of Franchisee's books and records, and Franchisee shall promptly reimburse Franchisor for the cost thereof.

10.4 In addition to the above-mentioned annual reports, Franchisee agrees to provide, within thirty (30) days of a written request of Franchisor, a letter from Franchisee's accountant addressed to Franchisee stating whether or not: (a) all required payroll tax returns, federal and state, have been filed and all taxes paid to the end of the fiscal period; (b) all federal income tax returns have been filed and taxes paid; and (c) all state income and franchise tax returns, and any other tax return required, have been filed and taxes or fees have been paid. Each such statement and report shall be accompanied by a statement sworn to under the penalty of perjury by the Owners that the items contained therein are true and accurate and completely and fully describe and disclose the information sought in such statement and that the signer thereof has made diligent and careful efforts to ascertain the truth, accuracy and completeness of such information.

10.5 Franchisor or its designated agents shall have the right, at all reasonable times, to examine and audit any or all of Franchisee's books and records (other than Restaurant employee records, as Franchisee controls exclusively its labor relations and employment practices) without prior notice to Franchisee, its employees or agents. If such examination or audit should disclose any underpayment of the Royalty Fee or Brand Fund Fee (if such fee is required by Franchisor), Franchisee shall promptly pay the deficient amount plus interest thereon from the date due until paid at the lower of five percent (5%) per month or the highest rate of interest allowed by law. If such an examination or audit discloses an understatement in any report of two percent (2%) or more, Franchisee shall, in addition, reimburse Franchisor for the cost of such examination or audit, including, but not limited to, all reasonable accounting and legal fees. The foregoing shall be in addition to, and without prejudice to, any other rights or remedies Franchisor may have at law or in equity or as set forth herein. If any inspection reveals that the Gross Sales reported in any report or statement are greater than the actual Gross Sales ascertained by such inspection, and that Franchisee thereby has made an overpayment of fees, the amount of the overpayment (without interest) shall be offset against future fees owing by Franchisee to Franchisor. Franchisor has the right to require Franchisee to grant Franchisor unlimited, remote, 24/7 access to Franchisee's books, records, and accounts that are provided through Computer Systems.

10.6 All information to be furnished by Franchisee to Franchisor shall at all times be accurate, correct, and complete in all material respects. The failure or refusal of Franchisee to furnish when due any of the statements required, or the failure of Franchisee to account properly for all income received by Franchisee, shall be deemed a default under this Agreement, and shall entitle Franchisor to all its remedies as set forth in this Agreement. In the event Franchisee does not provide any required information or not provide such information in the required time or format, Franchisor shall have the right, but not the obligation, to obtain said information and Franchisee shall be responsible for any reasonable costs and expenses associated therewith.

10.7 Franchisee will use only such forms, including, without limitation, those used in and generated by the Computer Systems as are approved by Franchisor in the Brand Standards Manuals or otherwise in writing. Franchisee will obtain all forms specified by Franchisor and/or the Computer Systems at Franchisee's expense, from suppliers approved by Franchisor. Franchisor may maintain and make available to the Franchisee all or a portion of such forms electronically, in addition to, or in lieu of, providing hard copies to the Franchisee.

10.8 At Franchisor's request, Franchisee will use an approved or designated accounting service. Franchisee will be responsible for all charges related to the accounting service.

10.9 Within one hundred twenty (120) days after opening for business, Franchisee shall submit to Franchisor a report detailing Franchisee's investment costs to develop and open the Restaurant, with costs allocated to the categories described in Item 7 of Franchisor's Franchise Disclosure Document and with such other information as Franchisor may request.

11. FRANCHISEE ORGANIZATION, AUTHORITY, FINANCIAL CONDITION AND OWNERS

11.1 Franchisee and each Owner represent and warrant that: (a) Franchisee is a business entity as indicated on the Summary Pages, validly existing and in good standing under the laws of the state of its formation; (b) Franchisee is duly qualified and is authorized to do business and is in good standing as a foreign business entity as indicated on the Summary Pages in each jurisdiction in which its business activities or the nature of the properties owned by it requires such qualification; (c) the execution and delivery of this Agreement and the transactions contemplated hereby are within Franchisee's power; (d) the execution and delivery of this Agreement have been duly authorized by the Franchisee; (e) the formation document of Franchisee delivered to Franchisor are true, complete and correct and there have been no changes therein since the date thereof; (f) the minutes of the Franchisee entity authorizing the execution and delivery of this Agreement are true, correct and complete, and there have been no changes therein since the date(s) thereof; (g) any financial information and statements provide by Franchisee and its Owners as part of the application of the Franchise are true, complete, correct and fairly present the financial positions of Franchisee and each Owner, respectively, as of the dates thereof, (h) the financial statements have been prepared in accordance with U.S. generally accepted accounting principles consistently applied; and (i) there have been no materially adverse changes in the condition, assets or liabilities of Franchisee or its Owners since the date or dates of such financial information and statements.

11.2 Franchisee and each Owner covenant that during the Initial Term and any Renewal Term: (a) Franchisee shall do or cause to be done all things necessary to preserve and keep in full force its company existence and shall be in good standing as a foreign company in each jurisdiction in which its business activities or the nature of the properties owned by it requires such qualification; and (b) Franchisee shall have the authority to carry out the terms of this Agreement.

11.3 Franchisee and each Owner represent, warrant and covenant that all ownership interests in Franchisee are owned solely by the Owners, that no such ownership interest has been pledged or hypothecated, and that no change will be made in the ownership of Franchisee other than as permitted by this Agreement, or otherwise consented to in writing by Franchisor. Franchisee and its Owners agree to furnish Franchisor with such evidence as Franchisor may request, from time to time, for the purpose of assuring Franchisor that the ownership interests of Franchisee remain as represented herein.

11.4 Each Owner, jointly and severally, hereby personally and unconditionally guarantees each of Franchisee's obligations to Franchisor (including, but not limited to, all obligations relating to the payment of fees by Franchisee to Franchisor) in accordance with the Personal Guaranty attached hereto as Addendum C. Each Owner's spouse must also sign the Personal Guaranty. Any new Owners added during the Initial Term or any Renewal Term and their spouses shall sign the Personal Guaranty. Further, should the marital status of Franchisee or Owners or one or more of the personal guarantors change during the Initial Term or a Renewal Term, Franchisee shall promptly inform Franchisor of that change and Franchisee agrees that any new spouse will sign the Personal Guaranty.

12. TRANSFER

12.1 This Agreement and any and/or all of Franchisor's rights and/or obligations under it, are fully transferable by Franchisor in Franchisor's sole discretion and will inure to the benefit of any person or entity to whom Franchisor transfers it, or to any other legal successor to Franchisor's interest in this Agreement. If Franchisor transfers this Agreement, or any and/or all of Franchisor's rights and/or obligations under it, all past, current and future obligations of Franchisor (and of any of Franchisor's affiliates) to Franchisee will cease and be forever extinguished. Franchisor shall be released from all obligations and liabilities arising or accruing in connection with this Agreement after the date of such transfer or assignment, and Franchisee's obligations and duties shall be and remain the same notwithstanding any such assignment. Franchisor may be sold and/or Franchisor may sell any or all of Franchisor's assets to a competitive or other entity, Franchisor may participate in an initial, or other, public offering or private placement of Franchisor's stock, may merge, acquire other entities and/or assets (competitive or not), be acquired by a competitive or other entity, and/or may undertake any refinancing, leveraged buy-out and/or other transaction. Franchisee waives any and all claims, demands and/or damages with respect to any transaction or otherwise allowed under this section or otherwise.

12.2 Franchisor has entered into this Agreement with Franchisee based on Franchisee's qualification with respect to all of Franchisor's relevant criteria. Therefore, under no circumstances may Franchisee sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber any of its rights or interest in the Franchise, the Restaurant, substantially all of the assets of the Restaurant, and/or this Agreement without the prior, express written consent of the Franchisor. Any transfer, purported transfer, or attempt to transfer by the Franchisee without such prior, express written consent of the Franchisor shall constitute a material breach of this Agreement and shall be null and void and without effect, meaning Franchisee and Owners will continue to be obligated to Franchisor for all of Franchisee's obligations under this Agreement; provided that Franchisor may terminate this Agreement without opportunity to cure in the event

of any transfer, purported transfer, or attempt to transfer by Franchisee without the prior, express written consent of Franchisor.

12.3 Franchisor's prior, express written consent for transfer shall not be unreasonably withheld provided that Franchisee is in full compliance with this Agreement, and provided that Franchisor elects not to exercise its right of first refusal as set forth in Section 12.6. This Agreement will terminate once an approved transfer is completed. Prior to the effective date of any transfer of any interest in the Franchise, all of the following conditions must be met:

(a) The proposed transferee and any and all of its owners must be individuals of good moral character and otherwise meet Franchisor's then-applicable standards for Brixx franchise owners;

(b) The transferee must have sufficient business experience, aptitude and financial resources to operate a Brixx Restaurant, and neither the transferee nor any and all of its owners may be engaged in or intend to engage in a competitive business;

(c) Franchisee must pay all such royalties, advertising contributions, amounts owed for purchases from Franchisor and any of its affiliates, all other amounts owed to Franchisor or any of its affiliates which are then due and unpaid through the date of the transfer, and all other amounts owed to any account suppliers for any and all other outstanding obligations related to the Restaurant;

(d) The transferee and its managers must agree to complete Franchisor's then-current training program to Franchisor's satisfaction, which training will be provided by Franchisor at no additional charge. The transferee must pay for all travel, food, lodging, and salary expenses for its trainees;

(e) The transferee, at Franchisor's option, must agree to be bound by all terms and conditions of this Agreement for the remainder of its Initial Term, or a Renewal Term, or, at Franchisor's option, execute Franchisor's then-current form of standard franchise agreement and such ancillary documents (including specifically and without limitation, the personal guaranty), which franchise agreement may have materially different terms from this Agreement. This Agreement between Franchisor and Franchisee will terminate once an approved transfer is completed;

(f) Franchisee or the transferee must have paid Franchisor a transfer fee in the amount of Five Thousand Dollars ($5,000) in respect of the transfer to such transferee. Such fee must be deposited with Franchisor on a non-refundable basis on Franchisee's notification to Franchisor of the proposed transfer and prior to Franchisor's undertaking any review, drafting of documents, training or other activities. If Franchisor does not approve the transfer, Franchisee's transfer fee will be returned to Franchisee minus Franchisor's expenses incurred (including legal fees) for review and consideration of the transfer;

(g) Franchisee and all of the Owners and personal guarantors of this Agreement, if any, execute a general release, in a form prescribed by Franchisor, releasing Franchisor and its affiliates, predecessors, successors and assigns, and their respective members, managers, officers, directors, shareholders and employees, in their corporate and individual capacities, from any and all claims, causes of action, demands, debts, liabilities, obligations, fees, costs and expenses, including without limitation, claims and causes of action arising under federal, state and local laws, rules, regulations and ordinances, arising prior to and including the date the transfer becomes effective;

(h) If any part of the sale price of the transferred interest is financed, (i) Franchisee and/or transferee must agree to Franchisor's satisfaction that all obligations of the transferee under or pursuant to any promissory notes, agreements or security interests reserved by Franchisee and/or its transferee in the assets of the Restaurant shall be subordinate to the obligations of the transferee to pay all royalties, advertising contributions, other fees and other amounts due to Franchisor and its affiliates, and otherwise to comply with this Agreement or the franchise agreement executed by the transferee; and (ii) Franchisee and Owners must obtain Franchisor's pre-approval and satisfy any conditions Franchisor then reasonably imposes in order to take back the Restaurant upon transferee's default under any seller-financing documents (Franchisee and Owners shall not, under any circumstances, have the automatic right to take back the Restaurant upon transferee's default);

(i) The transfer must be made in compliance with any laws that apply to the transfer, including state and federal laws governing the offer and sale of franchises;

(j) Within the time specified by Franchisor, Franchisee, at its expense, shall refurbish the Restaurant, as necessary, to conform the Restaurant to Franchisor's then-current standards and specifications, including, without limitation, specifications regarding, size, color, trade dress, presentation of the Marks, fixtures, flooring, carpeting, and installed equipment;

(k) The proposed transferee and all owners of any interest in a transferee that is an entity provided Franchisor, at least forty-five (45) days prior to the proposed transfer date, copies of financial statements for the preceding three (3) years, and where applicable, its certificate of incorporation and bylaws (and any amendments or modifications thereof), minutes and resolutions and all other documents, records and information pertaining to the transferee's existence and ownership. Franchisor has the right to require Franchisee to prepare and furnish to the proposed transferee and/or Franchisor such financial reports and other data relating to the Restaurant and its operations as Franchisor deems reasonably necessary or appropriate for transferee and/or Franchisor to evaluate the Restaurant and the proposed transfer. Franchisee agrees that Franchisor has the right to confer with the proposed transferee and furnish it with information concerning the Restaurant and proposed transfer without being held liable to Franchisee, except for intentional misstatements made to a transferee. Any information furnished by Franchisor to proposed transferees is for the sole purpose of permitting them to evaluate the Restaurant and

proposed transfer and must not be construed in any manner or form whatsoever as claims of success or failure;

(l) Prior to or upon closing of the transfer, Franchisee shall pay in full all creditors and suppliers of the Restaurant;

(m) The proposed transferee must assume the Gift Cards that are valid and redeemable as of the date of the transfer.

If the proposed transfer is to or among Owners of Franchisee, or to or among a corporation, partnership or limited liability company wholly owned and controlled by the Owners as set forth in Section 12.4, Section 12.3(f) of the above requirements shall not apply, and Franchisor shall have no rights of first refusal, as otherwise provided in Section 12.6.

Franchisee acknowledges that Franchisor has legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with Franchisee, and Franchisor's contact with potential transferees to protect Franchisor's business interests will not constitute improper or unlawful conduct. Franchisee expressly authorizes Franchisor to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms, to communicate candidly and truthfully with the transferee regarding the nature of Franchisee's operation of the Restaurant, and to withhold its consent, as long as Franchisor's decision is not unreasonable, even if the conditions in clauses 12.3(a) through 12.3(m) above are satisfied. Franchisee and Owners waive any claim that Franchisor's decision to withhold approval of a proposed transfer in order to protect its business interests – if that decision was reasonable despite satisfaction of the conditions in clauses 12.3(a) through 12.3(m) above – constitutes a breach of contract or tortious interference with contractual or business relationships. Franchisor has the sole right to determine whether the transfer conditions above have been satisfied. Franchisor may review all information regarding the Restaurant that Franchisee provides to the proposed transferee, correct any information Franchisor believes is inaccurate, and provide the transferee copies of any reports Franchisee has given Franchisor or Franchisor has made regarding the Restaurant.

Notwithstanding anything to the contrary in this Section 12 or elsewhere in this Agreement, Franchisor need not consider a proposed transfer of a controlling or non-controlling ownership interest in Franchisee, or a proposed transfer of the franchise rights granted by this Agreement, until Franchisee (or an Owner) and the proposed transferee first send Franchisor a copy of a bona fide offer to purchase or otherwise acquire the particular interest from Franchisee (or the Owner). For an offer to be considered "bona fide," it must include a copy of all proposed agreements between Franchisee (or its Owner) and the proposed transferee related to the sale, assignment, or transfer.

12.4 If Franchisee is in full compliance with this Agreement, Franchisor shall not unreasonably withhold its prior written approval of a transfer by and between Franchisee and a wholly-owned corporation, partnership, limited liability company or other form of business entity (a "Subsidiary") of the Franchisee in which the Franchisee maintains management control and owns and controls one hundred (100%) of the equity and voting power of the Subsidiary, provided

that such Subsidiary states in its organizational documents that it shall conduct no business other than the operation of a Brixx Restaurant. If the Subsidiary is organized as a corporation, all certificates representing shares of stock of such corporation must be endorsed with a legend in form approved by Franchisor reciting that the transfer of ownership interests in the Subsidiary are subject to the restrictions of this Agreement. If the Subsidiary is a limited liability company, its operating agreement shall contain a provision stating that the transfer of ownership interests are subject to the restrictions contained in this Agreement. Such an assignment shall not relieve Franchisee of its obligations hereunder, and Franchisee shall remain jointly and severally liable to Franchisor for all obligations hereunder. Franchisee must furnish Franchisor promptly with copies of transferee Subsidiary's organizational documents, resolutions and any and all other governing documents.

12.5 Franchisor's consent to a transfer of this Agreement and the Franchise, or any interest in Franchisee or the Restaurant, shall not constitute a waiver of any claims it may have against Franchisee or the Owners, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms or conditions of this Agreement by the transferee, nor shall it be deemed to be a transfer of any of Franchisee's rights or obligations under the Area Development Agreement, which shall be governed by the terms of the Area Development Agreement.

12.6 If Franchisee or any of its Owners shall at any time determine to sell an interest in the Franchise, the Restaurant, substantially all of the assets of the Restaurant, and/or this Agreement, Franchisee shall first notify Franchisor in writing of each such offer and, except as otherwise provided herein, Franchisor shall have the option, exercisable within thirty (30) days after receipt of such written notice, to send written notice to the Franchisee that Franchisor or its nominee intends to purchase the Franchisee's interest on the same terms and conditions offered by the third party or their cash equivalent, excluding any assets reasonably deemed by Franchisor not to be necessary to the operation of the Restaurant. During said thirty (30) day period, Franchisor shall have the right to inspect all Franchisee's books and records relating to the Restaurant, specifically including all financial records and statements for the three (3) full fiscal years preceding the date on which the thirty (30) day right of first refusal commences. If the Parties cannot agree on the cash equivalent of the third party's offer, each Party shall designate an independent appraiser at their expense, and the average of the two (2) appraisers' determination shall be binding on both Parties. In the event that Franchisor or its nominee elects to purchase selling Franchisee's interest, closing on such purchase must occur within thirty (30) days from the date of notice to Franchisee of the election to purchase by Franchisor or its nominee. If Franchisor elects not to purchase the selling Franchisee's interest, the Franchisee may transfer its interest to the third party on the exact terms contained in the third party's offer, and subject to all terms and conditions contained in this Section 12.6. Any material change in the terms of the third party's offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor or its nominee as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Section 12.6 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 12.6, with respect to a proposed transfer. It is understood that the Franchisor's right of first refusal applies to the specific Restaurant and Franchisor is not obligated to acquire anything outside of the specific assets used to operate

the Restaurant, whether or not they are part of a proposed transfer. Franchisor has the right to assign to any party its right to purchase Franchisee's Restaurant pursuant to the terms herein.

In the event a proposed transferee is the spouse (living in the same household as the transferor or with respect to whom there are no equitable distribution, separation or divorce proceedings or negotiations pending), son or daughter of the transferor or any individual or entity holding an equity interest in Franchisee as of the date of this Agreement, Franchisor shall not have any right of first refusal as provided in this Section 12.6; provided, however, that written notification of any such transfer shall be provided to Franchisor within thirty (30) days of consummation of the transfer by the transferee, and the proposed transferee meets all other terms and conditions for qualification as a transferee as described in Section 12.3, and provided Franchisee is in full compliance with the terms of this Agreement.

12.7 Transfer Upon Death or Disability.

(a) Upon the death or disability of Franchisee or any Owner, the Franchisee's or any such Owner's executor, administrator, conservator, guardian, or other personal representative must transfer the Franchisee's interest in this Agreement, or the Owner's ownership interest in Franchisee, to a third party (which may be Franchisee's or the Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed six (6) months from the date of death or disability, and is subject to all of the terms and conditions in Section 12.3, including Franchisor's approval of the transferee and the requirement of the transferee to meet Franchisor's then-current qualifications; provided that if the transferee is Franchisee or an Owner, Franchisor's right of first refusal and right to consent shall not apply and no transfer fee shall be payable. Failure to transfer Franchisee's interest in this Agreement, or the Owner's ownership interest in Franchisee, within this period is a breach of this Agreement. The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent Franchisee or the Owner from operating the Restaurant in the manner required by this Agreement and the Brand Standards manual or from performing its, his, or her obligations under this Agreement and the Brand Standards Manual.

(b) During the period between death or disability of Franchisee or any Owner and the completion of the transfer, the Restaurant still must be operated in accordance with the terms and conditions of this Agreement. Upon the death or disability of Franchisee or any Owner, the Franchisee's or any such Owner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint a senior manager (unless Franchisee or the Owner(s) had previously appointed a senior manager who remains responsible for the day-to-day operation of the Restaurant). Any new senior manager must complete Franchisor's standard training program at Franchisee's expense and sign Franchisor's then-current form of confidentiality and non-compete agreement. However, under no circumstances will Franchisor control the forms of employment agreements Franchisee uses with its employees or otherwise be responsible for Franchisor's labor relations or employment practices.

12.8 If Franchisee or an Owner engages in a transfer without first complying with the applicable transfer provisions of this Agreement (including without limitation, the provisions of Section 12) Franchisee agrees to pay to Franchisor, within fifteen (15) days of receiving notice from Franchisor, in addition to the amounts owed under this Agreement, transfer damages equal to (a) fifteen percent (15%) of the price paid by the transferee to Franchisee or the Owners, as applicable, or (b) Twenty-Five Thousand Dollars ($25,000), whichever is greater. The parties to this Agreement acknowledge and agree that it would be impracticable to determine precisely the damages Franchisor would incur from this Agreement's unauthorized transfer. The parties consider this transfer damages provision to be a reasonable, good faith pre-estimate of those damages.

13. CONFIDENTIALITY; COVENANTS AGAINST UNFAIR COMPETITION; RESTRICTIONS

13.1 Franchisee understands and agrees that Franchisor has disclosed or will hereafter disclose to Franchisee certain Confidential Information. Franchisee and Owners acknowledge and agree that Confidential Information is beyond their own present skill and expertise, and that to develop it themselves would be expensive, time consuming and difficult. Franchisee and its Owners further acknowledge that the Confidential Information provides a competitive advantage and will be valuable to them in the development of their business, and that gaining access to it is therefore a primary reason why they are entering into this Agreement. Except as necessary in connection with the operation of the Restaurant and as approved by Franchisor, Franchisee shall not, during the Initial Term, a Renewal Term, or at any time after the expiration, non-renewal, transfer, or termination of this Agreement, regardless of the cause thereof, use for its own benefit or communicate or divulge to, or use for the benefit of any other person or entity Confidential Information. Franchisee shall disclose to its employees only such Confidential Information as is necessary to operate its business hereunder and then only while this Agreement is in effect. Franchisee will require all personnel having access to any Confidential Information from Franchisor to execute an agreement requiring them to maintain the confidentiality of information they receive in connection with their employment at the Restaurant. Those confidentiality agreements will be in a form satisfactory to Franchisor. "Confidential Information" means the information, not generally known to the public, in any form, relating to the Restaurant and its operations, including all trade secrets of the Restaurant; all knowledge, know-how, standards, methods, and procedures related to the establishment and operation of the Restaurant not generally known to the public; all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Restaurant (such as all names, addresses, phone numbers, email addresses for customers and suppliers; customer purchase records and mail lists); recipes; electronic code, designs, marketing materials, and business, sales, and marketing strategies; financial information; databases; training materials; knowledge of the franchise system; and any other data and information that the Franchisor or its affiliates designates as confidential, including all information contained in the Brand Standards Manuals.

13.2 In consideration of Franchisor's confidential disclosure to them of this Confidential Information, Franchisee and the Owners guarantors agree as follows:

(a) During the Initial Term and any Renewal Term, neither Franchisee nor any Owner, for so long as such Owner owns any interest in Franchisee, may, without the prior written consent of Franchisor for themselves, or through, on behalf of, or in conjunction with any person or entity:

(1) own, manage engage in, be employed by, advise, make loans to, or have any other interest in, as a partner, owner, officer, executive, managerial employee, director, salesperson or consultant for, or offer, any Competitive Business (as defined below);

(2) offer or grant franchises or licenses to any Competitive Business;

(3) perform any other act injurious or prejudicial to the goodwill associated with the Marks and the Brixx System; or

(4) become a franchisee or licensee of any Competitive Business.

(b) During the Initial Term and any Renewal Term, neither Franchisee nor any Owner, for so long as such Owner owns any interest in Franchisee, may, without the prior written consent of Franchisor for themselves, or through, on behalf of, or in conjunction with any person or entity:

(1) solicit, divert or attempt to solicit or divert any person or party who is or was a customer of the Restaurant at any time during the Initial Term or a Renewal Term, to any Competitive Business, as Franchisee agrees that all goodwill associated with Franchisee's operation under the Marks and the System, and all customer information associated therewith, inure to Franchisor; or

(2) solicit, divert, or attempt to solicit or divert, any vendor that has done business with the Restaurant to provide supplies, products, equipment, merchandise, or services to a Competitive Business or cease to provide supplies, products, equipment, merchandise, or services to BRIXX businesses.

(c) Neither Franchisee nor any Owner, for two (2) years following the expiration, termination, non-renewal, sale of this Agreement ("Restricted Period"), shall engage in any of the following within the Restrictive Territory (as defined below):

(1) engage in any Competitive Business as franchisee or licensee; or

(2) franchise or license any Competitive Business to any person or party; or

(3) engage in any Competitive Business as an officer, director, operator, employee, manager, consultant, or independent contractor in any capacity in which Franchisee or its Owners would be in a position to use or disclose Confidential Information; or

(4) become interested in any such Competitive Business as an owner, partner, shareholder, or member.

(d) Neither Franchisee nor any Owner, shall engage in any of the following within the Restrictive Territory during the Restricted Period:

(1) solicit, divert, or attempt to solicit or divert any vendor or supplier with whom Franchisee or its Owners had any business relationship as of the termination, expiration, or non-renewal of this Agreement or within one (1) year preceding the termination, expiration, or non-renewal of this Agreement to any Competitive Business or to cease supplying any BRIXX business;

(2) solicit, divert, or attempt to solicit or divert to any Competitive Business any customer to which the Restaurant sold any product or for which the Restaurant performed any service at any time within the one (1) year period prior to the termination, expiration, or non-renewal of this Agreement.

(e) For purposes of this Section 13.2, the term "Restrictive Territory" means the following:

(1) An area which is within a 5-mile radius of:

(A) The Location of the Restaurant as of the date of termination, expiration, or non-renewal of this Agreement, or

(B) The location of any other BRIXX businesses owned by Franchisor, its affiliates, or other franchisees as of the date of termination, expiration, or non-renewal of this Agreement; or

(2) Only in the event the foregoing is determined by a court of law to be too broad, the Territory as of the date of termination, expiration, or non-renewal of this Agreement and the territories in which Franchisor, its affiliates, or other franchisee operate any BRIXX businesses or locations as those territories exist as of the date of termination, expiration, or non-renewal of this Agreement; or

(3) Only in the event the foregoing is determined by a court of law to be too broad, the Territory as of the date of termination, expiration, or non-renewal of this Agreement; or

(4) Only in the event the foregoing is determined by a court of law to be too broad, the Location of the Restaurant as of the date of termination, expiration, or non-renewal of this Agreement.

(f) Neither Franchisee nor any Owner shall at any time (i) appropriate or use the trade secrets incorporated in the Brixx System, or any portion thereof, in any business

which is not within the Brixx System, (ii) disclose or reveal any portion of the Brixx System to any person, other than to the Restaurant employees as an incident of their training (excepting employees hired for the intent of avoiding this provision), (iii) acquire any right to use any name, mark or other intellectual property right which is or may be granted by this Agreement, except in connection with the operation of the Restaurant or (iv) communicate, divulge or use for the benefit of any other person or entity any confidential information, knowledge or know-how concerning the methods of development or operation of a Restaurant utilizing the Brixx System, which may be communicated by Franchisor in connection with the Franchise granted hereunder.

(g) For purposes of this Agreement, the term "Competitive Business" shall mean:

(1) any quick-service or full-service restaurant that receives Twenty Five Percent (25%) or more of its gross revenue from the sale of pizza, or

(2) any quick-service or full-service restaurant that receives Twenty Five Percent (25%) or more of its gross revenues from the combined sale of pizza, sandwiches, and salads.

(h) The foregoing in-term and post-termination covenants against unfair competition and solicitation with respect to similar Competitive Businesses shall apply regardless of how or why the Agreement terminates, expires, or does not renew. The parties agree that the foregoing covenants contained in this Section 13 contain reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect Franchisor's goodwill or Franchisor's other business interest and its franchisees and the provisions do not prevent Franchisee or its Owners from earning a living. Franchisee and Owners agrees that the scope of activities prohibited in this Section 13, and the length of the term and geographical restrictions in this Section 13, are necessary to protect the legitimate business interests and are fair and reasonable and are not the result of overreaching, duress, or coercion of any kind. Franchisee's and Owners' full, uninhibited, and faithful observance of each of the covenants in this Section 13 will not cause any undue hardship, financial or otherwise. Enforcement of each of the covenants in this Section 13 will not impair Franchisee's or its Owners' ability to obtain employment commensurate with Franchisee's or its Owners' abilities or on terms fully acceptable to Franchisee or otherwise to obtain income required for the comfortable support of Franchisee and its Owners and their families, and the satisfaction of the needs of all of Franchisee's and its Owners' creditors. Franchisee's and its Owners' special knowledge of a pizza restaurant (and anyone acquiring this knowledge through Franchisee or its Owners) is such as it would cause Franchisor serious injury and loss if Franchisee or its Owners (or anyone acquiring this knowledge through Franchisee or its Owners) were to use this knowledge to the benefit of a competitor or were to compete with Franchisor or its franchisees. The covenants in this Section 13 are to be construed as independent of any other covenant or provision of this Agreement. The existence of any claim Franchisee or any of its Owners may have against Franchisor or any of its affiliates

(regardless of whether arising under this Agreement) is not a defense to the enforcement of these covenants against Franchisee or its Owners.

13.3 Franchisee and its Owners agree that the provisions of this Section 13 are and have been a primary inducement to Franchisor to enter into this Agreement, and that in the event of breach thereof Franchisor would be irreparably injured and would be without adequate remedy at law. Therefore, in the event of a breach, or a threatened or attempted breach, of any of such provisions, notwithstanding the mediation and arbitration provisions below, Franchisor shall be entitled, in addition to any other remedies which it may have hereunder or at law or in equity (including the right to terminate this Agreement), to a preliminary and/or permanent injunction and a decree for specific performance of the terms hereof without the necessity of showing actual or threatened damage, and without being required to furnish a bond or other security. Franchisee agrees that if Franchisee or any of its Owners violates the restrictions set forth in Section 13.2(c) and 13.2(d), the Restricted Period will be extended until two (2) years after Franchisee ceases violating the restriction.

13.4 The restrictions contained in Section 13.2(a) and Section 13.2(b) above shall not apply to ownership of less than five percent (5%) of the shares of a company whose shares are listed and traded on a national securities exchange if such shares are owned for investment only.

13.5 If any court or other tribunal having jurisdiction to determine the validity or enforceability of this Section 13 determines that it would be invalid or unenforceable as written, then the provisions hereof shall be deemed to be modified or limited to such extent or in such manner as necessary for such provisions to be valid and enforceable to the greatest extent possible.

13.6 Franchisee covenants that it shall cause all persons who are involved in managerial or supervisory positions with Franchisee to enter into an agreement to be bound by provisions substantially similar to Sections 13. Franchisee agrees to provide Franchisor with copies of such executed agreement upon request. If Franchisee has reason to believe that any person has violated any such provisions of this Agreement, Franchisee shall promptly notify Franchisor and cooperate with Franchisor to protect Franchisor against unfair competition, infringement, or other unlawful use of the Marks, trade secrets, recipes, or Brixx System of Franchisor. Franchisee further grants Franchisor the right, but not the obligation, to prosecute any such lawsuits at Franchisor's expense on behalf of Franchisee. Franchisee shall be responsible for compliance of its employees with the agreements identified in this Section 13.

13.7 All inventions, ideas, applications, trademarks, service marks, enhancements, modifications, improvements or other processes, methods and designs, technologies, computer software, electronic code, original works or authorship, formulas, recipes, cooking techniques, patents, copyrights, marketing and business plans and ideas, and all improvements and enhancements thereto that Franchisee or any of its Owners, guarantors, directors, officers, or employees may develop, invent, discover, conceive or originate, alone or in conjunction with any other person or persons during the Initial Term or any Renewal Term that relate in any way, either directly or indirectly, to the Restaurant and/or the Brixx System (collectively referred to as "Inventions and Ideas"), either in whole or in part during the Initial Term or any Renewal Term, shall be the exclusive property of Franchisor and "works-made-for-hire," for Franchisor and no

compensation will be due to Franchisee or its Owners or employees therefor. To the extent any Invention or Idea does not qualify as a "work made-for-hire" for Franchisor, Franchisee must promptly disclose the existence of any and all Inventions and Ideas to Franchisor. Franchisee, its Owners, and all guarantors of this Agreement hereby assign to Franchisor, without compensation, all right, title and interest in such Inventions and Ideas, and agree that they will execute any and all instruments and do any and all acts necessary or desirable to establish and perfect in Franchisor the entire right, title and interest in such Inventions and Ideas. Franchisor may incorporate such Inventions and Ideas into the Brixx System.

13.8 Franchisee shall maintain a current list of the names, addresses, email addresses and telephone numbers of the customers and past customers who have provided such information to the Restaurant ("Customer List"). Franchisee shall provide the Customer List to the Franchisor upon request. Franchisee shall also use the Computer Systems that Franchisor designates to create, store, maintain, and share the Customer List. The Customer List shall be the property of Franchisor and Franchisor shall have the right to use the Customer List for any purposes, in Franchisor's sole discretion. Franchisee shall not collect, use, process, store, share, or sell any information from the Customer List to or with any person or entity other than Franchisor without the express written consent of Franchisor. Franchisee shall not delete any information that is in the Customer List without Franchisor's prior written consent or unless doing so is in accordance with the Data Protection and Security Policies. Likewise, other data collected by Franchisee or Franchisee's Computer Systems in connection with the Restaurant or the Brixx System (Customer List and the other data collectively referred to herein as "Franchised Business Data") is deemed to be owned by Franchisor, and Franchisee agrees to furnish the Franchised Business Data to Franchisor at any time that Franchisor requests it. Franchisee shall also use the Computer Systems that Franchisor designates to create, store, maintain, and share the Franchised Business Data. Franchisor hereby grants Franchisee a non-exclusive limited license to use Franchised Business Data while this Agreement or a renewal franchise agreement is in effect, but only in accordance with the standards, specifications, procedures, and policies that Franchisor establishes periodically and applicable law. Upon termination, non-renewal, transfer, or expiration of this Agreement for any reason, Franchisor shall be the exclusive owner of Franchised Business Data and Franchisee shall not use or disclose the Franchised Business Data in any form or manner. Franchisee shall not be due any compensation based upon Franchisor's use of the Franchised Business Data. Franchisee may not collect, sell, disclose, share, transfer, or use Franchised Business Data for any purpose other than operating the Franchised Business. The Customer List and Franchised Business Data are expressly subject to the provisions of Section 6.18 and may constitute Personal Information.

14. INSPECTIONS

14.1 Franchisor and its agents have the right to enter the Restaurant before and after operations commence at the Restaurant, with or without notice, in person or remotely via communications technology, in order to inspect, photograph, and/or videotape on-going new construction or leasehold improvements, equipment and operations, and the performance of any and all services provided in and around the Restaurant to ensure compliance with all requirements of this Agreement. Franchisee will cooperate with Franchisor's representatives in those inspections by rendering whatever assistance Franchisor may reasonably request, including using communications or audiovisual technology, such as a smartphone, to facilitate the remote

inspection by Franchisor or Franchisor's agents and the assistance necessary to enable Franchisor to contact and interview contractors, vendors, suppliers, and employees, as well as Franchisee's customers and former customers. Upon reasonable notice from Franchisor, and without limiting Franchisor's other rights under this Agreement, Franchisee will take such steps as may be necessary to correct the deficiencies detected during any such inspection, including without limitation immediately correcting any problems with construction or leasehold improvements, and immediately desisting from the further use of any equipment, advertising materials, products, or materials that do not conform to Franchisor's then-current plans and specifications, the Brand Standards Manuals, or other standards or requirements, and to repair or replace anything in the Restaurant that does not so conform. Franchisee acknowledges and agrees that any and all inspections by Franchisor and all demands made by Franchisor to correct deficiencies and conform to Franchisor's standards and specifications will not constitute a representation or warranty by Franchisor that the Restaurant or its Premises comply with applicable laws, codes, ordinances, regulations or governmental standards. Upon reasonable written notification from Franchisor of a scheduled inspection, one of Franchisee's Owners must be present during such inspection. Failure by the Franchisee of any such inspection subjects the Franchisee to the default provisions contained in this Agreement. If Franchisee requests that Franchisor make an inspection of the Restaurant, Franchisee shall reimburse Franchisor for all expenses Franchisor incurs in connection with said inspection, and any report issued to Franchisee in connection therewith.

14.2 Franchisor's representatives shall have the right at all times during normal business hours to confer with Restaurant employees and customers, and to inspect Franchisee's books, records and tax returns, or such portions thereof as pertain to the operation of the Restaurant. All such books, records and tax returns shall be kept and maintained at the offices of Franchisee as set forth in Section 10 or such other place as may be agreed upon by the Parties in writing.

15. RELATIONSHIP OF PARTIES AND INDEMNIFICATION; ATTORNEYS' FEES

15.1 Relationship of the Parties.

(a) Franchisor and Franchisee understand and agree that this Agreement does not create a fiduciary relationship between them. Franchisee is not, and shall not represent or hold itself out as, an agent, legal representative, joint venturer, partner, employee or servant of Franchisor for any purpose whatsoever and, where permitted by law to do so, shall file a business certificate to such effect with the proper recording authorities. Neither Franchisor nor any of its affiliates is the employer or joint employer of any of the Restaurant's employees. Franchisee is an independent contractor and is not authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on behalf of Franchisor. Franchisee agrees to identify itself conspicuously in all dealings with customers, suppliers, public officials, Restaurant personnel, and others as the Restaurant's independent owner, operator, and manager under a franchise Franchisor has granted and to place notices of independent ownership on the forms, business cards, stationery, advertising and marketing, and other materials Franchisor periodically requires.

(b) Franchisor and its affiliates will not exercise direct or indirect control over the working conditions of Restaurant personnel, except to the extent such indirect control is related to Franchisor's legitimate interest in protecting the quality of the Restaurant's products or services or the quality of the Brixx brand. Franchisor and its affiliates do not share or codetermine the terms and conditions of employment of Restaurant employees or affect matters relating to the employment relationship between Franchisee and Restaurant employees, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. To that end, Franchisee agrees to identify itself conspicuously in all dealings with Restaurant personnel as the employer of such personnel and that Franchisor, as the franchisor of Brixx restaurants, and its affiliates are not their employer or joint employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. Franchisee also must obtain an acknowledgment (in the form Franchisor specifies or approves) from all Restaurant employees that Franchisee (and not Franchisor or its affiliates) is their employer.

15.2 Indemnification.

(a) Franchisee, Owners, and guarantors ("Franchisee Indemnifying Parties") agree to fully protect, indemnify, defend, reimburse, and hold Franchisor; Franchisor's predecessors, parents, affiliates, and subsidiaries; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns, in both their corporate and individual capacities (collectively, "Franchisor Indemnified Parties") harmless from and against all liabilities, losses, obligations, claims, demands, damages (consequential or otherwise), penalties, fines, costs, and expenses (including attorneys' fees) of any nature whatsoever (collectively, "Losses") incurred in connection with any action, suit, proceeding, claim, demand, judgment, investigation, inquiry, assessment, or formal or informal inquiry (regardless if reduced to judgment), or any settlement of the foregoing, of whatsoever nature (collectively, "Action"), arising from any of the following: (1) Franchisee Indemnifying Parties' actual or alleged violation of any law, rule, regulation, or ordinance; (2) damage to property; (3) injury to or death or disability of any person; (4) negligence, recklessness, misconduct, or criminal conduct by the Franchisee Indemnifying Parties', the Operating Principal, or any of Franchisee's employees or agents; (5) data breaches; (6) Franchisee Indemnifying Parties' breach of this Agreement or any representations and warranties they make herein; (7) infringement of any intellectual property rights; (8) product recalls; (9) any failure to warn or give instructions related to any products or services provided by Franchisor Indemnified Parties or by Franchisee; (10) any labor or employment law disputes relating to the Premise or the Restaurant or claims arising out of Franchisee's employment practices, including claims that any of the Franchisor Indemnified parties are the employer, joint employer, or co-employer of Franchisee or Franchisee's agents, employees, or contractors; (11) any third party claim that arises from or is connected that explicitly or implicitly is premised on Franchisor's direct and vicarious liability or arises from Franchisee's employment and personnel

decisions, including wrongful termination, wage and hour violations, and employee harassment and discrimination; (12) any acts, errors, or omissions of the Restaurant, the Franchisee Indemnifying Parties, and their employees, contractors, and agents; (13) losses, claims or damages incurred by persons, other than Franchisee, due to errors or omissions contained in financial statements prepared by Franchisee pursuant to this Agreement, even if caused by the negligence of Franchisee, its employees, agents, contractors, or others for whom Franchisee is, in law, responsible; or (14) any third party claim that arises from or is connected with the ownership, establishment, use, non-use, possession, condition, operation, closure, or maintenance of the Restaurant and the Restaurant. Franchisee Indemnifying Parties agree that this obligation to indemnify is regardless of the cause or concurrent or contributing fault or negligence of the Franchisor Indemnified Parties. Franchisee Indemnifying Parties hereby waive all claims against Franchisor Indemnified Parties arising from any of the foregoing. Franchisor Indemnified Parties shall not be liable for any act or omission of Franchisee Indemnifying Parties or their employees, contractors, or agents connected to or arising from the ownership, establishment, use, non-use, possession, condition, operation, or maintenance of the Restaurant and the Restaurant.

(b) Franchisee will also notify Franchisor by telephone of any Action within forty-eight (48) hours after such Action is initiated and in writing within four (4) days after such Action is initiated. Franchisor Indemnified Parties shall have the right, in their sole discretion, and at Franchisee's expense and risk, to: (1) retain counsel of their own choosing to represent them with respect to any claim; and (2) control the response thereto and the defense thereof, including the right to enter into settlements or take any other mitigating, remedial, corrective, or other actions they deem appropriate. Franchisee Indemnifying Parties must reimburse Franchisor Indemnified Parties for all of Franchisor Indemnified Parties' costs, expenses, and all attorneys' fees immediately upon Franchisor Indemnified Parties' request. Franchisee Indemnifying Parties shall not, without the prior written consent of the Franchisor Indemnified Party, (A) settle or compromise any claim or consent to the entry of any judgment with respect to any claim which does not include a written release from liability of such claim for the Franchisor Indemnified Parties, or (B) settle or compromise any claim in any manner that may adversely affect the Franchisor Indemnified Parties. Franchisee Indemnifying Parties agree to give their full cooperation to Franchisor Indemnified Parties in assisting with the defense of any such claim. Franchisor Indemnified Parties' undertaking of defense and/or settlement will in no way diminish Franchisee Indemnifying Parties' obligations to indemnify Franchisor Indemnified Parties and to hold Franchisor Indemnified Parties harmless. Under no circumstance will Franchisor Indemnified Parties be required to seek recovery from any insurer or other third party or otherwise mitigate Franchisor Indemnified Parties' or the third parties' losses to maintain a claim for indemnification against Franchisee Indemnifying Parties. Franchisee Indemnifying Parties agree that any failure to pursue recovery from third parties or mitigate loss will in no way reduce the amounts recoverable by Franchisor Indemnified Parties from Franchisee.

(c) Any and all of the Franchisee Indemnifying Parties' indemnification obligations under this Agreement shall survive the expiration, non-renewal, or sooner termination of this Agreement.

16. INSURANCE

16.1 Franchisee agrees before opening the Restaurant to obtain the minimum required insurance outlined below from a nationally recognized insurance company with a minimum AM Best Rating of A-VII relating to the premises, business operations, liquor liability and product liability with the following minimum coverage and policy limits: commercial general liability with bodily injury and property damage including products & completed operations coverage with a limit of One Million Dollars ($1,000,000) per occurrence and a Two Million Dollars ($2,000,000) general aggregate; automotive liability for all owned, hired and non-owned vehicles with a limit of One Million Dollars ($1,000,000) per accident, liquor liability coverage with a One Million Dollars ($1,000,000) per occurrence and aggregate limit which is a separate limit for the commercial general liability limit; cyber liability insurance including privacy & security coverage with a limit of One Million Dollars ($1,000,000), employment practices liability coverage with a limit of One Million Dollar ($1,000,000) and worker's compensation insurance as required by state laws including employers liability with a limit of One Million Dollars ($1,000,000). Franchisee is required to maintain personal property insurance in amounts equal to the replacement cost of the contents including improvements & betterments for risk of direct physical loss under a special coverage form, crime insurance and business income coverage with a limit equal to one year of annual exposure. From time to time at its sole discretion, Franchisor can increase or modify these limits of liability or require additional types of coverage with a 60-day written notice to Franchisee, which notice may be conveyed by modifications to the Brand Standards Manual. The commercial general liability, liquor liability and automobile liability insurance policies shall name Franchisor, its officers, shareholders, directors and employees as an "additional insured" and shall expressly protect both Franchisee and Franchisor on a primary and non-contributory basis and shall require the insurer to defend both Franchisee and Franchisor in any action while reserving Franchisor's right to involve counsel of its own choosing in protection of its own and system wide interests. Additionally, Franchisee's required insurance policies must include a waiver on behalf of its insurer for any rights of subrogation by the insurance companies against Franchisor, its officers, shareholders, directors and employees. Franchisor, or its insurer, shall have the right to participate in discussions with Franchisee's insurance company or any claimant (in conjunction with Franchisee's insurance company) regarding any claim of liability, and Franchisee agrees to adopt Franchisor's reasonable recommendations to its insurance company regarding the settlement of any of these claims. Franchisee shall furnish to Franchisor a certified copy of each policy or a certificate of insurance showing each policy, reflecting that Franchisor is an additional insured under the policy on a primary and non-contributory basis as required herein, and providing that these policies shall not be canceled, amended or modified without a thirty (30) days written notice with the exception of a ten (10) days written notice for non-payment thereof to Franchisor. Upon notice of cancellation from Franchisee to Franchisor, Franchisee shall take immediate measures to obtain the insurance policies as are required by this provision. Franchisee shall provide Franchisor with written evidence of the insurance policies required by this Agreement within five (5) days of obtaining the policies. Franchisee will be required to provide Franchisor with a new certificate of insurance or other proof of insurance within ten (10) days of the insurance being renewed. Franchisee understands that doing so does not necessarily furnish Franchisee with protection levels adequate to meet its needs and that its obligation to indemnify Franchisor as set forth above in this Agreement may exceed the amount of insurance Franchisee

is required to obtain so the required insurance coverage and limits are the minimum standards and the Franchisee needs to purchase the coverage and limits based on their exposure. All policies of insurance required to be maintained hereunder shall: (i) be written as primary policy coverage and not "excess over" or contributory with any other applicable insurance, including Franchisor's insurance; (ii) shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer(s) liability; (iii) shall not contain any special limitations on the scope of coverage afforded to Franchisor; (iv) shall provide that any failure by Franchisee or any of Franchisee's employees, agents, subcontractors or suppliers, to comply with any notice, reporting or other similar provisions of such policies shall not affect the coverage provided to Franchisor. Franchisor, or its insurer, shall have the right to participate in discussions with Franchisee's insurance company or any claimant (in conjunction with Franchisee's insurance company) regarding any claim of liability, and Franchisee agrees to adopt Franchisor's reasonable recommendations to its insurance company regarding the settlement of any such claims.

16.2 Within ten (10) business days after the execution of this Agreement, but in no event later than the day before the Restaurant opens for business, Franchisee shall submit to Franchisor for approval certificates of insurance showing compliance with the requirements of Section 16.1. Notwithstanding the foregoing, Franchisee shall submit to Franchisor for approval certificates of insurance showing compliance with the worker's compensation requirements set forth in Section 16 prior to the training of any Franchisee employee. Maintenance of such insurance and the performance by Franchisee of its obligations under this Section 16 shall not relieve Franchisee of liability under the indemnity provisions of this Agreement, and shall not limit such liability.

16.3 Should Franchisee, for any reason, fail to procure or maintain the insurance coverage required by this Section, then Franchisor shall have the right and authority but is not required to immediately procure such insurance coverage and to charge the cost thereof to Franchisee, which amounts shall be paid immediately upon notice and shall be subject to charges for late payments in the manner set forth in this Agreement.

16.4 No later than five (5) business days following Franchisee's receipt of same, Franchisee shall submit to Franchisor a copy of any written report relating to the condition of the Restaurant premises, or any aspect thereof, prepared by an insurer or prospective insurer or by a representative of a federal, state or local government or regulatory agency, provided that if any such report contains comments or information which could materially and detrimentally affect the Restaurant, such report shall be submitted to Franchisor within twenty-four (24) hours following Franchisee's receipt thereof.

17. DEBTS AND TAXES

Franchisee shall pay or cause to be paid promptly when due all obligations incurred, directly or indirectly, in connection with the Restaurant and its operation, including, without limitation, (a) all taxes and assessments that may be assessed against the Restaurant, land, building and other improvements, equipment, fixtures, signs, furnishings, and other property; (b) all liens and encumbrances of every kind and character created or placed upon or against any of said property, and; (c) all accounts and other indebtedness of every kind and character incurred by or on behalf

of Franchisee in the conduct of the Restaurant business. Notwithstanding the foregoing, Franchisee will not be in default of this Agreement as a result of a non-payment or non-performance of the foregoing so long as it disputes said debt or lien and is, in the sole opinion of Franchisor, validly and in good faith pursuing a resolution of said claim or lien and has reserved sufficient sums to pay the debt or claim. Franchisor shall have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon Franchisee or the Restaurant, due to the business Franchisee conducts (except for Franchisor's own income taxes). Franchisee must pay these taxes and reimburse Franchisor for any taxes Franchisor must pay to any state taxing authority on account of either Franchisee's operation or payments Franchisee makes to Franchisor (except for Franchisor's own income taxes).

18. TRADE NAMES, SERVICE MARKS AND TRADEMARKS

18.1 Franchisee shall operate under the trade name "Brixx®" and "Brixx Wood Fired Pizza + Craft Bar®," and other Marks and shall use no other name in connection with any operation conducted from the Location, without the prior written approval of Franchisor. The Franchise granted by this Agreement to use the trademark and trade names "Brixx®," "Brixx Wood Fired Pizza + Craft Bar®," and other Marks is non-exclusive and, except as otherwise provided in any Area Development Agreement executed by the Parties in connection herewith, and the privileges granted by this Agreement are applicable only to the Location and not elsewhere. Franchisee shall display the aforementioned Marks for all purposes, including, but not limited to, office signs, stationery, business cards and advertising materials that reflect the current image of Franchisor and strict compliance with the requirements set forth in the Brand Standards Manual. Franchisee expressly acknowledges that the use of any other trade name in conducting such business of this Franchise is strictly prohibited, and that Franchisee shall not permit the trade name "Brixx®," "Brixx Wood Fired Pizza + Craft Bar®," any other Marks or any substantially similar style or spelling thereof, to be used for any other purpose.

18.2 All rights in and to the trademark and trade names "Brixx®," "Brixx Wood Fired Pizza + Craft Bar®," and other Marks and any part thereof or addition thereto and the use thereof shall be and remain the property of Franchisor or its licensor, as applicable, and Franchisee shall assign, transfer, and convey to Franchisor, or Franchisor's licensor, as Franchisor directs, by such instrument in writing as may be requested, all additional rights which may be acquired, if any, by reason of the use of such name by Franchisee. Any application for registration by Franchisee to use the names "Brixx®," "Brixx Wood Fired Pizza + Craft Bar®", and other Marks, which may be required by the statutes or laws of any governing body, shall specify that Franchisee's use of such name is limited to the Location and limited as well by the terms of this Agreement. No property right in or privilege to use such name is created which will extend beyond expiration or earlier termination of this Agreement. Franchisee shall not interfere with nor attempt in any manner to prohibit the use or registration of the name Brixx® and other Marks by Franchisor, Franchisor's licensor, or any other franchisee of Franchisor.

18.3 Franchisee recognizes that the Marks and other property to be licensed under the terms of this Agreement are the sole and exclusive property of the Franchisor or its licensor. Franchisee will not register or attempt to register such Marks in its own name or in the name of any other firm, person or corporation. Franchisee will not use the trade names "Brixx®," "Brixx

Wood Fired Pizza + Craft Bar®," or other Marks as any part of the corporate name of Franchisee. Franchisee represents, warrants and agrees that Franchisee shall not, either during the Initial Term or any Renewal Term of this Agreement, or after the termination, expiration or non-renewal hereof, directly or indirectly, contest or aid in contesting the validity, ownership or use thereof by Franchisor, or take any action whatsoever in derogation of the rights claimed herein by Franchisor. Nothing contained in this Agreement shall be construed to vest in Franchisee any right, title or interest in or to the Marks, the goodwill now or hereafter associated therewith, or any right in the design of the Restaurant building or Restaurant premises, or the decor or trade-dress of the Restaurant, other than the rights and license expressly granted herein for the Initial Term and any Renewal Term, any and all goodwill associated with or identified by any of the Marks shall inure directly and exclusively to the benefit of Franchisor, including, without limitation, any goodwill resulting from operation and promotion of the Restaurant, provided that this subsection shall not be construed to entitle Franchisor to receive any portion of the consideration paid to Franchisee and/or any Owner as a result of a transfer of an interest pursuant to Section 12 hereof.

18.4 Franchisee shall take such additional action as may be necessary under the laws of the state in which the Restaurant is operated to clearly identify itself in all dealings with the public and third parties that Franchisee is an independently owned and operated franchisee of Franchisor and not owned by Franchisor. Franchisee shall post in a conspicuous location at the business premises, as well as on invoices, purchase orders, marketing materials, checks, stationery, contracts, receipts, envelopes, letterhead, business cards, employment applications, and other employment documents, invoices and other communications, electronic or otherwise, and shall display a sign in the reception area of the Restaurant so as to be clearly visible to the general public indicating that "This Brixx Franchise is independently owned and operated by Franchisee under license from Brixx Franchise Systems, LLC." Franchisee shall not use any of Franchisor's Marks in connection with employee facing labor and employment materials.

18.5 Franchisor reserves the right to change, revise, or add or substitute different Marks for use in identifying the Brixx System, the Restaurant, and the products sold or offered for sale through the Restaurant, if Franchisor, in its sole discretion, determines that change, revision, or addition or substitution of different Marks will be beneficial to the Brixx System. In such circumstances, the use of the additional and substitute proprietary marks shall be governed by the terms of this Agreement. Franchisee shall comply with each such change, revision, or addition or substitution and bear all expenses associated therewith.

18.6 Franchisor, in its sole discretion, subject only to the limitations which may be contained in Section 1 of this Agreement, has the right to grant other rights in, to and under those Marks in addition to those rights already granted, and to develop and grant rights in other trade names, trademarks, service marks and other commercial and trade symbols and indicia of origin on any such terms and conditions as Franchisor deems appropriate.

18.7 Franchisee shall adopt and use the Marks only in a manner expressly approved by Franchisor, and shall not use 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, the Brixx System, any of the Marks, or the goodwill associated therewith. Franchisor's Marks shall be displayed only in the

manner and at such locations as are authorized by Franchisor. Franchisee has no right to use the Brixx System or the Marks for any purpose other than expressly provided herein. Franchisee agrees to maintain and display signs reflecting the current image of Franchisor and shall not place additional signs or posters on the Restaurant premises without the prior written approval of Franchisor. Franchisee shall discontinue and destroy such signs as are declared obsolete by Franchisor within the reasonable time specified by Franchisor.

18.8 Franchisor shall hold Franchisee harmless from any liability or expense (but excluding consequential damages) resulting from (i) infringement claims alleged against Franchisee by Yountville Partners, Inc. or (ii) infringement of a third party's service mark, trade name or trademark by Franchisor's use of the Marks, or by any other service mark, trademark or trade name of Franchisor which Franchisor shall designate as part of the Brixx System. This hold-harmless indemnity shall not apply to any unauthorized use by Franchisee of the Marks or any such service mark, trade name or trademark.

18.9 Franchisee agrees to notify Franchisor promptly in writing of any suit or claim for infringement of the Marks for which Franchisee is aware, including those suits covered by the indemnity in Section 18.8. Franchisor shall have the sole right to defend or settle any such suit or claim of infringement at Franchisor's expense. Franchisee, at Franchisee's sole expense, shall have the right to be represented by counsel if Franchisee is a party to the suit or claim. As between Franchisee and Franchisor, in any action related to infringement of the Marks, Franchisor shall, however, retain control of any negotiations with respect to such claim or of any litigation involving such suit. Franchisee agrees to cooperate with Franchisor and to assist Franchisor whenever reasonably requested by Franchisor, at Franchisor's expense, in the defense of any such infringement suit or claim. Franchisee agrees not to enter into any settlement of any such claim or suit or conduct any settlement negotiations relative thereto without the prior approval of Franchisor in writing and, if Franchisee does so, the hold-harmless indemnity set forth in Section 18.8 shall be deemed to have been waived and released in all respects.

18.10 In the event Franchisor's license to use the Marks is terminated or otherwise becomes ineffective and is not reinstated within one hundred eighty (180) days, Franchisee shall have the right to terminate its Franchise and this Agreement. If Franchisee elects to terminate this Agreement under this Section 18.10, Franchisee shall so notify Franchisor in writing, and such termination shall be effective five (5) business days following the receipt of such notice. The provisions of Section 19.5 shall apply to a termination effectuated as described in this Section 18.10.

18.11 In the event that the trademark law is amended so as to render inapplicable any of the provisions of this Agreement, Franchisee shall sign any documents and do such other act and think as in the opinion of Franchisor may be necessary to effect the intent and purpose of the provisions of this Agreement; provided, however, that Franchisor shall bear all costs associated with such request. Franchisee acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of value of the Marks and the goodwill associated with the Marks and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business

relationship with Franchisee or enter into this Agreement without receiving Franchisee's unrestricted promise to use the Marks only in the manner authorized by Franchisor.

19. TERMINATION; OBLIGATIONS AFTER TERMINATION

19.1 This Agreement may not be terminated except as provided herein. Termination, expiration or non-renewal of this Agreement for any reason shall not relieve Franchisee of any unfulfilled obligation created hereunder unless agreed to in writing by Franchisor.

19.2 This Agreement may be terminated as follows:

(a) Upon written consent of both Parties.

(b) If Franchisor fails to perform any material obligation imposed upon it by this Agreement, and such failure is not cured within ninety (90) days after Franchisee delivers written notice of such failure to Franchisor, then, provided Franchisee is otherwise compliant with Franchisee's obligation under this Agreement and any other agreement with Franchisor, Franchisee may terminate this Agreement at any time thereafter by delivering thirty (30) days' written termination notice to Franchisor. If Franchisee terminates this Agreement under this provision, Franchisee must follow the post-termination procedures as set forth in this Section 19 for the orderly wind-down of the Restaurant during the thirty (30) day period.

(c) Franchisee shall be in default under this Agreement, and this Agreement and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee in the event, (i) Franchisee makes a general assignment for the benefit of creditors or a petition in bankruptcy is filed by Franchisee; (ii) a petition in bankruptcy is filed against and not opposed by Franchisee; (iii) Franchisee is adjudicated as bankrupt or insolvent; (iv) a bill in equity or other proceeding is filed for the appointment of a receiver or other custodian for Franchisee's business or assets if filed and consented to by Franchisee; (v) a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (vi) proceeding for a composition with creditors under any state or federal law should be instituted by or against Franchisee; (vii) a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless an appeal or supersedeas bond is filed); (viii) Franchisee is dissolved; (ix) any portion of Franchisee's interest in the Restaurant becomes subject to an attachment, garnishments, levy or seizure by any credit or any other person claiming against or in the rights of Franchisee; (x) execution is levied against Franchisee's business or property; or (xi) the real or personal property of Franchisee's Restaurant shall be sold after levy thereupon by any sheriff, marshal, or constable.

(d) Franchisee shall be in default and Franchisor may, at its option, terminate this Agreement and all rights granted herein, without affording Franchisee any opportunity to cure the default, effective upon the date the notice is deemed received pursuant to Section 23.1 and in no event longer than five (5) days after Franchisor sent the notice, if Franchisee or any Owner:

(1) Attempts to sell, assign, transfer, convey or encumber any interest in the Franchise without Franchisor's prior written consent or otherwise in violation of this Agreement;

(2) (A) Abandons the Restaurant, meaning Franchisee has deserted, walked away from, or closed the Restaurant under circumstances leading Franchisor to conclude that Franchisee has no intent to resume the Restaurant's operation, regardless of the number of days that have passed since the apparent abandonment; or (B) fails actively and continuously to operate the Restaurant (a failure to operate for three (3) or more consecutive days will be deemed a default under this clause (B), except where closure is due to fire, riot, flood, acts of terrorism, or natural disaster and Franchisee notifies Franchisor within three (3) days after the particular occurrence to obtain Franchisor's written approval to remain closed for an agreed-upon amount of time as is necessary under the circumstances before Franchisee must reopen);

(3) Forfeits the right to do or transact business in the jurisdiction where the Restaurant is located or loses the right to possession to the Restaurant premises; provided, however, that if any such loss of possession results from the governmental exercise of the power of eminent domain, or if, through no fault of Franchisee the Restaurant premises are damaged or destroyed, Franchisee shall have forty-five (45) days after either such event in which to apply for Franchisor's approval to relocate or reconstruct the premises (which approval shall not be unreasonably withheld), provided, Franchisee shall either relocate or commence and diligently pursue reconstruction of the Restaurant within sixty (60) days after the event;

(4) Is convicted of or pleads nolo contendere to a felony or crime which adversely affects the operation of the Restaurant, or involves moral turpitude or any other crime or offense that Franchisor believes is injurious to the Brixx System, the Chain, the Marks, or the goodwill associated therewith, or if Franchisor has proof Franchisee has committed such a felony, crime or offense, including, but not limited to, abuse, abuse of customers, use of employees who do not meet Franchisor's then-current standards and training requirements, health or safety hazards, drug or alcohol problems, or permitting unlawful activities at Franchisee's business;

(5) Defaults in the payment of, or the reporting of royalties or Brand Fund fees, advertising fees, or any other indebtedness or obligation due hereunder within 10 business days following the date when such payment was due and payable under the terms of this Agreement (provided, however, that Franchisor shall only be required to provide one (1) such right to cure pursuant to this Section 19.2(d)(5) within any two (2) year period);

(6) Fails on two (2) or more separate occasions within any period of twelve (12) consecutive calendar months to submit when due financial statements,

reports or other data, information or supporting records required by this Agreement, unless such failures are corrected within ten (10) calendar days after notice is delivered to Franchisee; provided, however, that Franchisee will be entitled only to two such notices in any period of twelve (12) consecutive calendar months;

(7) Twice within a twelve (12) month period or three (3) times within a three (3) year period, Franchisee is given notice of being in default under any of the terms or requirements of this Agreement, whether or not such defaults are timely cured after notice;

(8) Knowingly or intentionally maintains false books or records or submits any false records, statement or report to Franchisor;

(9) By act or omission, impairs the value of, or the goodwill associated with, the Chain, any of the Marks or the Brixx System;

(10) Submits to Franchisor on two (2) or more separate occasions at any time during the Initial Term or any Renewal Term, any reports or other data, information or supporting records which understate the Gross Sales of the Restaurant, the Royalty Fees and/or any other sums owed to Franchisor for any period of, or periods aggregating, three (3) or more weeks, and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;

(11) After curing a default pursuant to Section 19 of this Agreement, commits the same act of default again within six (6) months;

(12) Fails to maintain a good credit rating by failing to make prompt payment of undisputed bills, invoices or statements from suppliers of products and services or Franchisee fails to pay undisputed invoices to suppliers timely;

(13) Continues to operate its Restaurant after the Initial Term or any Renewal Term without exercising an option to renew;

(14) Has made any misrepresentation or omitted any material fact in the information which was furnished to Franchisor in connection with this Agreement, the franchise application or other form, agreement or information submitted to Franchisor;

(15) Is in default under the terms of the lease agreement entered into for the Restaurant;

(16) Utilizes duplicates or makes any other unauthorized use of or discloses to any third party information about, the Brixx System in violation of this Agreement, or utilizes, duplicates or discloses any portion of the Brand Standards Manual in violation of this Agreement;

(17) Denies Franchisor the right to inspect the Location or Franchisee's books;

(18) Fails to comply with any of the covenants of set forth in this Agreement;

(19) Breaches any warranty or representation made to Franchisor, whether in this Agreement or otherwise;

(20) Takes, withholds, misdirects, or appropriates for Franchisee's or Owner's own use any funds from Franchisee's employees' wages for employees' taxes, FICA, insurance or benefits, or generally fails to deal fairly and honestly with Franchisee's employees or customers;

(21) Fails to open the Restaurant within six (6) months following Franchisor's acceptance of the location or to obtain Franchisor's acceptance of the Location within twelve (12) months of executing this Agreement;

(22) Is found liable by any judicial, administrative, or arbitral body for violation of federal, state, or local laws barring discrimination on the basis of race, sex, national origin, age or sexual orientation, or is found liable for any common law civil claim the facts of which are grounded in allegations of discrimination on the basis of race, sex, national origin, age, or sexual orientation;

(23) Fails to obtain Franchisor's prior approval prior to opening the Restaurant;

(24) Operates under any trademark not approved by Franchisor or otherwise uses any trademark not approved by Franchisor in the operation of the Restaurant; or

(25) Makes any false representation or warranty, fails to take or pass any of Franchisor's required training, fail to pass any credit or character check performed by or on behalf of the Franchisor, and/or fails to timely or diligently perform any duties or obligations during the period prior to the opening date (and such actions shall also be a default if done by any manager).

(e) Franchisor may terminate this Agreement upon fifteen (15) days prior written notice and failure to cure same within such fifteen (15) days, to the extent such defaults are curable, if Franchisee or any of its Owner(s):

(1) Suffers a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of the Restaurant, and permits the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule, or regulation,

and Franchisee promptly resorts to courts or forums of appropriate jurisdiction to contest such violation or legality;

(2) Fails to promptly pay when due all taxes, accounts, liabilities and indebtedness of any kind incurred in the conduct of the Restaurant;

(3) Fails to obtain or continue any insurance, license, permit or bond required by this Agreement or necessary for the operation of the Restaurant;

(4) Operates the Restaurant in such a manner which, in the opinion of Franchisor, constitutes an imminent danger to public health or safety;

(5) Violates a law, ordinance, rule or regulation related to data privacy and data security and/or violates Franchisor's Data Protection and Security Policies;

(6) Fails to use an approved supplier or uses an unapproved supplier; or

(7) Fails to execute a transfer of the Franchise upon the death or permanent disability of an Owner in the time frame and in accordance with the provisions set out in Section 12.7 of this Agreement.

(f) Franchisor may terminate this Agreement upon thirty (30) days prior written notice and failure to cure within such thirty (30) day period or such longer period as applicable law may require if Franchisee violates any other term or condition of this Agreement, to the extent such violations are curable. Franchisee shall be in default hereunder for any failure to substantially comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be supplemented by the Brand Standards Manual, or to carry out the terms of this Agreement, in good faith. Such defaults shall include, for example, without limitation, the occurrence of any of the following events:

(1) If Franchisee fails to maintain the standards that Franchisor requires in this Agreement and in the Brand Standards Manual;

(2) Except as otherwise provided in this Section 19, if Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

(3) If Franchisee fails to satisfactorily pass any Franchisor inspection by not receiving an acceptable inspection score, which is applicable to all Brixx restaurants and has been set from time to time by Franchisor in its sole discretion, and Franchisee thereafter fails to rectify, within thirty (30) days, any material deficiencies noted in such inspection; or

(4) If Franchisee fails to satisfactorily pass any local, state or federal health inspection by not receiving the number score required to receive a grade of "A" (or the equivalent), or otherwise fails to satisfy all Occupational Safety & Health Administration guidelines, Americans With Disabilities Act guidelines and any other laws and regulations which apply to restaurants specifically and businesses generally, and Franchisee thereafter fails to rectify, within the applicable cure period, any material deficiencies necessary to satisfy such guideline or receive the minimum inspection score required.

19.3 Franchisee hereby authorizes Franchisor to notify any lender, creditor, customer, vendor, or landlord of the Franchisee or Restaurant upon the occurrence of any default, or any event or circumstances which the giving or notice or passage of time or both would constitute an event of default, and to otherwise communicate with such lenders, creditors, customers, vendors, or landlords with respect to any such default, or any such event or circumstance.

19.4 Upon the termination, expiration or non-renewal of this Agreement for any reason, Franchisee shall cease to be an authorized Franchisee and shall:

(a) Immediately cease to operate the Restaurant licensed under this Agreement;

(b) Immediately and permanently cease to use, in any manner whatsoever, all trade secrets, Confidential Information, methods, procedures, and techniques used by or associated with the Brixx System and the Marks;

(c) Immediately discontinue the use of all Marks, logo, insignia, slogan, emblem, symbol, design or trade dress and other identifying characteristics of Franchisor;

(d) Immediately pay to Franchisor and its affiliates all sums due upon request under this Agreement and any other agreements, including, without limitation, the liquidated damages in Section 19.5 and all damages, costs, losses, expenses, and reasonable attorneys' fees incurred by Franchisor by reason of default on the part of Franchisee, whether or not such damages, costs or expenses occur before or after the termination, expiration or non-renewal of this Agreement, and Franchisee's obligations under this Section 19.4(d) shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of Franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Restaurant. Within fifteen (15) days of the date of expiration, termination, or non-renewal of this Agreement, Franchisee shall pay in full all of the creditors and suppliers to the Restaurant;

(e) Immediately return to Franchisor all property held or used by Franchisee which is owned by Franchisor, including the Customer Lists, Franchised Business Data, Brand Standards Manuals, (including any copies provided by Franchisor), forms, books, records and contracts to Franchisor and comply with Franchisor's instructions regarding the Computer Systems, Franchisee Data, and Customer List;

(f) Immediately discontinue all advertising as a Franchisee and cease to use, and either destroy or convey to Franchisor, all signs, advertising materials, copyrighted artwork displays, stationery, forms and any other materials that bear or display the Marks;

(g) Immediately disable any Online Presence established by Franchisee, or permit Franchisor to freely disable the Online Presence, in connection with its operation of its Franchise or, if Franchisor so determines in its sole discretion, assign all of Franchisee's rights, title, and interest in and to any Online Presence established by Franchisee in connection with its operation of Franchisee. Franchisee shall deliver to Franchisor all login credentials associated with Computer Systems, Online Presences, and all other accounts and systems affiliated with the Restaurant;

(h) Maintain all books, records and reports required pursuant to this Agreement for a period of not less than three (3) years after termination, expiration or non-renewal of this Agreement and allow Franchisor to make final inspection and audit of Franchisee's books, records and reports within said three (3) year period for the purpose of verifying that all fees and other appropriate amounts have been paid as required herein;

(i) Assign to Franchisor or its designee all of Franchisee's rights, title, and interest in and to Franchisee's telephone numbers, telephone directory listings, Online Presences, advertisements, leases and governmental licenses or permits used for the operation of the Restaurant;

(j) Refrain from doing anything which would indicate that Franchisee is or ever was an authorized Franchisee;

(k) Refrain from the use of any Mark, logo, insignia, slogan, emblem, symbol, design or trade dress and other identifying characteristic, including, but not limited to, Franchisor's distinctive color scheme, specified furnishings and fixtures, and general design and layout, that is in any way associated with Franchisor or similar to those associated with Franchisor, or use any food or proprietary menu item, recipe or method of food preparation or operate or do business under any name or in any manner that might tend to give the public the impression that Franchisee is or was a licensee or franchisee or otherwise associated with, Franchisor. Such obligations require de-identification of the Restaurant if Franchisor does not exercise the purchase rights set forth in Section 19.12 or lease assignment rights below;

(l) Take such actions as may be necessary to cancel any assumed name or similar registration which contains the mark BRIXX or any other Marks of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with its obligation within thirty (30) days after termination, non-renewal, or expiration of this Agreement;

(m) Comply with the covenants contained in this Agreement, including, but not limited to, the covenants not to compete, covenants not to solicit, and the covenants not to disclose trade secrets or Confidential Information;

(n) At Franchisor's option, assign its lease to, or sublease its rights in, the Location, to Franchisor or Franchisor's designee within thirty (30) days after Franchisee receives written notice of Franchisor's exercise of such option; and

(o) Franchisee shall, within thirty (30) days of the early termination of this Agreement for any reason (meaning termination prior to the expiration of the Initial Term) pay to Franchisor an amount equal to the valid and redeemable Gift Cards as of the date of termination.

In the event Franchisee does not comply with the above requirements, Franchisor may enter the Restaurant premises, without being guilty of trespass and without incurring any liability to Franchisee, to undertake these post-termination obligations, including removing all signs, trade dress, equipment, and other items identifying the Restaurant premises as a Brixx restaurant and to make such other modifications as are reasonably necessary to protect the Marks and the Brixx System and to distinguish the Restaurant premises from other Brixx restaurants.

19.5 Upon termination of this Agreement by Franchisor under Sections 19.2(c), (d), (e) or (f), Franchisee agrees to pay to Franchisor within fifteen (15) days after termination of this Agreement, in addition to the amounts owed hereunder, liquidated damages equal to the product of (i) the sum of the average monthly Royalty Fees and the average monthly Brand Fund Fees (without regard to any fee waivers or other reductions) that are owed by Franchisee to Franchisor during the twelve (12) months of operation preceding the effective date of termination multiplied by (ii) the lesser of (X) thirty-six (36) or (Y) the number of full months remaining in the, as applicable, Initial Term or a Renewal Term, except that liquidated damages will not, under any circumstances, be less than Sixty Thousand Dollars ($60,000). The Parties acknowledge and agree that it would be impracticable to determine precisely the damages Franchisor would incur from this Agreement's termination and the loss of cash flow from Royalty Fees and Brand Fund Fees due to, among other things, the complications of determining what costs, if any, Franchisor might have saved and how much the Royalty Fees and Brand Fund Fees would have grown over what would have been this Agreement's remaining term. The Parties consider this liquidated damages provision to be a reasonable, good faith pre-estimate of those damages. This liquidated damages provision only covers Franchisor's damages from the loss of cash flow from continuing Royalty Fees and Brand Fund Fees. It does not cover any other damages, including damages to Franchisor's reputation with the public or damages arising from the violation of any provision of this Agreement other than the relevant sections relating to continuing Royalty Fees and Brand Fund Fees. Franchisee and its Owners acknowledge and agree that this liquidated damages provision does not provide Franchisor an adequate remedy at law for any default under, or the enforcement of, any provision under this Agreement other than the relevant sections relating to continuing Royalty Fees and Brand Fund Fees.

19.6 The foregoing provisions of this Section 19 are subject to the provisions of any local statutes or regulations which limit the grounds upon which Franchisor may terminate this Agreement, or which require that Franchisor give Franchisee additional prior written notice of termination, expiration or non-renewal and opportunity to cure any default. If any law applicable to this Section requires a longer notice period prior to termination of this Agreement than is

specified in this Agreement, a different standard of "good cause," or the taking of some other action not required under this Agreement, the prior notice, "good cause" standard, and/or other action required by such law will be substituted for the comparable provisions in this Agreement.

19.7 Franchisor has the unrestricted right to elect to not enforce (or to selectively enforce) any provision of this Agreement or any other agreement, standard or policy, whether with respect to Franchisee and/or any other franchisee or other person, or any affiliate of Franchisee or Franchisor, without liability. Franchisor shall have the right, but not the obligation, to temporarily or permanently limit or remove certain services or benefits provided or required to be provided to Franchisee hereunder in lieu of exercising its right to terminate this Agreement pursuant to the terms hereof, including, without limitation, eliminating Franchisee's right to use the Franchisor's any Online Presence free of charge, restricting or removing Franchisee's right to purchase products directly or indirectly from the Franchisor or its affiliates, limiting the Franchisor's advertising and promotional assistance, Territory protections, and restricting or removing Franchisee's right to use any Computer Systems which are provided by or are proprietary to Franchisor or its affiliate. Furthermore, If Franchisee defaults under this Agreement, Franchisor has the right to modify Franchisee's Territory and the protections described in Section 1. Nothing in this Section constitutes a waiver of any other right or remedy of the Franchisor under this Agreement. Franchisee acknowledges that the Franchisor's exercise of its rights pursuant to this Section shall not be deemed a constructive termination. Any services or benefits removed or limited pursuant to this Section may be reinstated at any time in the Franchisor's sole discretion.

19.8 Any default by Franchisee, its Owners, or its affiliates ("Franchisee Parties") under this Agreement shall be a default under any other agreement between Franchisor or its affiliates ("Franchisor Parties") and Franchisee Parties. Any such default under any other agreement or any other obligation between Franchisor Parties and Franchisee Parties shall be a default under this Agreement. Any default by Franchisee Parties under any lease, sublease, loan agreement, or security interest may be regarded as a default under this Agreement, regardless of whether or not any such agreements are between Franchisee Parties and Franchisor Parties.

19.9 Notwithstanding anything to the contrary in this Agreement, Franchisor reserves the right to grant to Franchisee in Franchisor's sole discretion an extended cure period for any breach. Franchisee acknowledges that Franchisor's decision to grant such an extended cure period shall not operate as a waiver of any of Franchisor's rights and that Franchisor can choose to condition such an extension upon the signing of a general release by Franchisee, its Owners, and its affiliates.

19.10 Without waiving Franchisor's rights that it may have, and in Franchisor's sole discretion, Franchisor may elect not to terminate Franchisee's franchise agreement as a result of a default. In the event a default occurs, Franchisor may elect to give written notification (a "Notice of Noncompliance") to Franchisee that the Restaurant (or more than one Restaurant, if applicable), is not in compliance with the terms and conditions of this Agreement. Such Notice of Noncompliance shall state a period for Franchisee to cure the noncompliance, which shall be a period not less than thirty (30) days. For a period of six months from and after the date of such Notice of Noncompliance, Franchisee shall reimburse Franchisor for reasonable costs that Franchisor incurs with respect to the Restaurant identified in such notice, including without

limitation the costs of any audit or inspection of such Restaurant in excess of Franchisor's normal audit program, any mystery shopping for such Restaurant during such six (6) month period in excess of Franchisor's normal mystery shopping program applied to all Brixx restaurants, additional training that Franchisor determines is required to bring the Restaurant up to Franchisor's standards, and any personnel costs incurred by Franchisor at the Restaurant site to ensure the proper management and operation of such Restaurant. Nothing in this Section shall limit Franchisor's termination rights as otherwise set forth in this Agreement, which Franchisor reserves the right to exercise at any time.

19.11 If Franchisee fails to comply with a written notice of termination sent by Franchisor and to the extent such termination of this Agreement is later upheld in arbitration (as set forth in Section 22 below), if any, Franchisee's operation of the Restaurant, from and after the date of termination stated in such notice, shall constitute willful trademark infringement and unfair competition by Franchisee.

19.12 Purchase Rights.

(a) Upon the termination, expiration or non-renewal of this Agreement for any reason, for a period of ninety (90) days thereafter, Franchisor shall have the option upon delivery of written notice to Franchisee, to purchase from Franchisee some or all of the assets used in the Restaurant ("Assets"). As used in this Section 19, "Assets" shall mean and include, without limitation, leasehold improvements, equipment, Computer Systems, vehicles, furnishings, fixtures, signs and inventory (non-perishable products, materials and supplies) used in the Restaurant, and the real estate fee simple or the lease or sublease for the Restaurant, if any. Franchisor shall have the unrestricted right to assign this option to purchase the Assets. Franchisor or its assignee shall be entitled to all customary representations and warranties that the Assets are free and clear (or, if not, accurate and complete disclosure) as to: (1) ownership, condition and title; (2) liens and encumbrances; (3) environmental and hazardous substances; and (4) validity of contracts and liabilities inuring to Franchisor or affecting the Assets, whether contingent or otherwise.

(b) The purchase price for the Assets ("Purchase Price") shall be their depreciated book value determined as of the effective date of purchase. Further, the Purchase Price for the Assets shall not contain any factor or increment for any trademark, service mark or other commercial symbols used in connection with the operation of the Restaurant nor any goodwill or "going concern" value for the Restaurant. Franchisor may purchase all or only a portion of the Assets and may exclude from its purchase any Assets or cash, for any reason, in Franchisor's sole discretion.

(c) Within three (3) days after the Purchase Price has been determined, Franchisor may exercise its option to purchase the Assets by so notifying Franchisee. The Purchase Price shall be paid in cash or cash equivalents at the closing of the purchase ("Closing"), which shall take place no later than sixty (60) days after Franchisor's receipt of the valuations set by the appraisers. At the Closing, Franchisee shall deliver instruments transferring to Franchisor or its assignee: (1) good merchantable title to the Assets purchased, free and clear of all liens and encumbrances (other than liens and security

interests acceptable to Franchisor or its assignee), with all sales and other transfer taxes paid by the Franchisee; (2) all licenses and permits for the Restaurant that may be assigned or transferred, with appropriate consents, if required; and (3) the lease or sublease for the Restaurant, if any, with appropriate consents, if required. If Franchisee cannot deliver clear title to all of the purchased Assets as indicated in this Section 19, or if there are other unresolved issues, the Closing shall be accomplished through an escrow.

(d) Prior to Closing, Franchisee and Franchisor shall comply with all applicable legal requirements, including the bulk sales provisions of the Uniform Commercial Code of the state in which the Restaurant is located and the bulk sales provisions of any applicable tax laws and regulations. Franchisee shall, prior to or simultaneously with the Closing, pay all tax liabilities incurred in connection with the operation of the Restaurant prior to Closing. Franchisor shall have the right to set off against and reduce the Purchase Price by any and all amounts owed by Franchisee to Franchisor, and the amount of any encumbrances or liens against the Assets or any obligations assumed by Franchisor.

(e) If Franchisor or its assignee exercises the option to purchase, pending the Closing, Franchisor shall have the right to appoint a manager to operate the Restaurant, effective upon Franchisee's receipt of the notice from Franchisor. Alternatively, Franchisor may require Franchisee to close the Restaurant during such time period without removing any Assets from the Restaurant. Franchisee shall maintain in force all insurance policies required under this Agreement until the Closing.

(f) If the Restaurant operates in a lease location, Franchisor agrees to use reasonable efforts to effect a termination of the existing lease. If the lease is assigned to Franchisor or Franchisor subleases the leased location from Franchisee, Franchisor will indemnify and hold Franchisee harmless from any ongoing liability under the lease from the date Franchisor assumes possession of the leased premises, and Franchisee will indemnify and hold Franchisor harmless from any liability under the lease prior to and including that date. If Franchisee owns the location from which the Franchisee operates the Restaurant, Franchisor, at its option, will either purchase the fee simple interest or, upon purchase of the other Assets, enter into a standard lease with Franchisee on terms comparable to those for which similar commercial properties in the area are then being leased. The initial term of this lease with Franchisee shall be at least ten (10) years with four (4) options to renew of five (5) years each and the rent shall be the fair market rental value of the leased premises. If Franchisee and Franchisor cannot agree on the fair market rental value of the leased premises, then the rental value shall be determined by two professionally certified appraisers, Franchisee selecting one (1) and Franchisor selecting one (1). If the valuations set by the two (2) appraisers differ by more than ten percent (10%), the two (2) appraisers shall select a third professionally certified appraiser who also shall appraise the fair market rental value of the leased premises. The average value set by the appraisers (whether two (2) or three (3) appraisers as the case may be) shall be conclusive. The appraisers shall be given full access to the Restaurant and Franchisee's books and records during customary business hours to conduct the appraisal. The appraisers' fees and costs shall be borne equally by Franchisor and Franchisee.

19.13 Franchisee shall promptly reimburse Franchisor upon request for any damages, costs, losses, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of any default under this Agreement.

19.14 Notwithstanding anything to the contrary contain in this Article 19, if any valid and applicable law or regulation of a competent governmental authority having jurisdiction over the Restaurant and the Parties shall limit Franchisor's rights of termination under this Agreement or shall require longer notice periods than those set forth above, this Agreement shall be deemed to satisfy the minimum notice periods or restrictions upon such termination required by such laws and regulations; provided, however, that such constructive amendment shall not be deemed a concession by Franchisor that the grounds for termination set forth herein do not constitute "good cause" for termination within the meaning ascribed that term by any applicable law or regulation. Franchisor shall not be precluded from contesting the validity, enforceability, or application of such laws or regulations in any action, hearing, or proceeding relating to this Agreement or the termination thereof.

20. NO WAIVER OF DEFAULT; CUMULATIVE REMEDIES

20.1 The waiver by Franchisor of any breach or default, or series of breaches or defaults, of any term, covenant or condition herein, or of any same or similar term, covenant or condition contained in any other agreement between Franchisor and any franchisee, shall not be deemed a waiver of any subsequent or continuing breach or default of the same or any other term, covenant or condition contained in this Agreement, or in any other agreement between Franchisor and any Franchisee.

20.2 All rights and remedies of the Parties shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement. The rights and remedies of the Parties shall be continuing and shall not be exhausted by any one (1) or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The termination, expiration or non-renewal of this Agreement shall not discharge or release Franchisee or any Owner from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the termination, expiration or non-renewal of the Agreement.

21. FORCE MAJEURE

21.1 As used in this Agreement, the term "Force Majeure" shall mean any act of God (including, but not limited to, flood, earthquake, hurricane, tornado, snow storm or ice storm), strike, lockout or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government and any other similar cause not within the control of the Party affected thereby.

21.2 If the performance of any obligation by any Party under this Agreement is prevented, hindered or delayed by reason of Force Majeure, which cannot be overcome by use of normal commercial measures, the Parties shall be relieved of their respective obligations to the extent the Parties are necessarily prevented, hindered or delayed in such performance during the period of such Force Majeure. The Party whose performance is affected by an event of Force Majeure shall give prompt notice of such Force Majeure event to the other Party by telephone (in each case to be confirmed in writing pursuant to the provisions of Section 23 below), setting forth the nature thereof and an estimate as to its duration, and shall be liable for failure to give such timely notice only to the extent of damage actually caused.

21.3 Notwithstanding the provisions of this Section 21, if, as a result of an event of Force Majeure (including condemnation proceedings), the Franchisee ceases to operate the Restaurant or loses the right to possession of the Restaurant premises, Franchisee shall apply within thirty (30) days after the event of Force Majeure for Franchisor's approval to relocate and/or reconstruct the Restaurant. If relocation is necessary, Franchisor agrees to use its reasonable efforts to assist Franchisee in locating an alternative site in the same general area where Franchisee can operate a Restaurant within the Brixx System for the balance of the Initial Term or a Renewal Term. If Franchisor so assists Franchisee, Franchisee shall reimburse Franchisor for its reasonable out-of-pocket expenses incurred as a result thereof. This provision shall not be construed to prevent Franchisee from receiving the full amount of any condemnation award of damages relating to the closing of the Restaurant; provided, however, that if Franchisor or an affiliate is the lessor of the Restaurant premises, Franchisee specifically waives and releases any claim it may have for the value of any building, fixtures and other improvements on the Restaurant premises, whether or not installed or paid for by the Franchisee, and Franchisee agrees to subordinate any claim it may have to Franchisor's claim for such improvements. Selection of an alternative location will be subject to the site acceptance procedures set forth in Sections 4 and 5 of this Agreement. Once Franchisee has obtained Franchisor's approval to relocate and/or reconstruct the Restaurant, Franchisee must diligently pursue relocation and/or reconstruction until the Restaurant is reopened for business.

22. DISPUTE RESOLUTION; GOVERNING LAW; CONSTRUCTION

22.1 The term "Action" as referred to in this Section 22, means any claim, counterclaim, action, proceeding, lawsuit, arbitration, dispute, or controversy, whether in law or in equity, arising from or related to this Agreement, any agreement between Franchisee (or its Owners, affiliates, and guarantors) and Franchisor (or its affiliates) relating to the Restaurant, the rights, performance, and obligations of Franchisor and Franchisee under such agreements, the interpretation, validity, or enforceability of such agreements, the sale of the franchise, the relationship between Franchisor and Franchisee (and its Owners, affiliates, and guarantors).

22.2 Before Franchisee (or any of its Owners, guarantors, or affiliates) and Franchisor (or its affiliates) may bring an Action against the other, the parties must first meet to mediate the dispute (except as otherwise provided below). Any such mediation shall be non-binding. Mediation shall be (i) conducted by a mediator mutually agreeable to the parties who has franchise law experience, (ii) conducted in accordance with the American Arbitration Association rules for mediation of commercial disputes and (iii) held in the city of Franchisor's then-current principal place of business (currently Charlotte, North Carolina). Nevertheless, the parties may

mutually agree on a mediator, venue, and/or procedures for mediation. The mediation shall be commenced by the party requesting mediation ("complainant") providing written notice of the request for mediation ("request") to the party with whom mediation is sought ("respondent"). The request shall specify with reasonable particularity the matter or matters on which mediation is sought. A copy of the request shall be given by the complainant simultaneously to Franchisor if Franchisor is not a complainant or respondent. Mediation commenced under this Section 22.2 shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service.

22.3 Subject to Section 22.4, all Actions between the Parties not resolved by the foregoing mediation procedures including their respective affiliates, owners, officers, directors, agents, and employees, arising from or relating to this Agreement shall on demand of either Party be submitted for arbitration to a mutually agreeable arbitrator and in accordance with the rules of the American Arbitration Association ("AAA"). Nonetheless, the arbitrator need not be affiliated with AAA. The arbitration shall be governed exclusively by the United States Arbitration Act (9 U.S.C. Section 1, et seq.), without reference to any state arbitration statutes. The Parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedures) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be barred. The Parties agree that arbitration shall be conducted on an individual – not a class-wide basis. The arbitration proceedings shall be conducted in the city where Franchisor then has its principal place of business in accordance with the then-current commercial arbitration rules of the AAA, except the Parties shall be entitled to limited discovery at the discretion of the arbitrator who may, but are not required to, allow depositions. The Parties acknowledge that the arbitrator's subpoena power is not subject to geographic limitations. The matter shall be heard by one (1) arbitrator mutually selected by the parties who shall have at least ten (10) years' experience in practicing franchise law during which franchise is or has been their primary area of practice and shall have substantial experience in the preparation of franchise agreements and franchise disclosure documents. The Parties agree to be bound by the provisions of any limitation on the period of time by which claims must be brought under North Carolina law or any applicable federal law. The arbitration proceedings may, at the discretion of the arbitrator, also include claims under other Franchise Agreements to which Franchisee (or its affiliates, successors or assigns) is a party that also provide for mandatory arbitration on substantially similar terms as those contained in this Section 22. Otherwise, the arbitration proceedings shall be conducted on an individual basis and not on a multi-plaintiff, consolidated or class-wide basis. The arbitrator shall have the right to award the relief which he or she deems proper, consistent with the terms of this Agreement, including compensatory damages (with interest on unpaid amounts from due date), specific performance, injunctive relief, legal damages and costs. The award and decision of the arbitrator shall be conclusive and binding on all Parties, and judgment upon the award may be entered in any court of competent jurisdiction. Franchisee and Franchisor agree, however, that the arbitrator shall not have authority to declare any Mark owned by Franchisor, its affiliate or is otherwise a part of the Brixx System to be generic or invalid. Any right to contest the validity or enforceability of this award shall be governed

exclusively by the United States Arbitration Act. The provisions of this Section 22 shall continue in full force and effect subsequent to and notwithstanding the termination, expiration or non-renewal of this Agreement.

22.4 Notwithstanding the provisions of Section 22.2 and 22.3 above, Franchisee agrees that Franchisor, at its option, will have the right to seek preliminary injunctive relief from a court of competent jurisdiction, to restrain any conduct by Franchisee, the Owners, or the guarantors that (i) could damage the goodwill associated with the System, the Marks, and the Chain (including but not limited to conduct related to trademark or other intellectual property infringement), (ii) that involves the disclosure or use of Franchisor's Confidential Information, including but not limited to the Customer List, or (iii) that relates to Franchisee's, the Owners', or a managerial employee's covenants against unfair competition or solicitation, provided that if Franchisee counters, as Franchisee may, by initiating arbitration, Franchisor agrees to arbitrate the entire dispute thereafter except preliminary injunctive relief (and permanent injunctive relief also, if Franchisee will not agree that the preliminary injunction shall remain effective indefinitely until the arbitrator shall dissolve it), leaving the court action pending, if it chooses, to facilitate enforcement. Therefore, Franchisee agrees that Franchisor will not be required to post a bond to obtain any injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by reason of the wrongful issuance of such injunction being expressly waived hereby). Any proceeding brought under this subsection may be brought in the jurisdiction where Franchisor then has its principal place of business.

22.5 **FRANCHISOR AND FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT BY FRANCHISOR (AND ITS AFFILIATES, IF APPLICABLE) AND FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE). NEITHER FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) NOR FRANCHISOR SHALL SEEK TO BRING AN ACTION AGAINST ANY OF THE OTHER PARTIES EITHER AS A REPRESENTATIVE OF, OR ON BEHALF OF, ANY OTHER PERSON, CLASS, OR ENTITY. NO ACTION SHALL ADD AS A PARTY, BY CONSOLIDATION, JOINDER, OR IN ANY OTHER MANNER, ANY PERSON OR PARTY OTHER THAN FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) AND FRANCHISOR (AND ITS AFFILIATES, IF APPLICABLE) AND ANY PERSON IN PRIVITY WITH, OR CLAIMING THROUGH, IN THE RIGHT OF, OR ON BEHALF OF, THEM, UNLESS BOTH FRANCHISEE AND FRANCHISOR CONSENT IN WRITING. FRANCHISOR HAS THE ABSOLUTE RIGHT TO REFUSE SUCH CONSENT. FRANCHISEE (AND ITS OWNERS, GUARANTORS, AND AFFILIATES, AS APPLICABLE) AGREES AND ACKNOWLEDGES THAT ANY ACTION WILL BE CONSIDERED UNIQUE ON ITS FACTS AND SHALL NOT BE BROUGHT AS A CLASS OR GROUP ACTION. FRANCHISEE (AND ITS OWNERS, GUARANTORS, AND AFFILIATES, AS APPLICABLE) MAY NOT BRING ANY ACTION ON A CLASS-WIDE BASIS (OR JOIN ANY THIRD-PARTY CLAIM).**

22.6 If any part of this Agreement shall for any reason be declared invalid unenforceable or impaired in any way, the validity of the remaining portions shall remain in full force and effect as if the Agreement had been executed with such invalid portion eliminated, and it is hereby declared the intention of the Parties that they would have executed the remaining portion of this Agreement without including therein any such portions which might be declared invalid; provided, however, that in the event any part hereof relating to the payment of fees to Franchisor, or the presentation of any of Franchisor's Marks, trade secrets or secret formulae licensed or disclosed hereunder is for any reason declared invalid or unenforceable, then Franchisor shall have the right to terminate this Agreement upon written notice to Franchisee. If any clause or provision herein would be deemed invalid or unenforceable as written, it shall be deemed modified or limited to such extent or in such manner as may be necessary to render the clause or provision valid and enforceable to the greatest extent possible in light of the interest of the Parties expressed in that clause or provision, subject to the provisions of the preceding sentence.

22.7 FRANCHISEE AND OWNERS ACKNOWLEDGE THAT FRANCHISOR MAY GRANT NUMEROUS FRANCHISES THROUGHOUT THE UNITED STATES ON TERMS AND CONDITIONS SIMILAR TO THOSE SET FORTH IN THIS AGREEMENT, AND THAT IT IS OF MUTUAL BENEFIT TO FRANCHISEE AND OWNERS AND TO FRANCHISOR THAT THESE TERMS AND CONDITIONS BE UNIFORMLY INTERPRETED. NOTHING HEREIN PRECLUDES FRANCHISOR FROM ENTERING INTO FRANCHISE AGREEMENTS WHICH MAY VARY MATERIALLY FROM THIS AGREEMENT.

22.8 THE PARTIES AGREE THAT TO THE EXTENT THAT THE LAW OF THE STATE OF NORTH CAROLINA DOES NOT CONFLICT WITH LOCAL FRANCHISE STATUTES, RULES AND REGULATIONS, NORTH CAROLINA LAWS APPLY TO THE CONSTRUCTION OF THIS AGREEMENT AND SHALL GOVERN ALL QUESTIONS WHICH ARISE WITH REFERENCE HERETO, WITHOUT REGARD TO THE APPLICATION OF NORTH CAROLINA CONFLICTS OF LAW PRINCIPLES.

22.9 Any and all Actions brought by Franchisee, the Owners, or Franchisee's affiliates or guarantors against Franchisor or its affiliates, shall be commenced within one (1) year from the occurrence of the facts giving rise to such Action, or such Action shall be barred.

22.10 The prevailing Party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Restaurant or site, the Parties' relationship, or the Restaurant will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrator's fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in the prosecution or defense of any such claim, lawsuit, litigation or arbitration.

22.11 EXCEPT FOR FRANCHISEE INDEMNIFYING PARTIES' OBLIGATIONS TO INDEMNIFY FRANCHISOR INDEMNIFIED PARTIES UNDER THIS AGREEMENT AND ANY ACTION FRANCHISOR BRINGS AGAINST FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) FOR

UNAUTHORIZED USE OF THE MARKS, UNAUTHORIZED USE OR DISCLOSURE OF CONFIDENTIAL INFORMATION, OR BREACH OF NON-COMPETITION OR NON-SOLICITATION COVENANTS, FRANCHISOR AND FRANCHISEE (AND FRANCHISEE'S OWNERS, AFFILIATES, AND GUARANTORS, IF APPLICABLE) WAIVE ANY RIGHT TO OR CLAIM FOR PUNITIVE, CONSEQUENTIAL, EXEMPLARY, MULTIPLE, INCIDENTAL, OR OTHER DAMAGES IN EXCESS OF THE ECONOMIC DAMAGES ACTUALLY SUSTAINED BY THE PARTY, WHETHER ASSERTED AS A RELATED OR INDEPENDENT TORT, AS A BREACH OF CONTRACT, OR AS ANY OTHER CLAIM OR CAUSE OF ACTION BASED ON STATUTORY OR COMMON LAW. THE FOREGOING DOES NOT LIMIT THE PARTIES' ABILITY TO SEEK EQUITABLE RELIEF.

22.12 FRANCHISEE AND OWNERS HEREBY WAIVE THE RIGHT TO OBTAIN ANY REMEDY BASED ON ALLEGED FRAUD, MISREPRESENTATION, OR DECEIT BY FRANCHISOR, INCLUDING, WITHOUT LIMITATION, RECISSION OF THIS AGREEMENT, IN ANY ACTION ARISING HEREUNDER, EXCEPT UPON A GROUND EXPRESSLY PROVIDED IN THIS AGREEMENT, OR PURSUANT TO ANY RIGHT EXPRESSLY GRANTED BY ANY APPLICABLE STATUTE REGULATING THE SALE OF FRANCHISES, OR ANY REGULATION OR RULES PROMULGATED THEREUNDER.

22.13 Any Party to this Agreement may by written instrument unilaterally waive or reduce any obligation of or restriction upon any counter-Party under this Agreement, effective upon delivery of written notice thereof to such counter-Party. Any waiver granted by the Franchisor shall be without prejudice to any other rights the Franchisor may have, will be subject to continuing review by the Franchisor, and may be revoked, in the Franchisor's sole judgment and discretion, at any time for any reason, effective upon delivery to Franchisee of ten (10) days' prior written notice. No Party to this Agreement shall be deemed to have waived or impaired any right, power, or option reserved by this Agreement by virtue of (a) any custom or practice of the Parties at variance with the terms hereof; (b) any failure, refusal, or neglect of any Party to exercise any rights under this Agreement or to insist upon exact compliance by the other Parties with their obligations hereunder; (c) any waiver, forbearance, delay, failure, or omission by Franchisor to exercise any right, power, or option, whether of the same, similar, or different nature, with respect to other Brixx Restaurants; or (d) the acceptance by Franchisor of any payments due from Franchisee or any Owner after any breach of this Agreement.

22.14 The provisions of this Section 22 shall continue in full force and effect subsequent to and notwithstanding the termination, expiration or non-renewal of this Agreement.

23. MISCELLANEOUS

23.1 Except as otherwise provided in this Agreement, all notices, requests, demands and other communications required or permitted to be given or made under this Agreement shall be in writing and shall be given (i) by personal delivery, (ii) by registered or certified mail, return receipt requested, postage prepared, or (iii) by delivery to a nationally recognized overnight courier service, in each case, addressed to the Address for Notice on the Summary Pages, or, if Franchisee has opened its Restaurant, addressed to Franchisee at the address of the Location, or to such other address as may have been designed by notice to the other party.

Notice shall be deemed given and effective upon the first to occur of receipt, when proper delivery is refused, or two (2) calendar days after deposit in registered or certified U.S. Mail or with a nationally recognized overnight courier, as described above. Any notice that gives the sender evidence of delivery, rejected delivery, or delivery that is not possible because the recipient moved and left no forwarding address will be deemed to have been given at the date and time of receipt, rejected, and/or attempted delivery.

Additionally, Franchisor may provide the notice described in this section by email or other electronic system to (a) the email address set forth on the Summary Pages, (b) the email address Franchisor has approved or provided for Franchisee to use with the Restaurant, or (c) another electronic account that Franchisor has approved or provided for Franchisee to use with the Restaurant. Such email notices shall be deemed given and effective upon the day on which the email was sent, unless Franchisor receives notice of rejected delivery by the email account or other electronic account.

23.2 All terms used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter as the context or sense of this Agreement may require, the same as if such words had been written in this Agreement themselves. The headings inserted in this Agreement are for reference purpose only and shall not affect the construction of this Agreement or limit the generality of any of its provisions. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party, whether under any rule of construction or otherwise. No Party to this Agreement shall be considered the draftsman. The Parties acknowledge and agree that this Agreement has been reviewed, negotiated and accepted by all Parties and their attorneys and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all Parties.

23.3 This Agreement and the documents referred to herein constitute the entire agreement between the Parties with respect to the subject matter hereof, superseding and canceling any and all prior and contemporaneous agreements, understandings, representations (including, unless otherwise agreed upon by the parties, the representations of any franchise sellers), inducements and statements, oral or written, of the Parties in connection with the subject matter hereof, except that nothing in this Agreement or any related agreement is intended to disclaim or waive reliance on any representations made in the Franchise Disclosure Document. This Agreement may not be amended orally, but may be amended only by a written instrument signed by the parties.

23.4 Except as expressly authorized herein, no amendment or modification of this Agreement shall be binding unless executed in writing both by Franchisor and by Franchisee and Owners.

23.5 For each instance where Franchisee fails to obtain prior written approval for advertisements, fails to attend required training or Franchisor-sponsored conventions, offers unauthorized menu items, breaches any provision of this Agreement, fails to timely submit a

report, uses any unauthorized advertising, or any other violations of the Brixx System standards, Franchisor shall, at Franchisor's option, have the right to levy a fine in an amount up to One Thousand Dollars ($1,000) per occurrence. The imposition of a fine pursuant to this paragraph shall not act as a waiver of any of Franchisor's other remedies under this Agreement. Furthermore, Franchisor shall have the right to collect any such fines by means of EFT.

23.6 No covenant of good faith and fair dealing shall be implied into this Agreement, except that if applicable law shall imply such a covenant in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply such a covenant, Franchisee acknowledges that (a) this Agreement grants Franchisor the exclusive discretion to make decisions, take actions, and refrain from taking actions not inconsistent with Franchisor's explicit rights and obligations hereunder that may favorably or adversely affect Franchisee's interests; (b) Franchisor will use its judgment in exercising such discretion based on Franchisor's assessment of its own interests and balancing those interests against the interests of Franchisee and other franchisees within the Chain (defined below); and (c) Franchisor will have no liability to Franchisee for the exercise of its discretion, so long as such discretion is not exercised in bad faith toward Franchisee; and (d) in absence of such bad faith, no trier of fact in any legal action shall substitute its judgment for Franchisor's judgment so exercised.

23.7 Because complete and detailed uniformity under varying conditions may not be possible or practical, Franchisor specifically reserves the right, in its sole discretion and as it may deem in the best interests of Franchisee or the chain of Brixx restaurants ("Chain"), to vary standards for the Restaurant or any other Restaurant in the Chain based upon peculiarities of particular locations or circumstances, including, but not limited to, density of population and other demographic factors, size of Franchisee's Territory, business practices or customs, or any other condition which Franchisor deems to be of importance to the operation of such Restaurant or the Chain. Franchisee acknowledges that because of these factor and others, there may be variations from standard specifications and practices throughout the Chain and that Franchisee shall not be entitled to require Franchisor to grant like or similar variations or privileges to Franchisee. Franchisee understands and agrees that Franchisor has no obligation to waive, make any exceptions to, or permit Franchisee to deviate from, the standards of the System.

23.8 Franchise acknowledges that the Brixx System, the services, and products offered by the Restaurant may be modified (such as, but not limited to, the addition, deletion, and/or modification of operating procedures, products, and services) from time to time by Franchisor; and Franchisee agrees to comply, at its expense, with all such modifications, including, without limitation, all requirements needed to implement the modifications. Franchisee agrees there is no limit to Franchisor's ability to modify the Brixx System. Franchisee may be required to pay additional or increased fees to Franchisor, its affiliates, or third-party vendors, as a result of these Brixx System changes.

23.9 Franchisee acknowledges and agrees that changes to technology are dynamic and not predictable. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the Brixx System,

including requiring new products and services to be offered to customers; and Franchisee agrees that it will abide by those reasonable new standards established by Franchisor, at Franchisee's sole cost and expense. Franchisee may be required to pay additional or increased fees to Franchisor, its affiliates, or third-party vendors, as a result of these changes to technology.

23.10 Franchisee agrees that it will not, on grounds of the alleged nonperformance by Franchisor of any of Franchisor's obligations hereunder, withhold payment or any Royalty Fees, Brand Fund Fees, amounts due to Franchisor for purchases by Franchisee, or other amounts due to Franchisor hereunder.

23.11 This Agreement may, but is not required to, be executed using electronic signatures. Electronic signatures shall be treated for all purposes as originals.

23.12 Following the execution of this Agreement by Franchisee and Owner, this Agreement shall become effective only upon its execution by Franchisor ("Effective Date"), as the last signature applied to this Agreement.

23.13 Each provision of this Article 23, and Franchisee's obligations under this Agreement or any other agreement between Franchisee and Franchisor or its affiliates that expressly or by their nature survive the expiration, termination, cancellation, rescission, unenforceability, non-renewal, or any other ending of this Agreement (or any part thereof) for any reason, shall be self-executing and remain in full force and effect notwithstanding such expiration, termination, cancellation, rescission, unenforceability, non-renewal, or other ending of this Agreement, and shall survive and govern any claim for rescission or otherwise.

24. ACKNOWLEDGMENTS

24.1 EVEN THOUGH THIS AGREEMENT CONTAINS PROVISIONS REQUIRING FRANCHISEE TO OPERATE THE RESTAURANT IN COMPLIANCE WITH THE BRIXX SYSTEM: (1) FRANCHISOR OR FRANCHISOR'S AFFILIATES DO NOT HAVE ACTUAL OR APPARENT AUTHORITY TO CONTROL THE DAY-TO-DAY CONDUCT AND OPERATION OF FRANCHISEE'S BUSINESS OR EMPLOYMENT DECISIONS; AND (2) FRANCHISEE AND FRANCHISOR DO NOT INTEND FOR FRANCHISOR OR FRANCHISOR'S AFFILIATES TO INCUR ANY LIABILITY IN CONNECTION WITH OR ARISING FROM ANY ASPECT OF THE BRIXX SYSTEM OR FRANCHISEE'S USE OF THE BRIXX SYSTEM OR THE OPERATION OF THE RESTAURANT WHETHER OR NOT IN ACCORDANCE WITH THE REQUIREMENTS OF THE BRAND STANDARDS MANUAL.

24.2 IF FRANCHISEE IS AN INDIVIDUAL, OR A PARTNERSHIP COMPRISED SOLELY OF INDIVIDUALS, FRANCHISEE MAKES THE FOLLOWING ADDITIONAL REPRESENTATIONS AND WARRANTIES: (I) EACH INDIVIDUAL HAS EXECUTED AN AGREEMENT WHEREBY THEY AGREE TO BE BOUND BY ALL THE TERMS OF THIS AGREEMENT; (II) EACH INDIVIDUAL SHALL BE JOINTLY AND SEVERALLY BOUND BY, AND PERSONALLY LIABLE FOR THE TIMELY AND COMPLETE PERFORMANCE AND ANY BREACH OF, EACH AND EVERY PROVISION

OF THIS AGREEMENT; AND (III) NOTWITHSTANDING ANY TRANSFER FOR CONVENIENCE OF OWNERSHIP, PURSUANT TO THIS AGREEMENT, EACH INDIVIDUAL SHALL CONTINUE TO BE JOINTLY AND SEVERALLY BOUND BY, AND PERSONALLY LIABLE FOR THE TIMELY AND COMPLETE PERFORMANCE AND ANY BREACH OF, EACH AND EVERY PROVISION OF THIS AGREEMENT.

24.3 IF FRANCHISEE IS A CORPORATION, FRANCHISEE SHALL MAINTAIN STOP-TRANSFER INSTRUCTIONS AGAINST THE TRANSFER ON ITS RECORDS OF ANY VOTING SECURITIES, AND EACH STOCK CERTIFICATE OF THE CORPORATION SHALL HAVE CONSPICUOUSLY ENDORSED UPON ITS FACE THE FOLLOWING STATEMENT: "ANY ASSIGNMENT OR TRANSFER OF THIS STOCK IS SUBJECT TO THE RESTRICTION IMPOSED ON ASSIGNMENT BY FRANCHISOR, PURSUANT TO FRANCHISE AGREEMENT(S) TO WHICH THE CORPORATION IS A PARTY." IF FRANCHISEE IS A LIMITED LIABILITY COMPANY, EACH MEMBERSHIP OR MANAGEMENT CERTIFICATE OR OTHER EVIDENCE OF INTEREST IN FRANCHISEE SHALL HAVE CONSPICUOUSLY ENDORSED UPON ITS FACE THE FOLLOWING STATEMENT: "ANY ASSIGNMENT OR TRANSFER OF AN INTEREST IN THIS LIMITED LIABILITY COMPANY IS SUBJECT TO THE RESTRICTIONS IMPOSED ON ASSIGNMENT BY FRANCHISOR PURSUANT TO FRANCHISE AGREEMENT(S) TO WHICH THE LIMITED LIABILITY COMPANY IS A PARTY." IF FRANCHISEE IS A PARTNERSHIP, ITS WRITTEN AGREEMENT SHALL PROVIDE THAT OWNERSHIP OF AN INTEREST IN THE PARTNERSHIP IS HELD SUBJECT TO, AND THAT FURTHER ASSIGNMENT OR TRANSFER IS SUBJECT TO, ALL RESTRICTIONS IMPOSED ON ASSIGNMENT BY THIS AGREEMENT.

24.4 FRANCHISEE ACKNOWLEDGES THAT, IN ALL OF ITS DEALINGS WITH FRANCHISOR'S OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AND REPRESENTATIVES, THESE INDIVIDUALS ACT ONLY IN THEIR REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY. FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT AND ALL BUSINESS DEALINGS BETWEEN FRANCHISEE AND THESE INDIVIDUALS AS A RESULT OF THIS AGREEMENT ARE SOLELY BETWEEN FRANCHISEE AND FRANCHISOR. NOTWITHSTANDING THE FOREGOING, IF FRANCHISOR ENGAGES ANY BROKER, THAT BROKER WILL BE SOLELY LIABLE FOR ITS CONDUCT WITH FRANCHISEE EXCEPT THAT FRANCHISOR WILL REMAIN LIABLE FOR THE BROKER'S CONDUCT SOLELY TO THE EXTENT OF FRANCHISOR'S OWN CRIMINAL, INTENTIONAL OR GROSSLY NEGLIGENT CONDUCT IN ENGAGING THE BROKER. IN ADDITION, FRANCHISOR MAKES NO WARRANTY AS TO FRANCHISEE'S ABILITY TO OPERATE THE RESTAURANT IN THE JURISDICTION IN WHICH THE RESTAURANT WILL BE OPERATED. FRANCHISEE MUST SEEK OR OBTAIN ADVICE OF COUNSEL SPECIFICALLY ON THIS ISSUE. IF LEGISLATION IS ENACTED, OR A REGULATION PROMULGATED, BY ANY GOVERNMENTAL BODY THAT PREVENTS FRANCHISEE FROM OPERATING THE RESTAURANT, FRANCHISOR IS NOT LIABLE FOR DAMAGES NOR REQUIRED TO INDEMNIFY FRANCHISEE IN ANY MANNER WHATSOEVER OR TO RETURN ANY MONIES RECEIVED FROM FRANCHISEE.

24.5 IF ANY TERM OR PROVISION, OR ANY PORTION THEREOF, OF THIS AGREEMENT, OR THE APPLICATION THEREOF TO ANY PERSON OR CIRCUMSTANCES SHALL, TO ANY EXTENT, BE INVALID OR UNENFORCEABLE, THE PRIOR NOTICE AND/OR OTHER ACTION REQUIRED BY SUCH LAW OR RULE SHALL BE SUBSTITUTED FOR THE COMPARABLE PROVISIONS HERETO, AND FRANCHISOR WILL HAVE THE RIGHT, IN ITS SOLE DISCRETION, TO MODIFY SUCH INVALID OR ENFORCEABLE PROVISION, SPECIFICATION, STANDARD OR OPERATING PROCEDURE TO THE EXTENT REQUIRED TO BE VALID AND ENFORCEABLE.

24.6 FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES MAKE NO WARRANTY WITH RESPECT TO ANY PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES OR OTHER ITEMS FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES APPROVE, SUPPLY, OR REQUIRE FRANCHISEE TO PURCHASE OR USE. FRANCHISOR, ITS AFFILIATES, AND THEIR REPRESENTATIVES EXPRESSLY DISCLAIM ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO ANY SUCH PRODUCTS, EQUIPMENT, SUPPLIES, OR OTHER APPROVED ITEMS.

24.7 FRANCHISOR EXPRESSLY DISCLAIMS THE MAKING OF, AND FRANCHISEE ACKNOWLEDGES THAT IT HAS NOT RECEIVED, ANY WARRANTY, OR GUARANTEE, OR REPRESENTATION OTHER THAN AS SET FORTH IN THE DISCLOSURE DOCUMENT, EXPRESS OR IMPLIED, FROM ANY EMPLOYEE OR AGENT OF FRANCHISOR AS TO THE POTENTIAL SALES VOLUMES, PROFITS, OR LEVEL OF SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT. FRANCHISOR HAS NOT REPRESENTED THAT (I) FRANCHISEE WILL EARN, CAN EARN, OR IS LIKELY TO EARN A GROSS OR NET PROFIT, (II) FRANCHISOR HAS KNOWLEDGE OF THE RELEVANT MARKET, OR (III) THE MARKET DEMAND WILL ENABLE FRANCHISEE TO EARN A PROFIT FROM THE RESTAURANT. FRANCHISEE ACKNOWLEDGES THAT IT RECEIVED A COPY OF THE COMPLETE FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, THE ATTACHMENTS THERETO, AND THE AGREEMENTS RELATED THERETO, IF ANY, AT LEAST FOURTEEN (14) CALENDAR DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS SIGNED OR CONSIDERATION PAID. FRANCHISEE ACKNOWLEDGES THAT IT HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE PROPOSED FRANCHISE AND RECOGNIZES THAT THE BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISKS AND THAT ITS SUCCESS WILL BE LARGELY DEPENDENT UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS OWNER OR BUSINESS.

24.8 FRANCHISEE ACKNOWLEDGES AND AGREES THAT EXCHANGING INFORMATION WITH FRANCHISOR BY EMAIL IS EFFICIENT AND DESIRABLE FOR DAY-TO-DAY COMMUNICATIONS, AND FRANCHISOR AND FRANCHISEE MAY UTILIZE EMAIL FOR SUCH COMMUNICATIONS. FRANCHISEE AUTHORIZES THE TRANSMISSION OF EMAIL BY FRANCHISOR AND ITS EMPLOYEES, VENDORS, AND AFFILIATES ("OFFICIAL SENDERS") TO FRANCHISEE DURING THE TERM OF THIS

AGREEMENT. FRANCHISEE FURTHER AGREES THAT: (A) OFFICIAL SENDERS ARE AUTHORIZED TO SEND EMAILS TO THOSE OF FRANCHISEE'S EMPLOYEES WHOM FRANCHISEE OCCASIONALLY AUTHORIZES FOR THE PURPOSE OF COMMUNICATING WITH FRANCHISOR; (B) FRANCHISEE WILL CAUSE ITS OFFICERS, DIRECTORS, AND EMPLOYEES TO GIVE THEIR CONSENT TO OFFICIAL SENDERS' TRANSMISSION OF EMAILS TO THEM; (C) FRANCHISEE WILL REQUIRE SUCH PERSONS NOT TO OPT OUT OR OTHERWISE ASK TO NO LONGER RECEIVE EMAILS FROM OFFICIAL SENDERS WHILE SUCH PERSON WORKS FOR OR IS AFFILIATED WITH FRANCHISEE; AND (D) FRANCHISEE WILL NOT OPT OUT OR OTHERWISE ASK TO NO LONGER RECEIVE EMAILS FROM OFFICIAL SENDERS DURING THE TERM OF THIS AGREEMENT.

25. SECURITY AGREEMENT

Franchisee agrees to give no security interests, pledges or encumbrances in Franchisee's inventory, leasehold, fixtures, securities or this Agreement without the prior written approval of Franchisor, which shall not be deemed a consent to assignment. Franchisor will not unreasonably withhold approval but is legitimately concerned to ensure: (a) that Franchisee not lose the business; (b) that the business not be lost to the franchise system; and (c) that Franchisor not have to defend a claim to franchisee rights by anyone it shall not have agreed to accept as a franchisee. In order to secure the prompt performance of Franchisee's obligations under this Agreement, Franchisee grants Franchisor and Franchisor takes a first priority security interest in all of Franchisee's assets, including without limitation, all present and after acquired inventory and equipment wherever located, accounts, deposit accounts, chattel paper, instruments, contract rights (including Franchisee's rights under this Agreement) and general intangibles, including payment intangibles, and all proceeds and products thereof including insurance proceeds. All items in which a security interest is granted are referred to as the "Collateral". This Agreement and the Franchise granted to Franchisee hereunder may not be used by Franchisee as collateral or be the subject of a security interest, lien, levy, attachment or execution by Franchisee's creditors, any financial institution, or any other party, except with Franchisor's prior written approval. The security interest is to secure payment of the following ("Indebtedness"): (a) all amounts due under this Agreement or otherwise by Franchisee; (b) all sums which Franchisor may, at Franchisor's option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness; (c) all expenses, including reasonable attorneys' fees, which Franchisor incurs in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting Franchisor's rights under the security interest and this Agreement; and (d) all other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of Franchisee to Franchisor or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not Franchisor executes any extension agreement or renewal instruments. Franchisee will from time to time as Franchisor requires join with Franchisor in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to Franchisor. Upon default and termination of Franchisee's rights under this Agreement, Franchisor shall have the immediate right to possession and use of the

Collateral. Franchisee agrees that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at Franchisor's option and without notice, become due and payable immediately, and Franchisor shall then have the rights, options, duties, and remedies of a secured party under, and Franchisee shall have the rights and duties of a debtor under the Uniform Commercial Code of North Carolina (or other applicable law), including, without limitation, Franchisor's right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by Franchisor in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to Franchisee pursuant to the notice provisions set forth above. This Agreement shall be deemed a security agreement.

IN WITNESS WHEREOF, the Franchisor and the Franchisee have caused this Agreement to be executed and the Owners have hereunto set their hand and seal, all as of the date first above written and hereby incorporate by reference the terms contained on the Summary Pages.

FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR ACCEPTED LOCATIONS IN OHIO: You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

FOR CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN RESIDENTS AND/OR FRANCHISEES WITH TERRITORIES AND/OR ACCEPTED LOCATIONS THEREIN: No statement, questionnaire, or acknowledgement signed or agreed to by Franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by Franchisor, any franchise seller, or any other person acting on Franchisor's behalf. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:
Identified on the Summary Pages made a part hereof.

(Company Seal)

By:_____
Name: _____
Title:_____
Date:_____

WITNESS:

_____

FRANCHISOR:

BRIXX FRANCHISE SYSTEMS, LLC, a North Carolina limited liability company

(Corporate Seal)

By:_____
Name: _____
Title:_____
Effective Date:_____

Agreed to and accepted by:

OWNERS:

_____
Name: _____

Agreed to and accepted by:

_____
Name: _____

[FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR ACCEPTED LOCATIONS IN OHIO]

Notice of cancellation

_____
(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver by hand or overnight courier, a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to BRIXX FRANCHISE SYSTEMS, LLC, 1810 E. 7th Street, Charlotte, NC 28204 904-536-8005, not later than midnight of _____.

I hereby cancel this transaction.

_____
(Purchaser's Signature)

(Date) _____

[FOR OHIO RESIDENTS AND FRANCHISEES WITH TERRITORIES AND/OR ACCEPTED LOCATIONS IN OHIO]

Notice of cancellation

_____
(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver by hand or overnight courier, a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to BRIXX FRANCHISE SYSTEMS, LLC, 1810 E. 7th Street, Charlotte, NC 28204, 904-536-8005, not later than midnight of _____.

I hereby cancel this transaction.

_____
(Purchaser's Signature)

(Date) _____

EXHIBIT A TO FRANCHISE AGREEMENT

STATE AMENDMENTS TO FRANCHISE AGREEMENT
(See Exhibit D to this Disclosure Document)

ADDENDUM A
FRANCHISE RIDER

Already-Accepted Location and Territory (If Applicable)

If the Location has already been selected by Franchisee and accepted by Franchisor, then the following are Franchisee's Location and Territory for the Initial Term:

Location: _____

Territory: The Location is located in a(n) [check box below]:

☐ Urban Location (the Territory is One and One Half (1.5) mile radius around the Location)

☐ Suburban/Rural Location (the Territory is three (3) mile radius around the Location)

Unassigned Location and Territory (If Applicable)

If no Location has been determined at the time this Franchise Agreement is executed, then the Location will be within the following area, provided the exact location will be subject to Franchisor's review and approval: _____ ("Prospective Market Area").

If Franchisee does not have an accepted Location at the time the Franchise Agreement is executed, Franchisor reserves the right to sell franchises—and grant territories to others who will operate Brixx restaurants—in and around the Prospective Market Area. Franchisee may then be required to choose a final location outside of any protected territory given to any other franchisee, and that territory may be outside of the Prospective Market Area set forth above.

When Franchisee selects its desired location for the Restaurant, Franchisee must follow the approval process set forth in Section 4.4 of the Franchise Agreement and Franchisor's Brand Standards Manual. If Franchisor approves of Franchisee's proposed location, Franchisor will send Franchisee its form site acceptance letter ("Site Selection Acceptance Letter"). The location set forth in the Site Selection Acceptance Letter shall constitute the "Location" of the Restaurant pursuant to Section 1 of the Franchise Agreement. Franchisee's Territory shall be the area that is within a one and one half (1.5) mile radius or three (3) mile radius of the Location set forth in the Site Selection Acceptance Letter based upon the urban or suburban Location.

ADDENDUM B
LEASE RIDER

This Lease Rider is executed as of this date of _____, by and between _____ ("Tenant") and _____ ("Landlord") as a Rider to the lease dated _____ (as amended, renewed, and/or extended from time to time, the "Lease") for the Premises located at _____ ("Premises").

In the event of a conflict between the terms and conditions set forth within this Rider and the terms and conditions set forth in the Form Lease to which this Rider is attached, the terms and conditions set forth within this Rider shall govern and control.

1. Permitted Use. The Premises are leased to Tenant for the operation of a franchised restaurant which sells pizza and associated food and beverage products. The Tenant may also use the Premises for promotions, celebrations, meetings, and other group functions where Tenant's services and products will be offered or sold. Landlord covenants that from and after the date hereof, Landlord shall not permit any other tenant to operate a restaurant in the same shopping center as the Premises which sells pizza and associated food and beverage products.

2. Signage. Notwithstanding anything contained within the Form Lease to the contrary, Tenant shall, subject to the requirements of local law, have the right to utilize its standard signage and other proprietary marks and identification on both the exterior and within the interior of the Premises as approved by BRIXX FRANCHISE SYSTEMS, LLC, a North Carolina limited liability company and franchisor of the Brixx concept ("Franchisor").

3. Assignment and Subletting. Landlord's consent to an assignment of the Form Lease or subletting of the Premises shall not be required in connection with an assignment or subletting as a part of a merger, reorganization or sale of all or substantially all of Tenant's assets or business or an assignment or sublet to the Franchisor, any parent, subsidiary or affiliated entity of Tenant or Franchisor, or another Brixx franchisee. Landlord shall approve as an assignee or sublettee any tenant who has become a transferee of the Franchise Agreement by and between Tenant and Franchisor (the "Franchise Agreement") as a result of a merger, reorganization or sale of all or substantially all of Tenant's assets. Tenant shall have the right, without the consent of Landlord, to assign the Form Lease to another Franchisee or to Franchisor's affiliate. Tenant shall also have the right, without the consent of Landlord, to assign the Form Lease to an entity: (i) incorporated or to be incorporated by Tenant; (ii) an entity formed or to be formed; or (iii) a partnership formed or to be formed by Tenant, provided that Tenant owns or beneficially controls a majority of: (i) the issued and outstanding shares of capital stock of the company; (ii) the membership interest; or (iii) is the managing general partner of the partnership.

4. Notices; Opportunity to Cure. Copies of any demand letters, default notices or other similar notices of non-compliance ("Notice") sent by Landlord to Tenant shall also be sent to Franchisor via overnight delivery to the following address:

Attn: President
BRIXX FRANCHISE SYSTEMS, LLC
1810 E. 7th Street
Charlotte, NC 28204

In the event Tenant fails to cure or otherwise remedy the subject matter of the Notice, and prior to exercising any remedies under the Form Lease, Landlord shall grant Franchisor the identical period of time in which to cure same (said cure period to commence immediately upon Notice from Landlord to Franchisor (at the address set forth herein) that Tenant has failed to cure in a timely manner) and Landlord agrees to accept the performance of Franchisor within said period of time as performance by Tenant pursuant to the terms of the Form Lease.

5. Option to Lease. Landlord hereby agrees that, (i) in the event of the termination, expiration , or non-renewal of the Franchise Agreement by and between Tenant and Franchisor; (ii) in the event of the termination of the Form Lease for any cause whatsoever including, without limitation, a default by Tenant under the Form Lease after expiration of any applicable notice and cure periods; (iii) in the event of Tenant's failure to exercise any extension option contained in the Form Lease; or (iv) as otherwise permitted under the Franchise Agreement, Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another Brixx franchisee shall have the option to lease the Premises pursuant to the same terms and conditions as are contained in the Form Lease, in accordance with the following:

(a) Landlord agrees to promptly give Notice to Franchisor (at the address set forth herein) in the event the Form Lease is terminated as the result of a default by Tenant or in the event Tenant fails to exercise any remaining options to extend the term of the Form Lease;

(b) If Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another Brixx franchisee elects to lease the Premises, Franchisor shall notify Landlord in writing of its election to exercise this option to lease within thirty (30) days after (1) termination, expiration or non-renewal of the Franchise Agreement; (2) Franchisor's receipt of Notice from Landlord that the Form Lease has been terminated; or (3) receipt of Notice from Landlord that Tenant has failed to exercise an option to extend the term of the Form Lease;

(c) If Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another Brixx franchisee elects to lease the Premises under any of the conditions set forth in 5(i) to (iv) above, Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another Brixx franchisee shall sign and deliver to Landlord a lease containing all of the same terms and conditions (including rental rates, terms and remaining options to extend the term of the Form Lease) as are contained in the Form Lease; provided, however, that such party's leasehold interest shall not be subject to any defaults or claims that may exist between Landlord and Tenant and any such lease shall permit Franchisor or any parent, subsidiary or affiliated company of Franchisor to assign the lease or sublease the Premises to a franchisee of Franchisor for use as a Brixx franchised location; and

(d) Nothing contained herein shall affect Landlord's right to recover any and all amounts due under the Form Lease from Tenant or to exercise any right of Landlord against Tenant as provided under the Form Lease.

6. Access to the Premises; De-identification. Landlord and Tenant hereby acknowledge that in the event the Franchise Agreement expires or is terminated, Tenant is obligated under the Franchise Agreement to take certain steps to de-identify the location as a Brixx franchise location operated by Tenant. Landlord agrees to cooperate fully with Franchisor in enforcing such provisions of the Franchise Agreement against Tenant, including allowing Franchisor, its employees and agents to enter and remove signs, decor and materials bearing or displaying any marks, designs or logos of Franchisor; provided, however, that Landlord shall not be required to bear any expense thereof. Tenant agrees that if Tenant fails to de-identify the Premises promptly upon termination, expiration, or non-renewal as required under the Franchise Agreement, Franchisor may cause all required de-identification to be completed at Tenant's sole cost and expense. Landlord hereby agrees that Franchisor, its employees, and agents have the right to enter into and temporarily occupy the Premises for all purposes permitted under the Franchise Agreement or to otherwise enforce the Franchise Agreement.

7. Assignment of Interest. This Rider is binding and shall inure to the benefit of Landlord, Tenant, and Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another Brixx franchisee, their assigns, and successors-in-interest. Franchisor, any parent, subsidiary or affiliated company of Franchisor, or another Brixx franchisee are the intended beneficiaries of this Rider, provided Franchisor shall have no liability for any of Tenant's obligations under the Form Lease. Franchisor signs below for the limited purpose of acknowledging and agreeing to the provisions of this Rider.

8. Non-disturbance from Mortgage Lenders. It is a condition of the Form Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar encumbrance on the Premises that the holder of such encumbrance agrees not to disturb Tenant's rights under the Form Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations under the Form Lease beyond any applicable grace or cure period provided therein. If a mortgage, deed of trust or deed to secure debt currently encumbers the Premises, it is a condition precedent to Tenant's obligations under the Form Lease that the holder of such encumbrance enter into a written recordable form of subordination and non-disturbance agreement with Tenant, in a form reasonably acceptable to Tenant, as described above.

9. Security Interest. Any security interest and/or landlord's lien of Landlord in Tenant's trade fixtures, trade dress, signage, equipment and other personal property is hereby subordinated to any security interest and pledge granted to Franchisor in such items.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Rider the date and year first above written.

LANDLORD:

_____

_____

By: _____
Its: _____

TENANT:

_____

_____

By: _____
Its: _____

Agreed to:

FRANCHISOR:
BRIXX FRANCHISE SYSTEMS, LLC

_____

By: _____
Its: _____

ADDENDUM C
GUARANTY AND ASSUMPTION
OF FRANCHISEE'S OBLIGATIONS

In consideration of the execution of the Franchise Agreement, (together with any revisions, modifications, and amendments thereto, the "Agreement") between BRIXX FRANCHISE SYSTEMS, LLC ("Franchisor") and _____ ("Franchisee") dated of even date herewith, the undersigned (each a "Guarantor"), for themselves, their heirs, successors, and assigns, do jointly, individually, and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms, and conditions in the Agreement, to be paid, kept and performed by the Franchisee.

A. Except for those designated as "Spouse" and not "Owner" in the signature block below, each Guarantor, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement, including but not limited to the non-compete, non-solicitation, dispute resolution, and indemnification provisions, and agree that this Personal Guaranty will be construed as though each Guarantor and each of its heirs, successors, and assigns executed an agreement containing the identical terms and conditions of the Agreement. If a Guarantor is an Owner, Guarantor hereby (1) makes all representations of, and (2) accepts and agrees to comply with all obligations of, owners, shareholders, members, and partners of the Franchisee as set forth in the Agreement.

B. Each Guarantor's liability under this Personal Guaranty shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and, as applicable, any other guarantors of Franchisee. Each Guarantor shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so. Franchisor may proceed against each Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against any Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Each Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this Personal Guaranty or any negotiations relative to the obligations hereby guaranteed or in enforcing this Personal Guaranty against any Guarantor. This Personal Guaranty is enforceable by and against the respective administrators, executors, heirs, successors, and assigns of each Guarantor, and the death of any Guarantor will not terminate the liability of such Guarantor or limit the liability of other Guarantors hereunder.

C. Each Guarantor consents and agrees that: (1) each Guarantor's liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against the Franchisee or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to any or all Guarantors; (3) any liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Personal Guaranty, which shall be continuing and irrevocable; and (4) this Personal Guaranty shall apply in all modifications to the Agreement of any nature agreed to by Franchisee with or without any Guarantor receiving notice thereof.

D. Each Guarantor waives: (1) notice of demand for payment of any indebtedness or on performance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right he/she may have to require that an action be brought against the Franchisee or any other person as a condition of liability; (4) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness

or the performance of any obligation hereby guaranteed; and (5) notice of any changes permitted by the terms of the Agreement or agreed to by the Franchisee.

E. If Franchisor enforces this Personal Guaranty in a judicial proceeding and prevails in that proceeding, Franchisor shall be entitled to reimbursement from each Guarantor of Franchisor's costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees; costs of investigation and proof of facts; court costs; other litigation expenses; and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor must engage legal counsel in connection with any Guarantor's failure to comply with this Personal Guaranty, the Guarantors must reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor, even if Franchisor does not commence a legal proceeding.

F. Each Guarantor agrees that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of Franchisor's successors and assigns.

G. This Personal Guaranty shall be governed by the choice of law and dispute resolution provisions set forth in the Agreement.

GUARANTOR(S):

Signature: _____
Print Name: _____
Date: _____
Percentage Ownership in Franchisee/Spouse: _____

Signature: _____
Print Name: _____
Date: _____
Percentage Ownership in Franchisee/Spouse: _____

Signature: _____
Print Name: _____
Date: _____
Percentage Ownership in Franchisee/Spouse: _____

BRIXX FRANCHISE SYSTEMS, LLC:

By: _____
Name: _____
Title: _____
Date: _____

ADDENDUM D
INTERNET, SOCIAL MEDIA, AND TELEPHONE ASSIGNMENT

This Assignment Agreement (the "Assignment") is made, and entered into, between BRIXX FRANCHISE SYSTEMS, LLC, a North Carolina limited liability company ("Franchisor") and the undersigned Franchisee ("Franchisee").

A. Franchisor and Franchisee have entered into a Franchise Agreement dated _____ ("Franchise Agreement"), pursuant to which Franchisee was granted the right to operate a Brixx restaurant ("Franchised Business"); and

B. It is the desire of and in the best interests of Franchisor and the Brixx system that in the event the Franchise Agreement terminates, expires, or is not renewed, the telephone numbers, telephone directory listings, internet addresses, and social media accounts used by Franchisee in connection with the operation of its Brixx franchised business are assigned to Franchisor.

NOW THEREFORE, in consideration of the foregoing and Franchisor agreeing to enter into the Franchise Agreement, Franchisor and Franchisee agree as follows:

1. Franchisee hereby agrees to assign to Franchisor: (i) those certain telephone numbers and regular, classified or other telephone directory listings used by Franchisee in connection with operating BRIXX franchised business, (ii) all email addresses that use the Marks or that are used by Franchisee in connection with the operation of the Franchised Business, (iii) any Online Presence (as that term is defined in the Franchise Agreement) which uses the Marks, which Franchisee uses in connection with the operation of the Franchised Business, or which Franchisee has been permitted by Franchisor to create, and (iv) all rights, title, and interest in the content of any Online Presence, whether now-existing or adopted by Franchisee in the future (collectively the "Listings").

2. This Assignment is for collateral purposes only and, except as specified herein, Franchisor will have no liability or obligation of any kind whatsoever arising from or in connection with Franchisee's use of the Listings unless and until Franchisor notifies the telephone company, listing agencies, internet service providers, or other parties that provide the Listings (collectively, the "Providers") to effectuate the assignment pursuant to the terms hereof.

3. Upon termination, expiration, or nonrenewal of the Franchise Agreement (without renewal or extension), Franchisor will have the right and is hereby empowered to effectuate the assignment of the Listings to itself or to any third party it designates. In the event Franchisor exercises its assignment rights Franchisee will have no further right, title or interest in the Listings; provided, however, Franchisee will pay all amounts owed in connection with the Listings, including all sums owed to Franchisor, Franchisor's affiliates, or Franchisor's approved suppliers under existing contracts for the Listings and immediately, at the Franchisor's request, (i) take any other action as may be necessary to transfer the Listings to the Franchisor or Franchisor's designated agent, (ii) install and maintain, at Franchisee's sole expense, an intercept message, in a form and manner acceptable to Franchisor on any or all of the Listings; (iii) disconnect, cancel, delete, remove, or discontinue the Listings; (iv) relist any Listing in a different location or with a new provider, whether published or online; (v) modify the Listing and any content in the Listing; (vi)

provide all login or other access credentials to the Listings; and/or (vii) cooperate with Franchisor or its designated agent in undertaking any or all of the foregoing.

4. Franchisee appoints Franchisor as Franchisee's attorney-in-fact, to act in Franchisee's place, for the purpose of assigning any Listings covered by the Assignment to Franchisor or Franchisor's designated agent or taking any other actions required of Franchisee under this Agreement. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the forgoing powers, including full power of substitution and execution or completion of any documents required or requested by any Provider to transfer or modify such Listings, and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration, termination, or nonrenewal of Franchisee's rights under the Agreement for any reason. Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney shall not be affected by the subsequent incapacity of Franchisee. This power is created to secure performance of a duty to Franchisor and is for consideration.

5. The parties agree that the Providers may accept Franchisor's written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor's exclusive rights in and to the Listings upon such termination, expiration or nonrenewal of the Franchise Agreement and that such assignment shall be made automatically and effective immediately upon a Providers' receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Providers require that the parties execute the Providers' assignment forms or other documentation at the time of termination, expiration or nonrenewal of the Franchise Agreement, Franchisor's execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee's consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination, expiration, or non-renewal of the Franchise Agreement.

6. The validity, construction and performance of this Assignment is governed by the laws of the State in which Franchisor is located. All agreements, covenants, representations and warranties made in this Agreement survive the signing of this Agreement. All Franchisor's rights inure to Franchisor's benefit and to the benefit of Franchisor's successors and assigns.

[Signature page follows]

Agreed to as of _____.

FRANCHISEE:	FRANCHISOR:
_____	BRIXX FRANCHISE SYSTEMS, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

ADDENDUM E
NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement ("Agreement") is made and entered into as of _____ ("Effective Date") by and between BRIXX FRANCHISE SYSTEMS, LLC a North Carolina limited liability company ("Franchisor") and _____ ("Associate"). All initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Franchise Agreement.

RECITALS

A. Franchisor is engaged in the business of franchising a unique system for operating a casual restaurant that specializes in hand-crafted pizzas cooked in a wood-burning brick oven, as well as pastas, salads, sandwiches, chicken wings, and alcoholic beverages ("Franchised Business"). The Franchised Businesses are operated under the trademark "BRIXX" and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively, the "Marks");

B. Franchisor has developed methods for establishing, operating and promoting Franchised Businesses pursuant to Franchisor's Confidential Information (defined below) and such Confidential Information as may be further developed from time to time by Franchisor ("Brixx System");

C. Franchisor and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of products and customer service, which goodwill and reputation have been and will continue to be of major benefit to Franchisor;

D. Associate desires to become involved with a franchisee of Franchisor in the capacity of an owner, officer, partner, director, or agent of the Franchised Business, or is a spouse or domestic partner of an owner of a Franchised Business, and will become privileged as to certain Confidential Information. Associate may or may not have signed the Franchise Agreement or Guaranty; and

E. Associate and Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to noncompetition by Associate with Franchisor and other franchisees of Franchisor. Associate agrees to the terms of this Agreement as partial consideration for Franchisor's willingness to allow Associate to engage in a business relationship with Franchisor or a Franchisee of Franchisor using Franchisor's Confidential Information.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and Franchisor, intending legally to be bound, agree as follows:

1. Definitions.

(a) "Competitive Business" as used in this Agreement means (1) any quick-service or full-service restaurant that receives Twenty Five Percent (25%) or more of its gross revenue from the sale of pizza, or (2) any quick-service or full-service restaurant that receives Twenty Five Percent (25%) or more of its gross revenues from the combined sale of pizza, sandwiches, and salads.

(b) "Confidential Information" means the information, not generally known to the public, in any form, relating to the Franchised Business and its operations, including all trade secrets of the Franchised Business; all knowledge, know-how, standards, methods, and procedures related to the establishment and operation of the Franchised Business not generally known to the public; all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Franchised Business (such as all names, addresses, phone numbers, email addresses for customers and suppliers; customer purchase records and mail lists); recipes; electronic code, designs, marketing materials, and business, sales, and marketing strategies; financial information; databases; training materials; knowledge of the franchise system; and any other data and information that Franchisor or its affiliates designates as confidential, including all information contained in the Brand Standards Manuals.

(c) "Franchise Agreement" shall mean the franchise agreement between Franchisor and _____ ("Franchisee"), as amended or renewed from time to time.

(d) "Location" shall mean the accepted location of Franchisee's Franchised Business.

(e) "Restrictive Territory" shall mean:

(i) An area which is within a 5-mile radius of:

a. The Location of the Restaurant as of the first date of the Restrictive Period, or

b. The location of any other BRIXX businesses owned by Franchisor, its affiliates, or other franchisees as of the first date of the Restrictive Period; or

(ii) Only in the event the foregoing is determined by a court of law to be too broad, the Territory served by Franchisee as of the first date of the Restrictive Period and the territories in which Franchisor, its affiliates, or other franchisee operate any BRIXX businesses or locations as of the first date of the Restrictive Period; or

(iii) Only in the event the foregoing is determined by a court of law to be too broad, the Restrictive Territory served by Franchisee as of the first date of the Restrictive Period; or

(iv) Only in the event the foregoing is determined by a court of law to be too broad, the Location of the Restaurant as of the first date of the Restrictive Period.

(f) "Restrictive Period" shall mean a period of two (2) years that begins the earlier of (i) the date of termination, expiration, or non-renewal of the Franchise Agreement, regardless of the reason for such termination, expiration, or non-renewal, or (ii) the date Associate's involvement with Franchisee or the Franchised Business ends for any reason, including but not limited to, divorce, separation, sale, termination, or transfer.

(g) "Term" shall mean the period from the Effective Date through the first date of the Restrictive Period.

(h) "Territory" shall have the meaning defined in the Franchise Agreement.

2. Confidential Information. Associate and Franchisor acknowledge that the Confidential Information that are developed and utilized in connection with the operation of the Franchised Business are unique and the exclusive property of Franchisor or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to Franchisor or its affiliates. Associate further acknowledges that Franchisor or its affiliates have expended a great amount of effort and money in obtaining and developing the Confidential Information, that Franchisor or its affiliates have taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

3. Nondisclosure of Confidential Information. During the Term and for all periods after the Term, Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of Franchisor or the Franchised Business, any of the Confidential Information of Franchisor or its affiliates.

4. In-Term Covenant Against Unfair Competition. During the Term, Associate will not, without Franchisor's prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(a) own, manage engage in, be employed by, advise, make loans to, or have any other interest in, as a partner, owner, officer, executive, managerial employee, director, sales person or consultant for, any Competitive Business; or

(b) franchise, license, or offer or grant franchises or licenses for any Competitive Business; or

(c) perform any other act injurious or prejudicial to the goodwill associated with the Marks and the Brixx System.

5. Post-Termination Covenant Against Unfair Competition. Associate covenants and agrees that for the Restrictive Period Associate shall not, within the Restricted Territory, engage in any of the following:

(a) Engage in any Competitive Business as franchisee or licensee; or

(b) Franchise or license any Competitive Business to any person or party; or

(c) Engage in any Competitive Business as an officer, director, employee, manager, consultant, or independent contractor in any capacity in which Associate would be in a position to use or disclose Confidential Information; or

(d) Become interested in any such Competitive Business as an owner, partner, shareholder, or member; provided, that the purchase of a publicly traded security of a corporation engaged in such business or service shall not in itself be deemed violative of this Section 7(e) so long as Associate does not own themselves or through their spouses or partners more than one percent (1%) of the securities of such corporation.

6. Injunction. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Franchisor may be entitled. Associate agrees that Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling Five Hundred Dollars ($500) or more, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

7. Reasonableness of Restrictions. Associate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Associate or Franchisee or enter into this Agreement or the Franchise Agreement without receiving Associate's unrestricted promise to preserve the confidentiality of the Confidential Information. In any litigation concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives such defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "prior breach" on the part of Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of Franchisor will entitle or permit Associate to disclose any such Confidential Information in any circumstances. Associate agrees that the running of the applicable post-termination Restrictive Period shall be tolled during any period of a violation of this Agreement.

8. Effect of Waiver. The waiver by Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and Franchisor and their respective heirs, executors, representatives, successors and assigns.

10. Entire Agreement. This instrument contains the entire agreement of Associate and Franchisor relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

11. Governing Law; Jurisdiction and Venue.

(a) If Associate is an owner or guarantor of Franchisee, the governing law and dispute resolution provisions of the Franchise Agreement shall apply to this Agreement.

(b) For Associates that are not an owner or guarantor of Franchisee, the following terms apply: The laws of North Carolina (without giving effect to its conflicts of law principles) govern all matters arising under and relating to this Agreement, including torts. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of North Carolina, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of North Carolina. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of North Carolina.

12. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

13. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

14. Miscellaneous. Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, or as otherwise defined herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

ASSOCIATE:	FRANCHISOR:
_____	BRIXX FRANCHISE SYSTEMS, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

ADDENDUM F
NONDISCLOSURE AND NON-SOLICITATION AGREEMENT

This Nondisclosure and Non-Solicitation Agreement ("Agreement") is made and entered into as of _____ ("Effective Date") by and between BRIXX FRANCHISE SYSTEMS, LLC a North Carolina limited liability company ("Franchisor") and _____ ("Associate"). All initially capitalized terms not otherwise defined herein shall have the meanings set forth in the Franchise Agreement.

RECITALS

A. Franchisor is engaged in the business of franchising a unique system for operating a casual restaurant that specializes in hand-crafted pizzas cooked in a wood-burning brick oven, as well as pastas, salads, sandwiches, chicken wings, and alcoholic beverages ("Franchised Business"). The Franchised Businesses are operated under the trademark "BRIXX" and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively, the "Marks");

B. Franchisor has developed methods for establishing, operating and promoting Franchised Businesses pursuant to Franchisor's Confidential Information (defined below) and such Confidential Information as may be further developed from time to time by Franchisor ("Brixx System");

C. Franchisor and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of products and customer service, which goodwill and reputation have been and will continue to be of major benefit to Franchisor;

D. Associate desires to become involved with a franchisee of Franchisor in the capacity of an owner, officer, partner, director, or agent of the Franchised Business, or is a spouse or domestic partner of an owner of a Franchised Business, and will become privileged as to certain Confidential Information. Associate may or may not have signed the Franchise Agreement or Guaranty; and

E. Associate and Franchisor have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to the solicitation of customers, vendors, and employees by Associate. Associate agrees to the terms of this Agreement as partial consideration for Franchisor's willingness to allow Associate to engage in a business relationship with Franchisor or a Franchisee of Franchisor using Franchisor's Confidential Information.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and Franchisor, intending legally to be bound, agree as follows:

1. Definitions.

(a) "Competitive Business" as used in this Agreement means (1) any quick-service or full-service restaurant that receives Twenty Five Percent (25%) or more of its gross revenue from the sale of pizza, or (2) any quick-service or full-service restaurant that receives Twenty Five Percent (25%) or more of its gross revenues from the combined sale of pizza, sandwiches, and salads.

(b) "Confidential Information" means the information, not generally known to the public, in any form, relating to the Franchised Business and its operations, including all trade secrets of the Franchised Business; all knowledge, know-how, standards, methods, and procedures related to the establishment and operation of the Franchised Business not generally known to the public; all records pertaining to customers, suppliers, and other service providers of, and/or related in any way to, the Franchised Business (such as all names, addresses, phone numbers, email addresses for customers and suppliers; customer purchase records and mail lists); recipes; electronic code, designs, marketing materials, and business, sales, and marketing strategies; financial information; databases; training materials; knowledge of the franchise system; and any other data and information that Franchisor or its affiliates designates as confidential, including all information contained in the Brand Standards Manuals.

(c) "Franchise Agreement" shall mean the franchise agreement between Franchisor and _____ ("Franchisee"), as amended or renewed from time to time.

(d) "Location" shall mean the accepted location of the Franchised Business.

(e) "Restrictive Territory" shall mean:

(i) An area which is within a 5-mile radius of:

a. The Location of the Restaurant as of the first date of the Restrictive Period, or

b. The location of any other BRIXX businesses owned by Franchisor, its affiliates, or other franchisees as of the first date of the Restrictive Period; or

(ii) Only in the event the foregoing is determined by a court of law to be too broad, the Restrictive Territory served by Franchisee as of the first date of the Restrictive Period and the territories in which Franchisor, its affiliates, or other franchisee operate any BRIXX businesses or locations as of the first date of the Restrictive Period; or

(iii) Only in the event the foregoing is determined by a court of law to be too broad, the Restrictive Territory served by Franchisee as of the Restrictive Period; or

(iv) Only in the event the foregoing is determined by a court of law to be too broad, the Location of the Restaurant as of the first date of the Restrictive Period.

(f) "Restrictive Period" shall mean a period of two (2) years that begins the earlier of (i) the date of termination, expiration, or non-renewal of the Franchise Agreement, regardless of the reason for such termination, expiration, or non-renewal, or (ii) the date Associate's involvement with Franchisee or the Franchised Business ends for any reason, including but not limited to, divorce, separation, sale, termination, or transfer.

(g) "Term" shall mean the period from the Effective Date through the first date of the Restrictive Period.

(h) "Territory" shall have the meaning defined in the Franchise Agreement.

2. Confidential Information. Associate and Franchisor acknowledge that the Confidential Information that are developed and utilized in connection with the operation of the Franchised Business are unique and the exclusive property of Franchisor or its affiliates. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to Franchisor or its affiliates. Associate further acknowledges that Franchisor or its affiliates have expended a great amount of effort and money in obtaining and developing the Confidential Information, that Franchisor or its affiliates have taken numerous precautions to guard the secrecy of the Confidential Information, and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

3. Nondisclosure of Confidential Information. During the Term and for all periods after the Term, Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of Franchisor or the Franchised Business, any of the Confidential Information of Franchisor or its affiliates.

4. In-Term Covenant Against Solicitation. During the Term, Associate will not, without Franchisor's prior written consent for themselves, or through, on behalf of, or in conjunction with any other person or entity:

(a) use any vendor relationship established through Associate's involvement with Franchisor or Franchisee for any purpose other than to purchase supplies, products, equipment, merchandise, or services for use or retail sale in the Franchised Business; or

(b) solicit, divert or attempt to solicit or divert any customer of the Franchisee at any time during the Term, to any Competitive Business.

5. Post-Termination Covenant Against Unfair Competition. Associate covenants and agrees that for the Restrictive Period Associate shall not, within the Restricted Territory, engage in any of the following:

(a) solicit, divert, or attempt to solicit or divert any vendor or supplier with whom Franchisee or Associate had any business relationship as of the first date of the Restrictive Period

or within one (1) year preceding the first date of the Restrictive Period to any Competitive Business or to cease supplying any BRIXX business.

(b) solicit, divert, or attempt to solicit or divert to any Competitive Business any customer to which the Franchised Business sold any product or for which the Franchised Business performed any service at any time within the one (1) year period prior to the Restrictive Period.

6. Injunction. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Franchisor shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Franchisor may be entitled. Associate agrees that Franchisor may obtain such injunctive relief, without posting a bond or bonds totaling Five Hundred Dollars ($500) or more, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon a hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

7. Reasonableness of Restrictions. Associate acknowledges and agrees that the restrictions set forth in this Agreement are reasonable and necessary for the protection of the Confidential Information and that any violation of this Agreement would cause substantial and irreparable injury to Franchisor, and that Franchisor would not have entered into a business relationship with Associate or Franchisee or enter into this Agreement or the Franchise Agreement without receiving Associate's unrestricted promise to preserve the confidentiality of the Confidential Information. In any litigation concerning the entry of any requested injunction against Associate, Associate, for value, voluntarily waives such defenses as Associate might otherwise have under the law of the jurisdiction in which the matter is being litigated relating to any claimed "prior breach" on the part of Franchisor; it being specifically understood and agreed between the parties that no action or lack of action on the part of Franchisor will entitle or permit Associate to disclose any such Confidential Information in any circumstances. Associate agrees that the running of the applicable post-termination Restrictive Period shall be tolled during any period of a violation of this Agreement.

8. Effect of Waiver. The waiver by Franchisor of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

9. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and Franchisor and their respective heirs, executors, representatives, successors and assigns.

10. Entire Agreement. This instrument contains the entire agreement of Associate and Franchisor relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

11. Governing Law; Jurisdiction and Venue.

(a) If Associate is an owner or guarantor of Franchisee, the governing law and dispute resolution provisions of the Franchise Agreement shall apply to this Agreement.

(b) For Associates that are not an owner or guarantor of Franchisee, the following terms apply: The laws of North Carolina (without giving effect to its conflicts of law principles) govern all matters arising under and relating to this Agreement, including torts. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of North Carolina, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of North Carolina. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of North Carolina.

12. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement that shall otherwise remain in full force and effect.

13. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

14. Miscellaneous. Due to the importance of this Agreement to Franchisor, any claim Associate has against Franchisor is a separate matter and does not entitle Associate to violate, or justify any violation of, this Agreement. Associate agrees that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, or as otherwise defined herein.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

ASSOCIATE:	FRANCHISOR:
_____	BRIXX FRANCHISE SYSTEMS, LLC
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT G
AREA DEVELOPMENT AGREEMENT

See attached.

AREA DEVELOPMENT AGREEMENT

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ADDENDUM A – GUARANTY AND ASSUMPTION OF DEVELOPER'S OBLIGATIONS

BRIXX FRANCHISE SYSTEMS, LLC
AREA DEVELOPMENT AGREEMENT

SUMMARY PAGES

Effective Date:	_____
Term:	_____
Franchisor:	BRIXX FRANCHISE SYSTEMS, LLC, a North Carolina limited liability company
Address for Notice:	1810 E. 7th Street Charlotte, NC 28204
Telephone Number:	904-536-8005
With a copy to: (Such copy shall not constitute notice)	Manning, Fulton & Skinner, P.A. Attn: Ritchie W. Taylor P.O. Box 20389 Raleigh, NC 27619-0389
Email:	_____
Developer:	_____
Type of Entity:	☐ Individual ☐ Corporation ☐ LLC
Address for Notice:	_____ _____ _____ _____
Telephone:	_____
Email:	_____
Developer's Owners:	

The following is a list of all Developer's owners, each of whom shall execute the Guaranty and Assumption of Developer's Obligations set forth at Addendum A to the Area Development Agreement. The following list describes the nature of the interest of each shareholder, partner, member, or other investor owning a direct or indirect interest in Developer.

NAME	OWNERSHIP INTEREST IN DEVELOPER	NATURE OF INTEREST (Type of equity or voting stocks if multiple equity classes.)

Development Area: _____

Franchisor specifically excludes from the Development Area any location within an airport, arena, hospital, bus or train station, enclosed shopping center, mall, grocery store, convenience store, theme park, traveling carts or trucks, commercial kitchens, stadium, school, college or university, convention center, state or national park or military fort, post or base.

Development Schedule:

Restaurant Number	Date by which Franchise Agreement Must be Signed	Date by which Restaurant Must Be Opened and Continuously Operating for Business in the Development Area	Cumulative Number of Restaurants Required to be Open and Continuously Operating for Business in the Development Area as of Date in Preceding Column
1	Date of Development Agreement		
2	Date of Execution of Lease for Restaurant #2		
3	Date of Execution of Lease for Restaurant #3		

Development Fee: $ _____

By signing below each of the parties attests to the accuracy of the information contained in these Summary Pages and agrees to and intends to be legally bound by the terms and conditions of the Brixx Franchise Systems, LLC Area Development Agreement attached to these Summary Pages, effective on the Effective Date set forth above and hereby incorporated by reference.

FRANCHISOR:	DEVELOPER:
BRIXX FRANCHISE SYSTEMS, LLC	
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Agreement") by and among BRIXX FRANCHISE SYSTEMS, LLC, a North Carolina limited liability company, with its principal office at 1810 E. 7th Street, Charlotte, North Carolina 28204 (the "Franchisor"), and the Person(s) or Entity(ies) named on the attached Area Development Agreement Summary Pages ("Summary Pages") ("Developer") (Franchisor and Developer are referred to herein individually as a "Party" and collectively as the "Parties"), and the Person(s) or Entity(ies) named on the Summary Pages ("Owners" who, where the context clearly indicates, are included within the defined term "Parties"), is made and entered into as of the Effective Date (as set forth in the Summary Pages). Use of the term "affiliate" shall mean an entity's subsidiary or parent and an entity controlled by, controlling, or under common control with, another entity.

RECITALS

This Agreement sets forth the terms and conditions pursuant to which Franchisor will license Developer to develop and operate within the Development Area (as defined herein) Brixx restaurants utilizing the Brixx System and Marks (as such terms are defined in the Franchise Agreement (as defined herein)) and certain related matters agreed upon by the Parties.

1. GRANT; EXCLUSIVITY

1.1. Subject to the terms and conditions set forth herein (including, without limitation, Franchisor's acceptance of each franchise in accordance with Section 6 below) and provided Developer is not in default of this Agreement or any Franchise Agreement with Franchisor, Franchisor hereby grants to Developer, during the term of this Agreement, the right to develop Brixx restaurants (all Brixx restaurants opened and operated by the Developer pursuant to this Agreement shall be referred to herein individually as a "Restaurant" and collectively as the "Restaurants") in the limited geographical area identified and set forth in the Summary Pages attached hereto ("Development Area"). The operation of each Restaurant developed pursuant to this Agreement will be governed by a separate Franchise Agreement issued by Franchisor to the Developer and executed and entered into by the Parties in accordance with Section 6 and Section 9 below. Developer has no rights under this Agreement to open or operate any Brixx restaurants outside of the Development Area, to open or operate more Restaurants within the Development Area than specified in the Summary Pages hereto ("Development Schedule") or to open any Restaurant until approved and a Franchise Agreement has been fully executed for such Restaurant.

1.2. Anything to the contrary herein notwithstanding, Developer acknowledges that the grant provided to Developer under this Section 1.2 shall specifically exclude the right to operate a Restaurant at a site within an airport, arena, hospital, bus or train station, enclosed shopping center, mall, grocery store, convenience store, theme park, traveling carts or trucks, commercial kitchens, stadium, school, college or university, convention center, state or national park or military fort, post or base (each, a "Reserved Location"), whether or not such Reserved Location is within the boundaries of the Development Area. Franchisor hereby expressly reserves all rights to own or operate, including the right to license any person to operate, Brixx restaurants in Reserved Locations.

1.3. Except as provided in Section 1.2 above, for the term of this Agreement, or its earlier termination due to default or failure to meet the required Development Schedule, so long as Developer is in compliance with the terms and conditions of this Agreement, and any Franchise Agreement entered into pursuant to this Agreement, Franchisor will not license others to operate, nor will Franchisor itself operate, a full-service, dine-in, brick-and-mortar Brixx restaurant operating under the Marks and Brixx System in the Development Area. If Developer defaults under this Agreement, Franchisor has the right to modify Developer's Development Area and the protection described in Section 1.4. Developer acknowledges that nothing in this Agreement shall be deemed to restrict Franchisor (or any licensee of Franchisor) in any way with respect to any Brixx restaurant that is open or under development, or as to which the location has been approved, as of the Effective Date.

1.4. Regardless of either proximity to Developer's Development Area or Restaurant(s), or any or actual threatened impact on sales of the Restaurant(s), Franchisor (on behalf of itself and its affiliates) reserves and retains any and all rights with respect to the Marks, the Brixx System, other Brixx Restaurants anywhere in the world and the right to engage in any business whatsoever not expressly granted under this Agreement (including within the Development Area), including without limitation:

(a) use the Marks and Brixx System in connection with establishing and operating Brixx businesses at any location outside the Development Area;

(b) use the Marks or other marks in connection with selling or distributing any goods (including branded merchandise or products) or services anywhere in the world (including within the Development Area), whether or not Developer also offer them, through channels of distribution other than onsite to customers at the Restaurant(s), for example, other temporary retail locations, kiosks, food trucks, catalogs, mail order, the Internet or other electronic means, at off-site events, or through delivery by Franchisor, Franchisor's affiliates or other franchisees, and/or third-party delivery services, or other similar methods (collectively, "Alternate Channels of Distribution");

(c) acquire, establish or operate, without using the Marks, any business of any kind at any location anywhere in the world (including within the Development Area), including another franchise system;

(d) use the Marks in connection with soliciting or directing advertising or promotional materials to customers anywhere in the world (including within the Development Area);

(e) establish or operate, or license other persons to establish or operate, a Brixx business within any Reserved Locations anywhere in the world (including within the Development Area);

(f) only if Developer chooses not to fulfill an order that Developer receives, or that is directed to Developer by Franchisor, from any Alternate Channel of Distribution, fulfill the order or designate one of Franchisor's affiliates or a third party (which may be another franchisee) to fulfill the order in the Development Area; and

(g) engage in any other activity, action or undertaking that Franchisor is not expressly prohibited from taking under this Agreement.

If Franchisor or its affiliates decide to exercise any of these rights, Franchisor and its affiliates will not be obligated to compensate Developer for such sales made inside or outside the Development Area.

1.5. Developer expressly acknowledges that all Brixx restaurants (whether owned by Franchisor, Developer or other Brixx System franchisees) may solicit business from customers without regard to the customers' geographic location. Franchisor does not warrant or represent that no other Brixx restaurant will solicit or make any sales within the Development Area, and Developer hereby expressly acknowledges and agrees that such solicitations or sales may occur within the Development Area. Developer recognizes and acknowledges that (i) it will compete with other Brixx restaurants which are now, or which may in the future be, located near or adjacent to the Development Area, and (ii) that such restaurants may be owned by Franchisor or third parties, or both. Developer further acknowledges that only Franchisor shall be permitted to solicit business from customers by means of computerized or other electronic remote-entry ordering systems (such as, for example, the Internet) capable of accepting orders placed from within or outside the Development Area.

2. TERM

Unless earlier terminated pursuant to Section 11 hereof, the term of this Agreement shall be that period commencing upon the Effective Date and ending on the earlier of (i) the execution of the Franchise Agreement for the last restaurant in the Development Schedule or (ii) the date specified in the Summary Pages attached hereto, unless terminated earlier as provided herein.

3. DEVELOPMENT FEE

Developer shall pay to Franchisor the Development Fee (as defined on the Summary Pages) for the exclusive right to open and operate the Restaurants during the term pursuant to the terms and conditions of this Agreement in the Development Area and for the development opportunities lost or deferred by Franchisor as a result of the rights granted to Developer herein ("Development Fee"). Upon the Developer's execution and delivery of this Agreement, the Developer shall pay the Development Fee to Franchisor in good and immediately available funds. Additionally, Developer agrees to execute simultaneously with this Agreement, the franchise agreement for the first (1st) location on the Development Schedule. This Development Fee was fully earned by Franchisor in consideration of its execution of this Agreement and shall be non-refundable.

4. DEVELOPMENT SCHEDULE

4.1. Developer shall open and continuously operate properly licensed Restaurants in accordance with the Development Schedule and, in connection therewith, shall execute and deliver to Franchisor a separate then-current version of the franchise agreement for each such Restaurant ("Franchise Agreement"). Strict compliance with the Development Schedule specified in the Summary Pages hereto (including, without limitation, the timing requirements contained therein) is of the essence for purposes of this Agreement, unless, subject to Franchisor's approval,

Developer obtains a one-time extension of the Development Schedule from Franchisor to sign a particular Franchise Agreement. The extension shall be for an additional 90-day ("Extension"). No more than one (1) Extension per franchise to be opened will be permitted. No extension for any Restaurant shall affect the opening of any other Restaurant or any of Developer's other development obligations. Any extension may be conditioned upon payment of an extension fee ("Extension Fee") of Five Thousand Dollars ($5,000) per extension. Developer acknowledges that the total number of Restaurants to be developed and the projected opening dates for each Restaurant as set forth in the Development Schedule are reasonable and attainable. In addition, Developer agrees that during the term of this Agreement, in addition to meeting the Development Schedule, Developer will at all times faithfully, honestly, and diligently perform its obligations hereunder and will continuously exert its best efforts to develop and open for business Restaurants in the Development Area. Developer further acknowledges and agrees that satisfaction of the Development Schedule does not automatically mean that Developer has complied with its obligations hereunder.

4.2. In the event that Developer opens and continuously operates a greater number of Restaurants than required during any interim period of the Development Schedule, the requirement of the succeeding period(s) shall be deemed satisfied to the extent of such excess number of Restaurants, up to the total number of Restaurants specified in the Development Schedule. Notwithstanding the above, Developer shall not develop more than the total number of Restaurants approved by Franchisor for development under this Agreement. If, during the term of this Agreement, (a) Developer transfers or disposes of any Restaurant developed hereunder in accordance with the provisions of the Franchise Agreement for such Restaurant, or for any other reason ceases to operate any Restaurant developed hereunder, and (b) after such transfer or disposition or other cessation of operation the premises no longer are utilized for the operation of a Restaurant, Developer's development obligation in the interim period of the Development Schedule in which such transfer or other cessation of operations occurred shall increase, subject to the general limitations on Developer's development obligations set forth in Section 2 and in this Section 4, by the number of Restaurants which Developer so transferred or disposed of or which otherwise ceased to operate.

4.3. In the event Developer fails to open and operate any Restaurant or to secure locations therefor within the time periods set forth in this Agreement (and any Extensions granted), including the execution of a separate Franchise Agreement for each Restaurant as required pursuant to the terms of this Agreement, or in the event Developer commences construction of any Restaurants according to plans and specifications not accepted by Franchisor or alters such accepted site plan or plans and specifications without Franchisor approval, then Franchisor, at its option, may elect to cancel and terminate this Agreement by written notice to Developer, in which case any Development Fee paid to Franchisor pursuant to Section 3 shall be retained by Franchisor as liquidated and agreed damages and no additional Franchise Agreements (other than those Franchise Agreements previously executed and entered into) will be issued for any additional Restaurants to be developed pursuant to the Development Schedule.

5. LOCATION OF RESTAURANTS

Developer is responsible for locating proposed sites for any Restaurants contemplated within the Development Area. During the term of this Agreement, Developer shall use its best efforts to locate suitable sites for the Restaurants. Franchisor, in its sole discretion, may offer counseling and advice in site selection. In no event, however, shall Franchisor be obligated to lend money, guarantee leases, provide financing or otherwise become directly or indirectly liable and/or obligated to Developer or to any third party in respect of such site selection or development. Developer acknowledges and agrees that all activities and undertakings associated with the selection and development, financially and otherwise, shall be the exclusive responsibility of Developer.

6. APPROVAL PROCESS FOR INDIVIDUAL RESTAURANTS

6.1. Developer understands and agrees that this Agreement does not confer upon Developer a right to obtain a franchise for any Restaurant but is intended by the Parties to set forth the terms and conditions which, if fully satisfied, shall entitle Developer to obtain such a franchise located within the Development Area. Developer further understands that until the date Developer opens for operation all of the Restaurants required to be opened in accordance with the Development Schedule, such aforesaid terms and conditions may be satisfied only by Developer (and not an assignee or transferee thereof), who shall remain at all times owned and controlled by the Owner.

6.2. In the event Developer desires to obtain a franchise for a new Restaurant, Developer shall submit to Franchisor a fully completed then-current franchise application ("Franchise Application"), which Franchisor shall use, in part, to evaluate Developer's franchise request. Developer shall be granted a franchise for a Restaurant only after obtaining Franchisor's site acceptance and operational, financial, and legal approval. To be effective, any such approval must be in writing and signed by Franchisor.

6.3. As used herein, Franchisor will give Developer "operational," "financial" and "legal" approval for a Restaurant under the following circumstances:

6.3.1. "Operational" approval will be granted if Franchisor has determined, in the exercise of its sole discretion, that Developer is conducting the operation of each of its then-current Restaurants (if any), and is capable of conducting the operation of the proposed Restaurant, including any physical aspects thereof, (i) in accordance with the terms and conditions of this Agreement, (ii) in accordance with the provisions of the Franchise Agreement(s) for such Restaurant(s), and (iii) in accordance with the standards, specifications and procedures set forth and described in Franchisor's then-current Brand Standards Manual and in any other materials or manuals provided or made available to Developer by Franchisor, as such may be amended from time to time. Developer understands that changes in Brixx standards, specifications and procedures may become necessary from time to time. Developer agrees to accept any such changes, and Developer further agrees that it is within the sole discretion of Franchisor to make said changes. Further, Developer acknowledges that Franchisor has the right, however, to charge then-current published rates for royalties, Brand Fund Fees, advertising fees, and any other fees charged under a Franchise Agreement.

6.3.2. "Financial" approval will be granted if Franchisor has determined, in the exercise of its sole discretion, that (i) Developer is financially capable of conducting the operation of each of its then-current Restaurant(s) (if any) and the proposed Restaurant, (ii) Developer is not in breach of its financial obligations under any of its existing Franchise Agreements, (iii) Developer is not in default, and its affiliates are not in default, of any money obligations owed to Franchisor, and (iv) Developer is not in default of any financial obligation to any of its suppliers unless any such obligation is being disputed in good faith by Developer. Developer acknowledges and agrees that it is vital to Franchisor's interest that each of its franchisees be financially sound to avoid failure of a franchised business (which would adversely affect the reputation and good name of Franchisor and the Brixx System). Developer acknowledges and agrees that it is vital to Franchisor's interest and to the interests of the Brixx System that Developer (in its capacity as Franchisee) remain current in satisfying its financial obligations to its suppliers.

6.3.3. "Legal" approval will be granted if Franchisor has determined, in the exercise of its sole discretion, that Developer has submitted to Franchisor, in a timely manner as requested, all information and documents required by Franchisor as a basis for the issuance of individual franchises pursuant to this Agreement.

6.4. In order to gain "site" acceptance for a proposed Restaurant from Franchisor, upon selection by Developer of a proposed site for a Restaurant, Developer must promptly submit to Franchisor a legal description of the site for the proposed Restaurant, the terms of any real estate purchase agreement or lease agreement therefor and such specific site data and demographic and other information concerning the Restaurant site as may be required by Franchisor, utilizing such forms as may be required by Franchisor. Franchisor shall either accept or reject such site in accordance with Franchisor's then-current site selection policies and procedures. Developer understands and acknowledges that Franchisor may reject any proposed site, in which event Developer will not proceed at the rejected site and will seek to locate an acceptable site. Franchisor shall provide notice of either rejection or acceptance of a site within sixty (60) days of submission by Developer. The acquisition, lease, option to acquire or lease and/or lock-up in any manner of any proposed site prior to acceptance by Franchisor, and the cost and expense thereof, shall be the sole risk and responsibility of Developer and shall not obligate Franchisor in any way to accept such site, approve a franchise for Restaurant at such site or to issue a Franchise Agreement for the operation of a Restaurant at such site.

6.5. Within thirty (30) days of the delivery by Franchisor of written notice to Developer of Franchisor's acceptance of the franchise for a proposed Restaurant, Franchisor and Developer must enter into Franchisor's then-current Franchise Agreement for that Restaurant in accordance with Section 9 below. In the event the Parties have not entered into a Franchise Agreement for that Restaurant within the time frame set forth in the preceding sentence, unless otherwise expressly provided by Franchisor, Franchisor's approval of the franchise for that Restaurant shall be terminated automatically, and the related franchise shall be subject again to the site acceptance and operational, financial, and legal approval process of Section 6.2.

7. DISCLAIMER

In executing this Agreement, accepting a proposed franchise, giving approvals or advice, or providing services or assistance in connection with this Agreement, Franchisor does not guarantee the suitability of an accepted site or the success of any particular Restaurant established at any such site, nor does Franchisor warrant or guarantee Developer's or the Restaurant's compliance with applicable laws and regulations. Franchisor expressly disclaims any warranties, express or implied, with respect to the suitability of any site or the success of any site or Restaurant. Developer understands and acknowledges that the suitability of a site and the success of any Restaurant depend on many factors outside the control of either Franchisor or Developer (including, without limitation, such factors as interest rates, unemployment rates, demographic and population trends, changes in traffic patterns and regulations, changes in access to the site and the general economic climate), but principally depend on Developer's efforts in the operation of the Restaurant. Developer understands and acknowledges that it is responsible for each Restaurant's compliance with all laws and regulations.

8. LOCATION REQUIREMENTS

As a condition for accepting a proposed site, Franchisor may require Developer to negotiate a lease or sales contract that includes certain terms regarding duration or other specified matters. Developer understands and acknowledges that site acceptance may be conditioned on such matters and that if Developer does not wish to, or cannot, satisfy the pertinent conditions within a reasonable time, the site will be deemed rejected. Developer agrees to submit an executed copy of the real estate purchase agreement or lease agreement and mortgage or deed of trust to Franchisor for each accepted location for development.

9. FRANCHISE AGREEMENT

9.1. The Developer will not open, operate or begin construction on a Restaurant under any circumstances until Franchisor's then-current version of the Franchise Agreement and related agreements for such location has been executed by Franchisor. Franchisor shall be under no obligation to execute and issue a Franchise Agreement if Developer is in breach of or default under this Agreement or any other Franchise Agreement between Franchisor and Developer. In addition, Franchisor shall be under no obligation to execute and issue a Franchise Agreement unless Developer has complied in a timely manner with all terms and conditions of this Agreement and has satisfied all requirements set forth herein with respect to the pertinent accepted site(s). If and when a Franchise Agreement is executed by Franchisor, it shall govern the relations between the Parties with respect to the pertinent Restaurant.

9.2. Because the Development Fee paid under this Agreement includes the initial franchise fees for each Restaurant, no additional initial franchise fees will be due upon execution of each Franchise Agreement.

10. NO RIGHT TO OPERATE; LIMITED RIGHT TO USE MARKS

Until a Franchise Agreement has been issued for a specified Restaurant, Developer shall not have or be entitled to exercise any of the rights, powers and privileges granted by the Franchise Agreement, including, without limitation, the right to use the Marks, and the Developer

acknowledges that the execution of this Agreement shall not be deemed to grant any rights, powers or privileges to Developer with respect to the Marks or the Brixx System (other than the limited rights to use such parts of the Brixx System as Franchisor deems reasonably necessary in order for Developer to obtain a site). Developer may not under any circumstances commence operation of any Restaurant prior to execution by Franchisor of a Franchise Agreement for the particular location.

11. TERMINATION

11.1. Unless terminated sooner due to expiration or non-renewal, this Agreement shall terminate immediately and without any notice or action required by Franchisor upon any of the following: (i) a court of competent jurisdiction shall enter a decree or order for relief in respect of Developer in an involuntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; (ii) an involuntary case shall be commenced against Developer under any applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over Developer, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, trustee or other custodian of Developer for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Developer, and any such event described in this clause shall continue for thirty (30) days without having been dismissed, bonded or discharged; (iii) Developer shall have an order for relief entered with respect to it or shall commence a voluntary case under any applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee or other custodian for all or a substantial part of its property; (iv) Developer shall make any assignment for the benefit of creditors; or (v) the termination of substantially all of Developer's ongoing business operations.

11.2 Franchisor shall have the right at its election to terminate this Agreement immediately upon notice to Developer, upon the occurrence of any of the following:

(a) The Developer's failure to open and continuously operate the Restaurant(s), or execute a separate Franchise Agreement for each Restaurant, within the time period(s) specified in the Development Schedule;

(b) The attempted assignment of this Agreement by the Developer without prior written approval of Franchisor;

(c) Any sale, liquidation or dissolution of the Developer, or any merger or consolidation of the Developer with or into any other corporation or other entity; or any sale, lease, exchange or other disposition of, in a single transaction or a series of related transactions, all or substantially all of the assets of the Developer;

(d) The Owners fails to maintain beneficial ownership, directly or indirectly, of voting stock of the Developer representing more than seventy-five percent (75%) of the voting stock held by Owners as of the Effective Date of this Agreement. As used herein, "beneficial ownership" shall have the meaning provided in Rule 13d-3 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended;

(e) The discovery by Franchisor of any misrepresentation in any of the information or documents submitted to Franchisor by or on behalf of Developer or Owners, including any Franchise Application;

(f) Any violation by Developer of any of the provisions of this Agreement (other than the provisions of Section 12 of this Agreement) if such violation shall continue for thirty (30) days after Franchisor gives written notice of such material violation to Developer);

(g) The termination by Franchisor of any Franchise Agreement or other agreement between Franchisor and Developer due to a breach of such agreement by Developer;

(h) Developer's failure to cure a default under any other agreement between Franchisor and Developer within the time specified therein, after Franchisor gives written notice of such violation to Developer;

(i) Any of the events specified in Section 11.1 shall have occurred and be continuing with respect to the Owners;

(j) A franchise for the first Restaurant to be opened in the Development Area by Developer has not been approved by Franchisor;

(k) Expiration of the Agreement;

(l) Completion of all Restaurants to be developed under this Agreement; or

(m) Termination as a result of an uncured or uncurable default under any Franchise Agreement between the Developer and Franchisor.

For purposes of Sections 9 and 12 herein, any Franchise Agreement issued to Developer, any affiliated company of Developer or any corporation, partnership, limited liability company or joint venture (or their affiliates) in which Developer or any shareholder, partner, owner or joint venture of Developer, direct or indirect, has any interest of ownership or participation, regardless of location, shall be deemed an agreement between Franchisor and Developer.

12. EFFECT OF EXPIRATION OR TERMINATION

Upon the expiration of this Agreement, or upon termination, expiration, or non-renewal of this Agreement for any reason, the rights granted to Developer pursuant to Section 1 hereof shall be extinguished immediately. Unless the Parties have executed a new development agreement,

Franchisor thereafter shall have the unrestricted right to operate or permit others to operate Brixx® restaurants within the Development Area, except as limited by the provisions of any then-effective Franchise Agreements.

13. CONFIDENTIALITY AND NON-COMPETE

13.1. Developer acknowledges that it will receive proprietary information which Franchisor has developed over time at great expense, including, but not limited to, information contained in manuals (both verbal and written) regarding the Brixx System, methods of site selection, marketing and public relations methods, product analysis and selection, and service methods and skills relating to the development and operation of the Brixx restaurants (collectively, "Confidential Information"). Developer and all guarantors of this Agreement will divulge Confidential Information only to personnel, if any, who must have access to it in order to operate the Restaurant. Further, Developer will require all personnel having access to any Confidential Information from Franchisor to execute an agreement, requiring them to maintain the confidentiality of information they receive in connection with their employment at the Brixx® Franchise. Those agreements will be in a form satisfactory to Franchisor, including without limitation, specific identification of Franchisor as a third-party beneficiary of such agreements, with Franchisor having an independent right to enforce them.

13.2. All ideas, concepts, techniques or materials concerning the Restaurants or the Brixx System, whether or not protectable intellectual property and whether created by or for Developer or its owners or employees, must be promptly disclosed to Franchisor and will be deemed the exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation will be due to Developer or its owners or employees therefor. Franchisor may incorporate such items into the Brixx System. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Developer shall assign ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor reasonably requests to assist Franchisor in obtaining or preserving intellectual property rights in the item. Franchisor shall disclose to Developer concepts and developments of other franchisees that are made part of the Brixx System. As Franchisor may reasonably request, Developer shall, at Franchisor's expense, take all actions reasonably necessary to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the Brixx System, whether developed by Developer or not.

13.3. In consideration of Franchisor's confidential disclosure to them of this information, Developer and the Owners and guarantors agree as follows:

(a) During the term of this Agreement, neither Developer nor any Owner, for so long as such Owner owns any interest in Developer, may, without the prior written consent of Franchisor, directly or indirectly engage in, or acquire any financial or beneficial interest in (including any interest in corporations, limited liability companies, partnerships, trusts, unincorporated associations or joint ventures), advise, help, guarantee loans or make loans to, any Competitive Business (as defined herein) or solicit, divert or attempt to solicit or divert any customer that has done business with or has been a customer of the Restaurant at any time during the term of this Agreement, to any Competitive Business.

(b) Neither Developer nor any Owner, for two (2) years following the termination, expiration or non-renewal of this Agreement for any reason, nor any Owner or guarantor, for two (2) years following the expiration, termination, non-renewal, transfer, sale or other assignment of all of his or her interest in Developer or the termination, expiration or non-renewal of this Agreement for any reason, may engage in, or acquire any financial or beneficial interest in (including an interest in corporations, limited liability companies, partnerships, trusts, unincorporated associations or joint ventures), advise, help, guarantee loans or make loans to any Competitive Business located within any of the following:

(1) A five (5) mile radius of the territory of any Brixx Restaurant, whether operated, by Developer, Franchisor, Franchisor's affiliates or a licensee or franchisee of Franchisor or its affiliates; or

(2) Only in the event the foregoing is determined by a court of law to be too broad, a five (5) mile radius of the location of any Brixx Restaurant, whether operated, by Developer, Franchisor, Franchisor's affiliates or a licensee or franchisee of Franchisor or its affiliates; or

(3) Only in the event the foregoing is determined by a court of law to be too broad, a five (5) mile radius of the Development Area; or

(4) Only in the event the foregoing is determined by a court of law to be too broad, the Development Area.

(c) Neither Developer nor any Owner or guarantor shall at any time (i) appropriate or use the trade secrets incorporated in the Brixx System, or any portion thereof, in any business which is not within the Brixx System, (ii) disclose or reveal any portion of the Brixx System to any person, other than to the Restaurant employees as an incident of their training (excepting employees hired for the intent of avoiding this provision), (iii) acquire any right to use any name, Mark or other intellectual property right which is or may be granted by this Agreement, except in connection with the operation of the Restaurant or (iv) communicate, divulge or use for the benefit of any other person or entity any confidential information, knowledge or know-how concerning the methods of development or operation of a Restaurant utilizing the Brixx System.

(d) Neither Developer nor any Owner or guarantor, for two (2) years following the expiration, termination, non-renewal, transfer, sale or other assignment of all of his or her interest in Developer or the termination, expiration or non-renewal of this Agreement for any reason solicit, divert or attempt to solicit or divert any customer that has done business with or has been a customer of any Restaurant at any time during the one (1) year period prior to the expiration or termination of this Agreement, to any Competitive Business.

(e) For purposes of this Agreement, the term "Competitive Business" shall mean:

(1) any quick-service or full-service restaurant that receives Twenty Five Percent (25%) or more of its gross revenue from the sale of pizza, or

(2) any quick-service or full-service restaurant that receives Twenty Five Percent (25%) or more of its gross revenues from the combined sale of pizza, sandwiches, and salads.

The restrictions contained in Section 13.3(a) and Section 13.3(b) above shall not apply to ownership of less than five percent (5%) of the shares of a company whose shares are listed and traded on a national securities exchange if such shares are owned for investment only. If any court or other tribunal having jurisdiction to determine the validity or enforceability of this Section 13 determines that it would be invalid or unenforceable as written, then the provisions hereof shall be deemed to be modified or limited to such extent or in such manner as necessary for such provisions to be valid and enforceable to the greatest extent possible.

14. ASSIGNMENT

This Agreement shall inure to the benefit of and be binding upon Franchisor, its successors and assigns. However, neither this Agreement nor any of Developer's rights hereunder nor any interest in Developer shall be assignable or transferable by Developer, directly or indirectly, by operation of law or otherwise, without prior written approval from Franchisor, which approval shall be at the sole discretion of Franchisor. Notwithstanding the foregoing, nothing herein shall prevent Developer from establishing one or more separate entities to develop particular franchise locations provided the entity(ies) share common ownership with Developer and execute the applicable Franchise Agreement.

15. MISCELLANEOUS

15.1. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include any other number and any other gender, as the context or sense of this Agreement or any provision hereof may require, as if such words had been fully and properly written in the appropriate number and gender. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any Party, whether under any rule of construction or otherwise. No Party to this Agreement shall be considered the draftsman. The Parties acknowledge and agree that this Agreement has been reviewed, negotiated and accepted by all Parties and their attorneys and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of all Parties hereto.

15.2. Captions and section headings are used herein for convenience only. They are not part of this Agreement and shall not be used in construing it.

15.3. No notice or other communication under this Agreement is sufficient to affect any rights, remedies or obligations of any Party unless the notice or communication is in writing and (as elected by the Party giving the notice) is (a) personally delivered, (b) transmitted by facsimile (with receipt acknowledgment), (c) transmitted by a nationally recognized overnight courier service, or (d) mailed by registered mail, return receipt requested, to the Party to which notice or communication is being at the address identified on the Summary Pages. Except as otherwise

specified in this Agreement, all notices or communications are deemed to have been duly given (i) on the date of receipt if delivered personally and during normal business hours and on the next business day if delivered after hours, (ii) on the date of transmission if transmitted by facsimile and during normal business hours and on the next business day if delivered after hours, (iii) the day after pick-up by courier if delivered by courier or (iv) upon receipt if delivered by registered mail, return receipt requested. Any Party may change its address by written notice to the other Parties.

15.4. Any action, claim, or controversy arising from or relating to this Agreement shall be governed by the choice of law and the dispute resolution provisions in the Franchise Agreement for the first Restaurant.

15.5. Following the execution of this Agreement by Developer and Owner, this Agreement shall become effective only upon its execution by Franchisor, such execution to occur in the State of North Carolina.

15.6. No waiver, delay, omission, or forbearance on the part of a Party to exercise any right, option, duty or power arising from any default or breach by the other Party shall affect or impair the rights of the Party with respect to any subsequent default of the same or a different kind; nor shall any delay or omission of a Party to exercise any right arising from any such default affect or impair the Party's rights as to such default or any future default. Franchisor has the unrestricted right to elect to not enforce (or to selectively enforce) any provision of this Agreement or any other agreement, standard or policy, whether with respect to Developer and/or any other developer or other person, or any Affiliate of Developer or Franchisor, without liability.

15.7. If any term, restriction or covenant of this Agreement is deemed invalid or unenforceable, all other terms, restrictions and covenants and the application thereof to all persons and circumstances subject thereto shall remain unaffected to the extent permitted by law; and if any application of any term, restriction or covenant to any person or circumstances is deemed invalid or unenforceable, the application of such term, restriction or covenant to other persons and circumstances shall remain unaffected to the extent permitted by law.

15.8. This Agreement, along with any Franchise Agreement issued pursuant hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and there are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the Parties that have been relied upon by either Party other than those set forth herein, except that nothing in this Agreement is intended to disclaim any representations made in the Franchise Disclosure Document. The rights and obligations of the Parties in this Agreement are in addition to, and not in substitution for, any rights or obligations of the Parties contained in the Franchise Agreement(s) (or related documents) executed in connection herewith. In the event of a conflict between the terms of this Agreement and any Franchise Agreement, the Parties shall attempt to interpret the agreements to avoid any conflict, but in any event the terms of the Franchise Agreement shall control. No agreement of any kind relating to the matters covered by this Agreement shall be binding upon either Party unless and until the same is made in writing and executed by both Developer and Franchisor.

15.9. In the event of termination of this Agreement for any reason or following expiration of the Term, Developer and the Owners and guarantors shall remain subject to the provisions of Section 13 of this Agreement regarding covenants not to compete, and any other covenants contained in this Agreement which, by their terms, require performance by the Parties after the expiration or termination of this Agreement, shall be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

15.10. As used in this Agreement, the term "Force Majeure" shall mean any act of God, strike, lock out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government and any other similar cause not within the control of the party affected thereby. If the performance of any obligation by any Party under this Agreement is prevented, hindered or delayed by reason of Force Majeure, which cannot be overcome by use of normal commercial measures, the Parties shall be relieved of their respective obligations to the extent the Parties are respectively necessarily prevented, hindered or delayed in such performance during the period of such Force Majeure. The Party whose performance is affected by an event of Force Majeure shall give prompt notice of such Force Majeure event to the other Party by telephone or telegram (in each case to be confirmed in writing in accordance with Section 17.1 hereof), setting forth the nature thereof and an estimate as to its duration, and shall be liable for failure to give such timely notice only to the extent of damage actually caused.

15.11. DEVELOPER UNDERSTANDS AND ACKNOWLEDGES THAT THERE ARE SIGNIFICANT RISKS IN ANY BUSINESS VENTURE AND THAT THE PRIMARY FACT IN DEVELOPER'S SUCCESS OR FAILURE UNDER THIS AGREEMENT WILL BE DEVELOPER'S OWN EFFORTS. IN ADDITION, DEVELOPER ACKNOWLEDGES THAT DEVELOPER HAS UNDERTAKEN THIS VENTURE SOLELY IN RELIANCE UPON DEVELOPER'S OWN INDEPENDENT INVESTIGATION OF THE MERITS OF THIS VENTURE. FURTHER, DEVELOPER ACKNOWLEDGES THAT FRANCHISOR HAS PROVIDED DEVELOPER WITH A COPY OF THIS AGREEMENT AND ALL RELATED DOCUMENTS FULLY COMPLETED, AT LEAST TEN (10) BUSINESS DAYS PRIOR TO DEVELOPER'S EXECUTION HEREOF. FINALLY, THE DEVELOPER ACKNOWLEDGES THAT FRANCHISOR DID NOT GUARANTEE THAT (I) THE DEVELOPER WOULD DERIVE INCOME FROM THE OPERATION OF THE FRANCHISE(S) OR THE RESTAURANT(S) WHICH EXCEEDS THE PRICE PAID FOR THE RIGHT TO OPERATE THE FRANCHISE(S) OR THE RESTAURANT(S), OR (II) FRANCHISOR WOULD REFUND ALL OR PART OF ANY FEES OR PAYMENTS MADE PURSUANT TO THIS AGREEMENT OR ANY FRANCHISE AGREEMENT OR REPURCHASE ANY PRODUCTS, EQUIPMENT, SUPPLIES OR CHATTELS SUPPLIED BY FRANCHISOR PURSUANT TO THIS AGREEMENT OR ANY FRANCHISE AGREEMENT IN THE EVENT THAT THE DEVELOPER IS UNSATISFIED WITH THE OPERATION OF THE FRANCHISE(S) OR THE RESTAURANT(S).

[Remainder of page intentionally left blank. Signature page to follow.]

IN WITNESS WHEREOF, the Parties have either caused this Agreement to be executed or hereunto set their hands and seals, all duly given as of the day and year first above written and to be effective as of the date executed by Franchisor.

FOR OHIO RESIDENTS AND DEVELOPERS WITH DEVELOPMENT AREAS AND/OR RESTAURANTS IN OHIO: You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

FOR CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN RESIDENTS AND/OR FRANCHISEES WITH TERRITORIES AND/OR ACCEPTED LOCATIONS THEREIN: No statement, questionnaire, or acknowledgement signed or agreed to by Developer in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by Franchisor, any franchise seller, or any other person acting on Franchisor's behalf. This provision supersedes any other term of any document executed in connection with the franchise.

DEVELOPER:

Identified on the Summary Pages made a part hereof.

(Company Seal)

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISOR:

BRIXX FRANCHISE SYSTEMS, LLC,
a North Carolina limited liability company

(Company Seal)

By: _____
Name: _____
Title: _____
Effective Date: _____

Agreed to and accepted by:

OWNER:

Identified on the Summary Pages made a part hereof.

By: _____
Name: _____
Title: _____
Date: _____

[FOR OHIO RESIDENTS AND DEVELOPERS WITH DEVELOPMENT AREAS AND/OR RESTAURANTS IN OHIO]

Notice of cancellation

_____
(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver by hand or overnight courier, a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to BRIXX FRANCHISE SYSTEMS, LLC, 1810 E. 7th Street, Charlotte, NC 28204 904-536-8005, not later than midnight of _____.

I hereby cancel this transaction.

_____
(Purchaser's Signature)

(Date) _____

[FOR OHIO RESIDENTS AND DEVELOPERS WITH DEVELOPMENT AREAS AND/OR RESTAURANTS IN OHIO]

Notice of cancellation

_____
(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver by hand or overnight courier, a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to BRIXX FRANCHISE SYSTEMS, LLC, 1810 E. 7th Street, Charlotte, NC 28204 904-536-8005, not later than midnight of _____.

I hereby cancel this transaction.

_____
(Purchaser's Signature)

(Date) _____

ADDENDUM A

GUARANTY AND ASSUMPTION OF DEVELOPER'S OBLIGATIONS

In consideration of the execution of the Area Development Agreement, (together with any revisions, modifications, and amendments thereto, the "Agreement") between BRIXX FRANCHISE SYSTEMS, LLC ("Franchisor") and _____ ("Developer") dated of even date herewith, the undersigned (each a "Guarantor"), for themselves, their heirs, successors, and assigns, do jointly, individually, and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms, and conditions in the Agreement, to be paid, kept and performed by the Developer.

A. Except for those designated as "Spouse" and not "Owner" in the signature block below, each Guarantor, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Agreement, including but not limited to the non-compete, non-solicitation, dispute resolution, and indemnification provisions, and agree that this Personal Guaranty will be construed as though each Guarantor and each of its heirs, successors, and assigns executed an agreement containing the identical terms and conditions of the Agreement. If a Guarantor is an Owner, Guarantor hereby (1) makes all representations of, and (2) accepts and agrees to comply with all obligations of, owners, shareholders, members, and partners of the Developer as set forth in the Agreement.

B. Each Guarantor's liability under this Personal Guaranty shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Developer and, as applicable, any other guarantors of Developer. Each Guarantor shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so. Franchisor may proceed against each Guarantor and Developer jointly and severally, or Franchisor may, at its option, proceed against any Guarantor, without having commenced any action, or having obtained any judgment against Developer. Each Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this Personal Guaranty or any negotiations relative to the obligations hereby guaranteed or in enforcing this Personal Guaranty against any Guarantor. This Personal Guaranty is enforceable by and against the respective administrators, executors, heirs, successors, and assigns of each Guarantor, and the death of any Guarantor will not terminate the liability of such Guarantor or limit the liability of other Guarantors hereunder.

C. Each Guarantor consents and agrees that: (1) each Guarantor's liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against the Developer or any other person; (2) such liability will not be diminished, relieved or otherwise affected by the Developer's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to any or all Guarantors; (3) any liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Developer or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Personal Guaranty, which shall be continuing and irrevocable; and (4) this Personal Guaranty shall apply in all modifications to the Agreement of any nature agreed to by Developer with or without any Guarantor receiving notice thereof.

D. Each Guarantor waives: (1) notice of demand for payment of any indebtedness or on performance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; (3) any right he/she may have

to require that an action be brought against the Developer or any other person as a condition of liability; (4) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and (5) notice of any changes permitted by the terms of the Agreement or agreed to by the Developer.

E. If Franchisor enforces this Personal Guaranty in a judicial proceeding and prevails in that proceeding, Franchisor shall be entitled to reimbursement from each Guarantor of Franchisor's costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', and expert witness fees; costs of investigation and proof of facts; court costs; other litigation expenses; and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor must engage legal counsel in connection with any Guarantor's failure to comply with this Personal Guaranty, the Guarantors must reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor, even if Franchisor does not commence a legal proceeding.

F. Each Guarantor agrees that the provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of Franchisor's successors and assigns.

G. This Personal Guaranty shall be governed by the choice of law and dispute resolution provisions set forth in the Agreement.

GUARANTOR(S):

Signature: _____
Print Name: _____
Date: _____
Percentage Ownership in Developer/Spouse: _____

Signature: _____
Print Name: _____
Date: _____
Percentage Ownership in Developer /Spouse: _____

Signature: _____
Print Name: _____
Date: _____
Percentage Ownership in Developer /Spouse: _____

BRIXX FRANCHISE SYSTEMS, LLC:

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT H

FIRST ADDENDUM TO RENEWAL FRANCHISE AGREEMENT

(CURRENT FORM; SUBJECT TO CHANGE)

THIS FIRST ADDENDUM ("Addendum") to the Franchise Agreement dated as of the Effective Date ("Agreement") between BRIXX FRANCHISE SYSTEMS, LLC ("Franchisor") and _____ ("Franchisee") is made as of the same date to amend and supplement certain terms and conditions of the Agreement. In the event of any conflict between the terms of the Agreement and the terms of this Addendum, the terms of this Addendum shall control. All capitalized terms not otherwise defined in this Addendum shall have their respective meanings set forth in the Agreement.

1. Location. Franchisor has previously accepted the Location as required pursuant to the Franchise Agreement. The Location is: _____.

2. Lease Acceptance. Franchisor has previously accepted the lease for the Restaurant as required pursuant to the Franchise Agreement and therefore waives the requirement for lease review and acceptance (and the associated lease review fee); provided, however, that if Franchisee enters into a new lease for the Restaurant during the term of the Agreement, all lease review and acceptance requirements shall remain applicable.

3. Commencement of Operations. Franchisor and Franchisee acknowledge that the Restaurant has commenced operations as required pursuant to the Agreement.

4. Franchisor's Development Assistance. Franchisee acknowledges and agrees that Franchisor has complied with its obligations under the Agreement (or Franchisee waives, as the case may be, Franchisor's obligation) to (1) assist Franchisee in choosing the Restaurant and determining fulfillment of the requisite criteria for the Restaurant, such determination based on information provided by Franchisee (including those obligations set forth in the Franchise Agreement; and (2) to provide opening support services listed in the Agreement.

5. Grand Opening. The Section of the Agreement pertaining to a Grand Opening is deleted.

6. Remodeling. Franchisee will complete the remodeling and renovations of the Restaurant, at Franchisee's expense, listed on Exhibit A to this addendum no later than 60 days following the Effective Date of the Agreement or at such different time as set forth in Exhibit A.

7. [Applicable on final renewal only:] Sections 1.6 and 1.7 of the Agreement are hereby deleted. As such, Franchisee has no right to renew the Agreement. Any renewal rights or terms following the expiration of the term of the Agreement shall be granted in Franchisor's sole discretion. Franchisor has no obligation to grant Franchisee any further renewal rights, terms, or franchises.

8. Release. Franchisee; Owners; guarantors of Franchisee; for themselves and on behalf of their respective predecessors, parents, affiliates, subsidiaries, shareholders, members,

partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, personal representatives, heirs, executors, administrators, successors, and assigns (collectively, "Releasors") hereby release to the fullest extent permitted by law, all claims that Releasors may have against Franchisor; Franchisor's predecessors, parents, affiliates, and subsidiaries; and their respective shareholders, members, partners, officers, directors, managers, employees, agents, representatives, attorneys, accountants, guarantors, successors, and assigns ("Releasees"), in both their corporate and individual capacities from the beginning of time until the date of this Addendum.

9. Non-Disparagement. Releasors agree not to, disparage or otherwise speak or write negatively, directly or indirectly, of the Releasees, the BRIXX brand, the Brixx System, or any other service-marked or trademarked concept of Franchisor, or engage in any activity which would subject the BRIXX brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of Franchisor or its brand.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed on the date first set forth above.

BRIXX FRANCHISE SYSTEMS, LLC

By: _____

Name: _____

Title: _____

_____
FRANCHISEE (Print Name)

By: _____

Name: _____

Title: _____

OWNER(S):

By: _____

Name: _____

GUARANTOR(S):

By: _____

Name: _____

Exhibit A

Remodeling

EXHIBIT I

AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER

(CURRENT FORM; SUBJECT TO CHANGE)

THIS AGREEMENT AND CONDITIONAL CONSENT TO TRANSFER ("Agreement") is made among **BRIXX FRANCHISE SYSTEMS, LLC** ("Franchisor"), _____ ("Seller"), and _____ ("Buyer"), and, if any, the undersigned Guarantors, effective as of the Effective Date.

A. Seller is the franchisee pursuant to that certain franchise agreement between Franchisor and Seller, as franchisee, dated _____ ("Seller Franchise Agreement"), governing the operation of the business located at _____ ("Restaurant");

B. Buyer is the franchisee under that certain franchise agreement between Franchisor and Buyer, as franchisee, dated _____ (as amended, "Buyer Franchise Agreement");

C. Seller has notified Franchisor that it and Buyer have entered into an Asset Purchase Agreement, dated _____ ("Purchase Agreement"), pursuant to which Seller has agreed to sell and Buyer has agreed to purchase all of the rights, obligations and assets relating to the Restaurant ("Interests") and, further, that Buyer has agreed to assume the lease obligations with regard to the Restaurant (collectively, the "Transfer"); and

D. Seller and the guarantors of the obligations of Seller ("Seller Guarantors") have requested that Franchisor consent to the Transfer and release Seller and the Seller Guarantors from all obligations under the Franchise Agreement and guaranty, respectively; and

E. The parties desire to set forth the terms and conditions under which Franchisor will consent to the Transfer and release.

FOR AND IN CONSIDERATION of the foregoing Recitals, which are incorporated herein, the mutual covenants expressed herein and other valuable consideration, receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Effective Date. The "Effective Date" of the Transfer will be the date the closing occurs under the Purchase Agreement and the assets of the Franchised Business are assigned from Seller to Buyer ("Closing"), or the date on which Franchisor signs this Agreement acknowledging its consent to the proposed Transfer, whichever occurs later. For the avoidance of doubt, Seller's franchise rights will not transfer to Buyer unless the Closing occurs.

2. Proposed Transfer. Buyer is purchasing the Interests from Seller in accordance with the terms and conditions of the Purchase Agreement. Seller and Buyer represent and warrant that the form of Purchase Agreement provided to Franchisor is the final version of the agreement and is the version which has been or will be executed by them to effectuate the Transfer.

3. **Conditional Consent.** The Seller Franchise Agreement provides that the Transfer cannot take place without the consent of Franchisor. Franchisor will consent to the Transfer, provided, however, such consent is expressly contingent upon compliance with the following terms and conditions on or before the date of the Closing:

a. **Franchise Agreement.** The Seller Franchise Agreement will terminate as of the Closing, and the operation of the Restaurant will thereafter be governed by the Buyer Franchise Agreement;

b. **Payment of Amounts Due.** Seller will pay all amounts due and owing to Franchisor through the date of Closing; including the amount of $_____;

c. **Transfer Fee.** Seller shall pay a transfer fee of $_____ as provided in the Seller Franchise Agreement;

d. **Financial Statements.** Seller will provide Franchisor with all required monthly financial statements for the Restaurant through the date of Closing;

e. **Training.** Buyer or Buyer's designated representative(s) shall have satisfactorily completed the initial training program as described in the Buyer Franchise Agreement prior to the Closing;

f. **Right to Possession.** Buyer will provide satisfactory evidence to Franchisor that Buyer has the right to possession of the premises for the Restaurant by way of lease assignment (with **all** required landlord consents) or otherwise;

g. **Site Selection Assistance.** Buyer acknowledges and agrees that Franchisor has satisfied any and all obligations under the Buyer Franchise Agreement with respect to site selection and development assistance;

h. **Remodeling.** Seller and Buyer shall ensure that all of the items reflected on the Pre-Sale Inspection which is attached hereto have been completed;

i. **Purchase Agreement.** The Purchase Agreement will not be amended and the terms of the transaction thereunder will not be changed except with the prior written consent of Franchisor;

j. **Buyer Loans.** Buyer shall provide Franchisor with copies of all loan documents or loan commitments evidencing all debt taken on by Buyer in connection with the purchase of the Restaurant;

k. **Possession.** Prior to Closing and changing possession of the Restaurant, Seller and Buyer shall obtain the written consent of Franchisor to change possession; and

l. **Gift Card Liability**. Buyer shall assume Seller's gift card liability and shall honor all outstanding but unredeemed gift cards issued by Seller or at the Restaurant.

4. **Waiver of Right of First Refusal.** Franchisor hereby waives any right of first refusal to purchase the Interests as it may have pursuant to the Seller Franchise Agreement.

5. **Release of Franchisor.** Seller, the Seller Guarantors and Buyer, and each of them, for themselves and their affiliates, employees, officers, directors, successors, assigns, and other representatives, hereby fully and forever unconditionally release and discharge Franchisor, and its affiliates, parents, subsidiaries, area directors and agents and their respective employees, shareholders, members, officers, directors, successors, assigns, guarantors and other representatives ("Released Parties"), from any and all claims, demands, obligations, actions, liabilities and damages of every kind or nature whatsoever, in law or in equity, whether known or unknown to them, which they may have against the Released Parties as of the date of this Agreement, or which may thereafter be discovered, accrued, or sustained, in connection with, as a result of, or in any way arising from, any relations or transactions with the Released Parties, however characterized or described, including but not limited to, any claims arising from the Seller Franchise Agreement, the Buyer Franchise Agreement or the Purchase Agreement or the transactions described herein.

If the Restaurant is located in California or if either Buyer or Seller is a resident of California, the following shall apply:

Section 1542 Acknowledgment. It is the intention of Seller and Buyer in executing this Agreement that this instrument be and is a general release which shall be effective as a bar to each and every claim, demand or cause of action released by Seller and/or Buyer. Each of Seller and Buyer recognizes that he, she or it may have some claim, demand or cause of action against the Release Parties of which he, she, or it is totally unaware and unsuspecting, which he, she or it is giving up by executing this Agreement. It is the intention of each of Seller and Buyer in executing this instrument that it will deprive him, her or it of such claim, demand or cause of action and prevent him, her or it from asserting it against the Released Parties. In furtherance of this intention, Seller and Buyer expressly waive any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Each of Seller and Buyer acknowledges and represents that he, she, or it has consulted with legal counsel before executing this Agreement and that he, she, or it understands its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consents that this Agreement shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands and causes of action.

6. **Termination of Seller Franchise Agreement and Guaranties**. Franchisor and Seller acknowledge and agree that, as of the date of Closing, upon the Transfer and upon compliance with the conditions set forth in Section 3 above, the Seller Franchise Agreement will automatically terminate and neither Seller nor Seller Guarantors shall have any further rights or obligations thereunder except that neither Seller nor any Seller Guarantor shall be released from:

a. any obligations to pay money to Franchisor owed under either the Seller Franchise Agreement or the guaranty prior to Closing; or

b. the provisions of the Seller Franchise Agreement that, either expressly or by their nature, survive termination of the Seller Franchise Agreement (including without limitation the post-termination restrictive covenants, audit rights, dispute resolution and notice, indemnification, and confidentiality provisions of the Seller Franchise Agreement).

7. Acknowledgment. Buyer and Seller acknowledge that although Franchisor or its affiliates, employees, officers, directors, successors, assigns, and other representatives may have been involved in Buyer's purchase of the Interests from Seller, Buyer and Seller have assumed sole and full responsibility for making the final decision to purchase and sell the Interests and each has consulted, or has had the opportunity to consult but, of its own accord, elected not to consult, with its own legal and financial advisors. Buyer further understands that as part of analyzing the purchase of the Interests from Seller, it is Buyer's responsibility to meet with or otherwise gather necessary information from the appropriate parties which may or may not affect Buyer's purchase of the Interests from Seller.

8. Additional Documents. Buyer and Seller agree to execute such additional documents as may be necessary to complete the Transfer as contemplated by the Purchase Agreement, the Seller Franchise Agreement and the Buyer Franchise Agreement.

9. Miscellaneous Provisions. This Agreement will be construed and enforced in accordance with, and governed by, the laws of the state of North Carolina. This Agreement may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. The headings of this Agreement are for convenience and reference only and will not limit or otherwise affect the meaning hereof. This Agreement may be executed in any number of counterparts and sent via facsimile, each of which will be deemed an original but all of which taken together will constitute one and the same instrument. All capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the applicable franchise agreement.

10. Non-Disparagement. In consideration of the accommodations provided to Seller, the Seller Guarantors and Buyer and concessions made by Franchisor and its affiliates under this Agreement, Seller, the Seller Guarantors and Buyer agree not to, and to use their best efforts to cause their current and former shareholders, officers, directors principals, agents, partners, employees, representatives, attorneys, spouses, and successors and assigns not to, disparage or otherwise speak or write negatively, directly or indirectly, of Franchisor or the Released Parties or their respective current and former agents, principals, officers, directors, shareholders, members, employees, franchisees, representatives, area directors, attorneys, parents, predecessors, affiliates, subsidiaries divisions, and successors and assigns, the BRIXX brand, the Brixx System, or any other service-marked or trademarked concept of Franchisor, or which would subject the BRIXX brand to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact the goodwill of Franchisor or its brand.

THUS signed by the parties shown below and made effective as of the Effective Date.

SELLER(S): If Seller is a legal entity, name of entity:_____

By: _____
Name: _____
Title: _____

SELLER GUARANTORS:

_____ _____
Print Name: _____ **Print Name:** _____

BUYER(S): If Buyer is a legal entity, name of entity:_____

By: _____
Name: _____
Title: _____

ACCEPTED:

BRIXX FRANCHISE SYSTEMS, LLC

By _____
Name: _____
Title: _____
Date*: _____
*This date is the Effective Date

EXHIBIT J
FULL AND FINAL GENERAL RELEASE

(CURRENT FORM; SUBJECT TO CHANGE; FOR USE UPON RENEWAL OR TRANSFER; NOT TO BE SIGNED WITH FRANCHISE AGREEMENT)

FOR AND IN CONSIDERATION of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties, the parties agree and covenant to fully and mutually release the other as follows:

1. The Franchisee and its successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, officers, directors, principals, employees and affiliated parties (collectively, the "Franchisee Parties") do hereby release and forever discharge Franchisor, its, successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, officers, directors, principals, employees and affiliated parties (collectively, the "Franchisor Parties") from any and all claims, demands, damages, actions, causes of action, or suits of any kind or nature whatsoever, both known and unknown, including, without limitation: (a) arising out of or related to the Franchisor Parties' obligations under the franchise agreement or (b) otherwise arising from or related to the Franchisee Parties' relationship, from the beginning of time to the date of Franchisee's signature below, with any of the Franchisor Parties.

2. Franchisee, on its own behalf and on behalf of the other Franchisee Parties, further covenants not to sue any of the Franchisor Parties on any of the claims released by the preceding paragraph and represents that Franchisee has not assigned any such claims released by the preceding paragraph to any individual or entity who is not bound by this Release. It is understood and agreed that this Release is not to be construed as an admission of liability with respect to the Franchisor Parties.

3. The consideration expressly mentioned herein is the only consideration paid or to be paid by said parties hereby released. The parties acknowledge that no other party, or agent, or attorney of any other party, has made any promise, or representation or warranty to induce this Release, not herein expressly set forth, and no such promises, representations or warranties are relied upon as a consideration for this Release, or otherwise, but any and all of the parties' respective claims, of whatever nature are hereby fully and forever released, compromised and settled. Full and complete compromise, settlement, and accord and satisfaction are hereby acknowledged, and it is expressly agreed by the undersigned parties never to sue any of the other parties hereby released on any alleged promise, representation or warranty for this Release not herein expressly set forth.

4. This Agreement contains the entire agreement and understanding between the parties as to the matters specified herein and supersedes and replaces all agreements on this subject matter, whether written or oral. The terms contained herein may not be modified or amended except in writing signed by the parties. The terms of this Release are contractual and not a mere recital.

5. The undersigned further state that they have carefully read the foregoing instrument; that they know the contents thereof; that they understand and agree to each and every term and condition contained herein; that they signed the same as their own free act and deed; and that they have not assigned any rights released hereunder to any person or organization, private or governmental.

6. The parties hereby covenant and agree that each shall not make, at any time or place, any disparaging remarks, verbally or in writing, concerning any of the parties' actions or perceived omissions, regarding any matter connected with this "Release Agreement" or otherwise take any action that would disparage or cast doubt upon the business acumen or judgment of any other party. Each party understands and acknowledges that each other party's business and reputation are of special, unique, and extraordinary character, which gives them a particular value, the loss of which cannot reasonably be compensated in damages in an action at law. Accordingly, each party further agrees that in addition to any other rights or remedies that any other party may possess at law, any aggrieved party shall be entitled to injunctive and other equitable relief in order to prevent or remedy a breach of the provisions of this Agreement by any other party hereto.

7. The terms of this Release arose from discussions between the parties. Accordingly, no claimed ambiguity in this Release shall be construed against any party claimed to have drafted or proposed the language in question.

8. This Release shall be governed by and construed pursuant to the laws of the State of North Carolina.

9. This Release may be executed in two copies, each of which shall be deemed an original.

IF THE FRANCHISED BUSINESS FRANCHISEE OPERATES UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR IF FRANCHISEE IS A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY:

SECTION 1542 ACKNOWLEDGMENT. IT IS FRANCHISEE'S INTENTION, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY FRANCHISEE OR THE FRANCHISEE PARTIES. FRANCHISEE RECOGNIZES THAT FRANCHISEE OR THE FRANCHISEE PARTIES MAY HAVE SOME CLAIM, DEMAND OR CAUSE OF ACTION AGAINST THE FRANCHISOR PARTIES OF WHICH FRANCHISEE, HE, SHE, OR IT IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH FRANCHISEE, HE, SHE, OR IT IS GIVING UP BY EXECUTING THIS RELEASE. IT IS FRANCHISEE'S INTENTION, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE FRANCHISEE, HIM, HER, OR IT OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT FRANCHISEE, HIM, HER, OR IT FROM ASSERTING IT AGAINST THE FRANCHISOR PARTIES. IN FURTHERANCE OF THIS INTENTION, FRANCHISEE, ON FRANCHISEE'S OWN BEHALF AND ON BEHALF OF THE FRANCHISEE PARTIES, EXPRESSLY WAIVES ANY RIGHTS OR BENEFITS

CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN THE CREDITOR'S FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY THE CREDITOR MUST HAVE MATERIALLY AFFECTED THE CREDITOR'S SETTLEMENT WITH THE DEBTOR."

FRANCHISEE ACKNOWLEDGES AND REPRESENTS THAT FRANCHISEE HAS CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT FRANCHISEE UNDERSTANDS ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENTS THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

If the Franchised Business is located in Maryland or if Franchisee is a resident of Maryland, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

All releases given by the Parties are intended to constitute a full, complete, unconditional and immediate substitution for any and all rights, claims, demands and causes of action whatsoever which exist, or might have existed, on the date of this document. The Parties represent and warrant that they have made such independent investigation of the facts, law and otherwise pertaining to all matters discussed, referred to or released in or by this document as the Releasing Parties, in the Releasing Parties independent judgment, believe necessary or appropriate.

Dated: _____

Franchisee: _____

By _____
Name: _____
Title: _____

EXHIBIT K

FORM OF FRANCHISE COMPLIANCE CERTIFICATION

[NOT FOR USE WITH ILLINOIS, MARYLAND, VIRGINIA, OR WISCONSIN FRANCHISEES. Do not sign this Compliance Certification if you are a resident of Maryland or the business is to be operated in Maryland.]

The purpose of this Certification is to determine whether any statements or promises were made to you that we have not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. Have you received and personally reviewed our Franchise Disclosure Document ("FDD"), Franchise Agreement and each Addendum (if any), and related agreement (i.e., personal guaranty) attached to them?

   Yes or No? _____

2. Did you receive the Franchise Agreement and each related agreement, Addendum, or Amendment (if any), containing all material terms, at least 7 days before signing any binding agreement with us or an affiliate?*

   Yes or No? _____

   * This does not include changes to any agreement mutually agreed upon.

3. Did you receive the FDD at least 14 days before signing the Franchise Agreement, this document or any related agreement, and before paying any funds to us or an affiliate?

   Yes or No? _____

4. Do you understand all of the information contained in the FDD, Franchise Agreement and each Addendum (if any), and related agreement provided to you?

   Yes or No? _____

   If No, what parts of the FDD, Franchise Agreement, Addendum (if any), and/or related agreements do you not understand?

   _____
   _____
   _____
   _____

5. Did you sign a receipt for the FDD indicating the date you received it?

   Yes or No? _____

6. Have you discussed the benefits and risks of purchasing a BRIXX franchise with an attorney, accountant or other professional advisor?

Yes or No? _____

If No, do you wish to have more time to do so?

Yes or No? _____

7. Do you understand that the success or failure of your BRIXX franchise will depend in large part upon your skills and abilities, competition from other businesses, and other economic and business factors?

Yes or No? _____

8. Has any employee or other person speaking on our behalf made any statement or promise concerning the actual or possible revenues or profits of a BRIXX franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes or No? _____

9. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating a BRIXX franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes or No? _____

10. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a BRIXX franchise that is not contained in the FDD or that is contrary to, or different from, the information contained in the FDD?

Yes or No? _____

11. If you have answered "Yes" to any one of questions 8-10, please provide a full explanation of each "Yes" answer in the following blank lines.

_____

_____

_____

_____

12. Do you understand that the Franchise Agreement, Addendum (if any) and related agreements contain the entire agreement between you and us concerning the BRIXX

franchise, meaning that any prior oral or written statements not set out in the Franchise Agreement, Addendum (if any) or related agreements will not be binding?

Yes or No? _____

Nothing in this document or any related agreement is intended to disclaim the representations we made in the FDD that we furnished to you.

13. Do you understand that, except as provided in the FDD, nothing stated or promised by us that is not specifically set forth in the Franchise Agreement, Addendum (if any) and related agreements can be relied upon?

Yes or No? _____

14. You signed the Franchise Agreement, and Addendum (if any) and related agreements on _____, and acknowledge that no agreement or addendum is effective until signed and dated by us.

YOU UNDERSTAND THAT YOUR RESPONSES TO THESE QUESTIONS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS COMPLIANCE CERTIFICATION, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

The individuals signing below for the "**Franchisee Applicant**" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Franchisee Applicant, or constitute the duly authorized representatives or agents of the foregoing.

FRANCHISE APPLICANT:

Signature:_____
Name: _____
Date: _____

Signature:_____
Name: _____
Date: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Pending
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Pending
Washington	Not Registered
Wisconsin	Pending

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

EXHIBIT L
RECEIPT

This disclosure document summarized certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If BRIXX FRANCHISE SYSTEMS, LLC offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment to us or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires you to you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this Franchise Disclosure Document 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If BRIXX FRANCHISE SYSTEMS, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed on Exhibit A.

BRIXX FRANCHISE SYSTEMS, LLC authorizes the states agencies identified on Exhibit A as its registered agent authorized to receive service of process. BRIXX FRANCHISE SYSTEMS, LLC's registered agent in NC is Barbara B. Morgan located at 1810 E. 7th Street, Charlotte, NC 28204.

The name, principal business address and telephone number of each franchise seller offering the franchise is:

☐	☐
ROCKY TRADD	_____
Brixx Franchise Systems, LLC	_____
1810 E. 7th Street	_____
Charlotte, NC 28204	_____
904-536-8005	_____

Issuance Date: March 18, 2026

I have received a disclosure document dated March 18, 2026 that included the following: Exhibit A – Directory of Administrative Agencies/Agents to Receive Service of Process, Exhibit B - List of Franchisees, Exhibit C - Franchisor's Financial Statements, Exhibit D - State Amendments to Disclosure Document, Franchise Agreement and Area Development Agreement, Exhibit E – Brand Standards Manual Table of Contents, Exhibit F – Franchise Agreement, Exhibit G – Area Development Agreement, Exhibit H – First Addendum to Renewal Franchise Agreement, Exhibit I – Agreement and Conditional Consent to Transfer, Exhibit J – General Release, Exhibit K – Franchise Compliance Certification, Exhibit L – Receipts

_____ _____

Date Prospective Franchisee Signature

_____

Printed Name

Return a copy of this receipt to BRIXX FRANCHISE SYSTEMS, LLC at franchise@brixxpizza.com.

KEEP THIS PAGE FOR YOUR RECORDS

RECEIPT

This disclosure document summarized certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If BRIXX FRANCHISE SYSTEMS, LLC offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment to us or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires you to you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 14 calendar days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this Franchise Disclosure Document 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If BRIXX FRANCHISE SYSTEMS, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate state agency listed on Exhibit A.

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The name, principal business address and telephone number of each franchise seller offering the franchise is:

☐	☐
ROCKY TRADD	_____
Brixx Franchise Systems, LLC	_____
1810 E. 7th Street	_____
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_____ _____

Date Prospective Franchisee Signature

_____

Printed Name

Return a copy of this receipt to BRIXX FRANCHISE SYSTEMS, LLC at franchise@brixxpizza.com.